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OF MALTA



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GUIDANCE NOTES

Simplified Scheme under the On-Farm Investment Intervention of the Common Agricultural Policy Strategic Plan

COMMON AGRICULTURAL POLICY STRATEGIC PLAN
(MALTA) 2023 - 2027

Version 1.0

1st April 2024

MANAGING AUTHORITY (EAFRD)

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**Co-funded by
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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.

Notices

HISTORY OF CHANGES		
Version	Publication Date	Change
1.0	15.12.2023	Publication of Call 1

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, XEWKIIJA

Gozo

Gozo Office Opening Hours:

Monday – Friday: 07:00 – 12:30

APPLICANTS BEING ASSISTED BY A THRID 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 obtained from the ARPA Front Office.

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 a 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. is to specifically state 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.

Contents

Notices	3
Definitions.....	7
1.0 Introduction.....	9
1.1 Authorities.....	9
1.2 Scope & Objectives.....	9
1.3 Regulatory Framework.....	10
1.4 Duration	11
1.5 Budget.....	11
1.6 Maximum Grant Value and Aid Intensity	11
2.0 Eligibility.....	11
2.1 Eligible applicants.....	11
2.2 Eligible Actions	13
2.3 Ineligible Actions	13
2.4 Eligible Expenditure	14
3.0 Filling out Part A – Administrative Forms.....	15
4.0 Filling out Part B – Technical Description	16
5.0 Documents to be submitted with the Application	17
6.0 Contact Details of Competent Authorities.....	17
7.0 Assessment and selection	17
7.1 Validation of applications.....	17
7.2 Assessment of Applications.....	17
7.3 Eligibility Criteria	18
7.3.1 General Eligibility Criteria	18
7.3.2 Intervention-Specific Eligibility Criteria.....	18
7.4 Selection of Proposed Investments.....	19
7.5 Unsuccessful applicants	21
7.6 Appeals	21
7.7 Letter of Acceptance	22
7.8 Grant Agreement	22
7.9 Change Requests.....	22

8.0 Contractual Obligations	22
8.1 Durability of Investment	22
8.2 Documentation	23
8.3 Controls and Penalties	23
8.4 Payment Triggers and Management Verifications	24
9.0 Compliance with Community Policy	26
10.0 Overarching Commitments	26
10.1 Data Protection	26
10.2 Transparency	27
10.3 Monitoring, Evaluation and Dissemination	27
10.4 Conflict of Interest.....	27
10.5 Force Majeure.....	27
11.0 Contact Details	28
Annex 3 - Estimate of Works (Template).....	29

Definitions

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

CAP SP regulation: Regulation (EU) No 2115/2021 of 2 December 2021 on support for rural development by the EAFRD, as amended.

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

Common Agricultural Policy Strategic Plan (CAP SP): A document prepared by a Member State or region, and approved by the Commission, to plan and monitor the implementation of the rural development policy.

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.

Cost-effectiveness analysis: Compares the costs and effects of an intervention to assess the extent to which it can be regarded as providing value for money.

CRRB: Change Request Review Board

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 particular support being given.

Grant Award Letter: A letter sent by the MA to selected applicants upon the completion of the selection process in order to inform applicants of its outcome.

Intervention : An aid scheme for implementing a policy. Each Intervention sets out specific rules to be complied with by the projects or actions that can be financed. There are two main types of Interventions: investment Interventions and area-related aid. Productive investments in agricultural holdings are an investment-type Intervention.

Land Registration Identification System (LPIS): The system contains all agricultural areas, registered at the Front Office (ARPA) that may be eligible for a land-based Intervention under the Common Agricultural Policy.

Managing Authority (MA): A national or regional body designated by a Member State to manage a rural development programme.

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

Project Leader: This refers to the person submitting the application or a person who has been delegated authority to represent the applicant organisation. The Project Leader will be contacted directly for matters relative to an on-going project and is expected to have a responsibility in the execution of a project.

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

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

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 the On-Farm Investment Intervention of the Common Agricultural Policy Strategic Plan 2023-2027.

Applicants are advised to familiarise themselves with these Guidance Notes prior to filling in an application form. The Guidance Notes, Application Form and all Annexes and other documentation are available at <http://www.fondi.eu>.

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 the 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 calling order to ensure that the application is considered compliant.

1.1 Authorities

The Funds and Programmes Division (FPD) within the Office of the Deputy Prime Minister and Ministry for European Funds, Equality, Reforms and Social Dialogue 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 (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, 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

Among the various Interventions that are eligible under the CAP SP, the On-Farm Investment Intervention tied to on-farm productive investments aims to fund investment in agricultural holdings including, inter alia, best available techniques to address production, environmental and health issues including precision farming, small investments, modern pesticide management solutions, agricultural diversification, detection of diseases in crops and livestock, farm waste management focusing on the entire territory of Malta.

The envisaged investments under the simplified scheme that will be launched under the On-Farm Investment Intervention will contribute to the following specific objective:

Specific Objective 2: Enhance market orientation and increase competitiveness, including greater focus on research, technology, and digitalisation.

In order to increase their competitiveness, livestock and arable farms may benefit from support through this intervention to invest in new, modern, and efficient equipment that reduces the use of water, fertiliser, pesticides, other inputs, and energy consumption.

Support shall be aimed at improving the profitability of the farming sector by reducing the expenditure on inputs, such as water and energy, and improve returns through quality assurance, productivity and adding value. Better profit margins allow for a more profitable sector that is more attractive and willing to further investment.

These investments will be contributing directly towards Specific Objective 2, however, secondary contributions to other Specific Objectives may also be registered.

Investment for the adoption of techniques and farming systems is supported on condition that it will not cause environmental damage.

The Managing Authority in charge of the Malta's CAP SP, is actively looking at simplifying the implementation of actions tied to on-farm productive investments. Apart from simplifying the application form in itself and ensuring that it can be filled in through an online portal, the MA wishes to go beyond the application process and simplify the reimbursement and verification processes as well.

1.3 Regulatory Framework

The following is a list of the applicable Plan and main Regulations. It stands to be noted this is not an exhaustive list and may be amended/updated accordingly.

The Common Agricultural Policy Strategic Plan that provides support from the European Agricultural Fund for Rural Development.

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.

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.

Regulation (EU) 2021/2117 of the European Parliament and of the Council of 2 December 2021 amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and (EU) No 228/2013 laying down specific Interventions for agriculture in the outermost regions of the Union.

Regulation (EU) 2022/129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 21 December 2021, laying down rules for types of intervention concerning oilseeds, cotton and by-products of wine making under Regulation (EU) 2021/2115 of the European Parliament and of the Council and for the information, publicity and visibility requirements relating to Union support and the CAP Strategic Plans.

1.4 Duration

This Batch of applications shall close on Wednesday 19th June 2024, at noon (1200hrs Central European Time) subject to availability of funds and/or notifications by the MA informing otherwise.

1.5 Budget

The overall indicative budget available for the On-farm Productive Investments Intervention at the level of the CAP SP is €21,387,500 in total (public expenditure). The MA reserves the right to amend the budget allocated.

1.6 Maximum Grant Value and Aid Intensity

Given the large variety of investments that can be applied for under this Intervention, the Managing Authority is introducing a simplified way to apply, verify and process payments under this simplified scheme for small projects up to a maximum of €15,000 in Grant Value under this Intervention. The co-financing rate under this simplified scheme is set at 50% meaning that an applicant may apply for an investment of €30,000 in total cost. Should applicants submit an application for an investment(s) that is(are) larger than €30,000 in total costs, the maximum Grant Value that will be awarded through EAFRD will not exceed €15,000.

2.0 Eligibility

2.1 Eligible applicants¹

Support under the On-Farm Productive Investments Intervention is available to farmers, whether natural or legal persons, who are registered as farmers on the Department of Agriculture database (IACS), Group of Farmers (including inter alia partnerships, cooperatives); and carry out minimum agricultural activity as defined in the CAP SP as explained hereunder. All applicants, being individuals, partnerships, or legal entities need to be registered on their name having their own FIC/profile on the IACS database and for investments concerning horticulture have the land being submitted as part of the application registered on their name with ARPA in the Land Parcel Identification System (LPIS).

For investments carried out on agricultural holdings, applicants must operate farms which are efficient and economically viable defined as agricultural holdings with the below minimum thresholds:

- In the case of livestock agricultural holdings, access for this sub-Intervention will be restricted to holdings with standard output of minimum €15,000 per holding, for all livestock sectors.
- In the case of arable agricultural holdings, access through this sub-Intervention will be restricted to a minimum of 0.3 Ha holdings for outdoor production (eligible hectares).

¹ To clarify, an Agriculture Holding which would be deemed ineligible under a stand alone application, would not be deemed eligible if it were to submit an application along with a, regardless of the eligibility situation of the latter. Such submission i.e. ineligible and eligible applicants, will result in an entirely ineligible application.

- In the case of production under glass as registered with the Department of Agriculture, the applicable area is 50% of the outdoor production.

Restrictive Investment Proposal

For the following three sub-sectors, the definition of efficient and economically viable agricultural holdings shall be the following (and hence the thresholds above per holding shall not apply):

- Productive trees recognised as eligible by the Environmental Resources Authority (ERA) that can be planted, including but not limited to Vineyards and Olive Orchards where the investment proposal is linked to the establishment of at least 1 tumolo of trees (not limited to vineyards or olive orchards continuous area), regardless of the size of the agricultural holding in terms of Standard Output (SO). In this case, the application would be deemed as satisfying the criteria for an efficient and economically viable agricultural holding and the applicant and/or application shall not be subject to further tests on SO eligibility. In such cases where the applicant is eligible for EAFRD on the basis of such projected investment, then the Managing Authority will restrict the type and scope of investment for which the project proposal (ancillary to vineyards / olive orchards) might be linked to.
- Likewise, if an agricultural holding, regardless of size, wants to invest in a minimum of 50 registered bee-boxes, then the application would be deemed as satisfying the criteria for an efficient and economically viable agricultural holding and the applicant and/or application shall not be subject to further tests on SO eligibility. In such cases where the applicant eligible for EAFRD on the basis of such projected investment, then the Managing Authority will restrict the type and scope of investment (ancillary to bee-keeping) for which the project proposal might be linked to.

Full Investments Proposals

In order to access a full investment proposal, the following parameters will apply to these three sub-sectors, and hence will be deemed eligible for support if they possess, at the time of application or as requested by the MA, the following:

- Productive trees recognised as eligible by ERA that can be planted, including but not limited to Vineyards and Olive Orchards: 0.5 hectares of registered Vineyards and Olive Orchards
- Beekeepers: a minimum of 50 registered colonies.

In these cases, the investment proposal will not be limited to the type and scope of investment but will be considered as having met the minimum threshold of standard output and considered as satisfying the criteria for an efficient and economically viable agricultural holding.

Applicants whose application is approved under this simplified scheme will be allowed to re-apply for this simplified scheme ONLY once the first approved project has been completed. Such Beneficiaries may also apply under the same Intervention for a different call which caters for large projects, as well as under different Interventions issued through separate calls.

2.2 Eligible Actions

The target group of this simplified scheme under the On-Farm Investment Intervention will cover *inter alia* the following:

Agricultural holdings: Investments aimed towards farm modernisation to support value added activities.

Precision livestock farming: Livestock farms will benefit from support to invest in more efficient equipment and innovative systems that aim to achieve sustainable animal production systems through, inter alia, automation of production processes, constant animal monitoring allowing early detection of health and welfare issues, and availability of reliable information for farmers for a proper decision-making process. Investments in livestock must be strictly related to an agricultural activity (investments related to Equidae such as but not limited to horse stables are excluded).

Pesticide equipment: Investments in pesticide equipment to facilitate environmental and climate sustainability, whilst improving competitiveness and modernisation.

Improve farm waste management: Support will be provided to farmers to improve their on-farm waste management practices through alternative solutions including adoption of best available techniques that contribute to sustainable waste management.

Eligible actions under this call targets investment in agricultural holdings and may include, but are not limited to, investments addressing production and environmental aspects.

Eligible costs will consist of:

- Building/restoration/conservation of on-farm infrastructure
- Purchasing of equipment and/or machinery for on-farm agricultural purposes
- Overheads at a rate of 7% of the total direct eligible costs in line with Article 83(2)(c) of Regulation (EU) 2021/2115 and Article 54(a) of Regulation (EU) 2021/1060.

Expenditure is considered to be eligible expenditure and therefore eligible for reimbursement **only** if it has been incurred **after** an application has been submitted to the Managing Authority and an acknowledgement is issued by the Managing Authority.

2.3 Ineligible Actions

The following actions shall not be eligible for support under this call for applications:

- Actions that are not in conformity to applicable environment and planning legislation and policy.
- Actions which are proposed to be implemented on farm or land and which are not registered on the name of the person applying.²
- Actions that require a Planning Authority Permit and which permits to perform work (executable) are not in hand at the time of application.

² Applicant must have right of use as recognized by MAFA

- Investments in irrigation systems.
- Simple replacement investments.
- The purchase of agricultural production rights, payment entitlements, livestock, annual plants, and their planting.
- Second-hand machinery and/or equipment.
- Drainage works in connection with human domestic sewage
- Investments to comply with Union standards, with exception of aid granted to young farmers within 24 months from the date of their setting-up.
- Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads, and insurance charges.
- Expenditure/costs linked to interventions that are, at the time of application, directly (i.e. the specific investment) served by a breach notice by respective responsible authorities including the Environment and Resources Authority (ERA) and the Planning Authority (PA).
- Contingencies and/or losses made by the Applicant.
- Statutory fines and penalties.
- In kind contributions.
- Canopies, excluding canopies for livestock housing
- Vertical Green Walls.
- Purchase or lease of land.
- Purchase of Soil and Soil Improvement Interventions
- Investments in structures, the primary purpose of which is marketing/sale of produce.
- Investments related to Equidae such as, but not limited to, horse stables

The list above is not exhaustive, and the MA may update this list from time-to-time. Where in doubt, it is advisable to speak to the Managing Authority.

2.4 Eligible Expenditure

The Managing Authority will be applying the concept of a draft budget to this simplified scheme in line with Article 83(2)(b) of Regulation (EU) 2021/2115. This will entail the following:

- In the case of equipment/machinery, one quotation is to be submitted in line with the needs of the applicant and the eligibility framework of the scheme, dated within the previous six months prior to submission of application and obtained from an external and unrelated supplier to the applicant. And/or:
- In the case of the building/restoration/conservation of on-farm infrastructure, the applicant should submit a Bills of Quantity signed by a warranted architect listing the works that will be carried out.

The overall draft budget to be requested by any applicant will be based on:

- The full amount indicated on the Bill of Quantity when it comes to building/restoration/conservation of on-farm infrastructure. This type of investment may also require a Planning Authority Permit, clearly outlining the PA number. In such cases where this is applicable, the Planning Authority permit is to be submitted at application stage. And/or,

- The full cost of one quotation when it comes to equipment and/or machinery for on-farm agricultural purposes. And
- An automatic 7% flat rate of the total direct eligible costs in line with Article 83(2)(c) of Regulation (EU) 2021/2115 and Article 54(a) of Regulation (EU) 2021/1060. The budget allocation covered by this automatic flat rate is specifically for overhead costs incurred by any Beneficiary who carries out an EU-funded project. No documentation needs to be provided by applicants in order to be awarded this flat rate.

The list of documents and management verifications that are expected to be in place in order for payments to be processed are further explained in Section 8.4 of these Guidance Notes.

Nonetheless, the Project Selection Committee reserves the right to request that management verifications in respect of certain Grant Agreements are commensurate and proportionate to the investment requested, which may require additional supporting documentation to ensure that the investment put in place is in line with the investment approved. Such additional checks/supporting documentation to trigger the final payment will be clearly outlined in the Grant Agreement.

Beneficiaries are reminded that they are obliged to purchase the equipment and/or machinery from the service provider whose quotation was presented at application stage and approved by the Project Selection Committee.

3.0 Filling out Part A – Administrative Forms

- **Project Title:** Name your project in a way that it can be easily understood and captures the gist of your project. Must be within 15 words.
- **Project Duration:** Insert the number of months required to complete the proposed project. The maximum project duration is 6 months for equipment and machinery and 12 months for infrastructural investment. The actual project duration in months will be calculated from the date of the signing of the grant agreement.
- **The applicant:** Tick the box according to whether you are a full-time/part-time farmer
- **Nature of Activity/Business:** Tick if you are applying as an individual farmer, in partnership or as a legal entity.
- **Applicant's Information:** Fill-in only the section that is relevant according to the nature of the activity which you ticked.

- **Details of the contact person for the application:** In case a third party (such as consultant/advisor) is filling in this application and will be responsible for any queries in relation to the application, then the information of the contact person is to be entered here.

4.0 Filling out Part B – Technical Description

Proposal: This is a critical section of the application form. Provide a well-focused and coherent description of the central purpose of the proposed investment and alignment to the policy objectives³, listing all the investments being requested for funding in a clear manner (40 - 70 marks)

Location(s) of Investment: In the case of building/restoration/conservation, the applicant is requested to submit the Parcel ID where the investment will be made.

Project Indicators: The indicators tied to the On-Farm Productive Investment Intervention are as follows:

Indicator Type	Indicator Name
Output	O.20 – <i>Number of supported on-farm productive investment operations or units</i>
Result	R.16 – <i>Share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials</i>
Result	R.26 - <i>Share of farms benefitting from CAP productive and non-productive investment support related to care for the natural resource</i>
Result	R.3 - <i>Share of farms benefitting from support for digital farming technology through CAP</i>
Result	R.44 - <i>Share of livestock units (LU) covered by supported actions to improve animal welfare</i>
Result	R.9 - <i>Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency</i>

Information tied to the indicator(s) that each Grant will be contributing to will be assessed by the Managing Authority. The applicant is not required to submit any information in this regard.

³ The proposed policy objectives contributes to economic sustainability, environmental sustainability (climate mitigation & adaptation/ conservation of biodiversity, conservation of soil, resource efficiency and animal welfare

5.0 Documents to be submitted with the Application

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

Disclaimer: The submission of an application form and its subsequent acknowledgment does not imply that the application is being automatically accepted and/or rejected. The outcome of the evaluation of any individual application will be communicated to each applicant following an assessment carried out by the Project Selection Committee (PSC).

6.0 Contact Details of Competent Authorities

- The Tax Compliance Certificate can be acquired by contacting of the Commissioner for Revenue

Tel No: 22962755

Email: certificates.cfr@gov.mt

OR

Using the E-ID online services

7.0 Assessment and selection

7.1 Validation of applications

The Managing Authority will undertake a validity check of all applications that are received. Should any required documentation be missing from the Application Form, the Managing Authority shall notify the Applicant through a notification letter. Any required documents that are found to be missing from the Application Form are to be submitted within the specified period from the date of the notification letter.

Only complete applications will be considered by the Project Selection Committee. Applications that remain incomplete after the specified 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.

7.2 Assessment 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 outlined in Part B – Technical Description.

The Project Selection Committee will award marks according to the criteria and rank projects according to the marks obtained. In order to qualify for selection, the proposal needs to obtain at least 50% of the total marks of the selection criteria.

During the assessment and selection process, checks will also be carried out to assess the reasonableness of the cost presented where applicable. The Project Selection Committee may seek clarifications on the costs and specifications presented, issue rectification procedure(s) for missing supporting documentation, reserves the right to peg the grant to an amount that it deems reasonable, and/or reject applications that do not satisfy the identified criteria.

The PSC will also carry out checks on the quotation submitted with each application to ensure that the applicant and the supplier providing the quotation are not related in line with Commission Notice 2021/C 121/012 on *Guidance on the avoidance and management of conflicts of interest under the Financial Regulation*.

Furthermore, the Project Selection Committee reserves the right to carry out on the spot verifications to confirm that the investment for which funding has been applied for is not already in place and that the quotation(s) presented was obtained from suppliers or service providers who are not related to the applicant.

The Project Selection Committee reserves the right on a case-by-case basis to request that management verifications in respect of certain Grant Agreements are commensurate and proportionate to the investment requested, which may require additional supporting documentation to ensure that the investment put in place is in line with the investment approved. Such additional checks/supporting documentation to trigger the final payment will be clearly outlined in the Grant Agreement.

7.3 Eligibility Criteria

All valid applications shall be assessed against the eligibility criteria that have been established for the CAP SP 2023-2027. Eligibility criteria consist of two sets: general eligibility criteria and Intervention-specific eligibility criteria.

It is important to note that all applications need to conform to/fulfil ALL general and Intervention-specific eligibility criteria in order to be considered for ranking and selection.

The Managing Authority reserves the right to revise the eligibility criteria applicable to the Intervention, subject to pre-notification.

7.3.1 General Eligibility Criteria

The following are the general eligibility criteria to which the application must conform:

- a. Submitted application is fully completed/filled-in
- b. Applicant demonstrates that the applicant forms part of (or is the legal representative) the beneficiary/applicant organisation.
- c. The proposed project will be implemented within the eligible territory.

7.3.2 Intervention-Specific Eligibility Criteria

The following are the Intervention-specific eligibility criteria to which the application must conform:

- a. Farmers, whether natural or legal persons must be registered on the Department of Agriculture database (IACS) and Jobs Plus.

7.4 Selection of Proposed Investments⁴

Selection criteria are designed to assess the fit and contribution of project proposals with the CAP SP strategy, its target group, and its objectives. In view, that this Intervention will be issued in a simplified format, a brief description of the project and the sequence/clarity of the project will be required.

For a project to be considered for funding, it must obtain at least 50% of the marks available in total (both general and Intervention-specific criteria). Projects will be ranked according to marks and funds allocated to those projects which obtain the highest marks. In cases of over-demand for funding, other projects which obtain the pass mark, but which are not funded/selected will be placed on a reserve list according to marks obtained and funding offered if and when funds become available.

The voting members shall decide how the project proposal addresses each of the criteria and assign points according to the following guide:

⁴ The applicant shall keep in mind that the information and documentation submitted in the application form shall be used for scoring purposes against this list of criteria and thus it is in the applicants' interest to be comprehensive when providing such information.

Selection criteria			
Criterion	Marks (max)	Sub-criteria	Guidance to applicants
Applicant	10 marks	<ul style="list-style-type: none"> The Applicant is a Young Farmer (5 marks)⁵ The Applicant is certified in-conversion or Organic Farmer (5 marks) 	No input is expected from the applicant in the application form. Check on these sub-criteria will be carried out through National databases.
Quality of operation proposal and alignment to the policy objectives	90 marks	<p>Clarity & Sequence – 70 marks</p> <ul style="list-style-type: none"> The central purpose of the investment is identified and demonstrates potential of improvements of the Applicant's agriculture activity. (40 marks). The central purpose of the proposed investment is clear and complimentary from a technical point of view. It is well-focused and coherent when presenting its operational benefits (70 marks). 	The applicant is guided to provide a well-focused and coherent description of the central purpose of the proposed investment and alignment to the policy objectives, listing all the investments being requested for funding in a clear manner

⁵ Under 41 years of age

		<p>Description – 20 marks</p> <p>Adequate description of the purpose of the proposal and its alignment to the policy objectives (as may also be guided through the application process). The consideration shall be proportionate to the level of funding being requested.</p> <ul style="list-style-type: none"> • The proposed investment contributes to further farm economic sustainability (10 marks) • The proposed investment contributes to environmental sustainability (climate mitigation & adaptation/ conservation of biodiversity, conservation of soil, resource efficiency, animal welfare) (10 marks) 	
Total Score:	100 marks	<i>Operations with the highest total score are prioritised.</i>	
Pass mark	50 marks		

For the purpose of project selection, the simplified On-Farm Productive Intervention for small projects in carries a total maximum scoring of 100 marks.

NB: In case that applicants submit an application for investment that will go over and above the maximum €15,000 grant that will be made available through this scheme, for accepted applications, management verifications will focus solely on the investments that will be directly funded through EAFRD.

7.5 Unsuccessful applicants

The Project Selection Committee will inform all applicants about the outcome of the selection process.

7.6 Appeals

Applicants who feel aggrieved by the outcome of the procedure have the right of appeal with the Project Selection Appeals Board (PSAB) within five (5) working days from the date of the letter of rejection by the PSC.

The same application cannot be considered as being under PSAB and PSC consideration concurrently. As stated above, only the application undergoing a PSAB procedure will be under consideration (by the PSAB).

7.7 Letter of Acceptance

The Project Selection Committee will issue a letter of acceptance to successful applicants informing them of the outcome the project selection process. Letters of acceptance may include conditions which have been raised by the Project Selection Committee which conditions need to be adhered to.

7.8 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 Managing Authority by signing the Grant Agreement. Selected applicants that do not come forward to sign the grant agreement within the stipulated timeframes will have the award withdrawn.

7.9 Change Requests

Change requests will be entertained by the MA in cases where the Beneficiary requests additional time to put the investment in place and to make it operational.

8.0 Contractual Obligations

Upon signing the Grant Agreement, the Beneficiary becomes legally bound by certain provisions.

8.1 Durability of Investment⁶

For investments up to €50,000 the durability period obligations will extend to one (1) year from the final payment to the beneficiary. For investments between €50,000 and €200,000 the durability period obligations will extend to three (3) years from the final payment to the beneficiary. For investments over €200,000 the durability period obligations will extend to five (5) years from the final payment to the beneficiary. This obligation is tied to investments in infrastructure and/or to productive investments and is applied regardless of the size of the beneficiary. Beneficiaries must ensure that such investments are not subject to any of the following situations within this identified period:

- Cessation or transfer of a productive activity outside the NUTS level 2 region in which support was received.
- Change in ownership of an item of infrastructure which gives to a firm or body an undue advantage.

⁶ It is being clarified that in line with the obligations under the CAP SP, a change in ownership of an item of infrastructure **is not possible**. This means that the beneficiary has to maintain ownership of the assets purchased by EU funds and the beneficiary has to ensure that the acquired assets are kept in good condition during and after the implementation of the project. Breach of such obligation will lead to a full recovery of any support paid.

- Substantial change affecting the nature, objectives or implementation conditions which would result in undermining the original objectives of the concerned investments.

Investments will be subject to ex-post on-the-spot checks. Failure to comply with the obligation for the durability of investments may result in recoveries.

The investment has to be in place and operational at the time a payments is presented for processing.

8.2 Documentation

Without prejudice to national legislation or practices that require a longer period for the retention of documents as well as to the rules governing State Aid, where applicable, all supporting documents related to a project supported by the Funds are to be kept, at the appropriate level, in an acceptable format, for at least a 5-year period from 31 December of the year following the submission of the accounts in which the last expenditure of the project is included.

These documents should be kept in the format as indicated by the Managing Authority so that they can be made available as required by the relevant stakeholders including the Programme auditors, the European Commission and the Court of Auditors, etc. unless otherwise decided by the Managing Authority.

8.3 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 Managing Authority (MA) – Funds and Programmes Division (FPD), Office of the Deputy Prime Minister and Ministry for European Funds, Social Dialogue and Consumer Protection,
- b. The Paying Agency (PA) – Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fishing, and Animal Rights (MAFA),
- c. The Certifying Body (CB) – Internal Audit and Investigations Department (IAID), Office of the Prime Minister (OPM),
- d. The National Audit Office (NAO)
- e. The Audit Services of the European Commission (EC)
- f. The European Court of Auditors (ECA)
- g. And any other national or EU entity which has a legal right to carry out verifications on public funds awarded.

Maltese Authority reserve the right to suspend the disbursement of grant fund or to recover any funds disbursed to the Beneficiary in any of the following circumstances: a) Non-compliance with the terms and conditions of the Grant Agreement, including but not limited to failure to achieve operation's objectives, milestones, or financial reporting requirements;

b) Mismanagement or financial irregularities, including but not limited to unauthorized use of funds, false declarations, or fraudulent activities;

- c) Breach of EU regulations, applicable laws, or any other relevant legal requirements governing the use of EU funds, including the National Eligibility rules, the Manual of procedures, and any specific guidelines issued by national authorities;
- d) Unauthorized expenditure or ineligible costs not in line with the approved operation/budget or outside the scope of the project;
- e) Suspicion of Fraud, Corruption, Conflict of Interest, Double Funding, or any other misconduct that puts at risk the EU financial interest, the fulfillment of the conditions triggering the payment of lump sums, unit costs, or flat rates, including, where required, the achievement of outputs and/or results.
- f) Actual, potential, or perceived reputational harm and/or unwarranted or unfavorable publicity to the Managing Authority, the Government of Malta, national and/or EU institutions, and/or EU funds.
- g) Any other justifiable reason deemed by the Managing Authority to warrant suspension or recovery of funds provided that such actions are consistent with EU regulations and principles.

8.4 Payment Triggers and Management Verifications

Administrative checks on applications for support shall ensure the compliance of the operation with applicable obligations established by Union or national law or by the Common Agricultural Policy Strategic Plan.

In view of the simplified framework under which this scheme is being launched, the following documentation and management verifications are being outlined:

Payment Trigger(s)

The following documents need to be presented by the Beneficiary to the Paying Agency in order to trigger payment. **Given the short timeframe tied to the implementation of the selected projects under this simplified scheme, payments will only be affected at one go once the investment is confirmed to be in place and operational.** No interim payments will be allowed. Every Beneficiary is asked to present one Claim for Reimbursement including all the approved investments / costs in one go.

In the case of the Overheads component, Beneficiaries do not need to provide any documents to trigger this payment. All that is required, is to include the allocated amount on the Claim for Reimbursement. Should the Beneficiary fail to carry out a part of the investment that was approved in the Grant Agreement, the Overheads component will be recalculated and paid at 7% of the eligible investment that was found to be in place and operational, subject to a maximum grant value of EUR 15,000.

<u>Approved Investment Type / Cost</u>	<u>Documents required from the Beneficiary to trigger reimbursement</u>
<u>In all circumstances</u>	- <u>Claim for Reimbursement</u>
<u>Equipment and/or Machinery for on-farm agricultural purposes</u>	- <u>Product guarantees (where applicable)</u> - <u>Proof of payment⁷</u>
Building/restoration/conservation of on-farm infrastructure	- <u>Architect declaration confirming that the investment carried out is completed, functional and in line with all applicable permits and Regulations in cases where applicable building permits are necessary</u> - <u>Applicable building permits as may be required by law where applicable</u> - <u>Proof of payment</u>
<u>Overheads</u>	- <u>No additional documents need to be provided</u>

Management Verification(s)

Management verifications are an essential component in all EU-funded projects in order to ensure compliance with applicable Regulations, to promote accountability and transparency, manage risks, monitor performance, maintain sound financial management, meet legal requirements, facilitate accurate reporting, and enhance the overall quality of the project. These verifications are an essential component of the EU funding process, helping to safeguard the proper use of EU funds and the achievement of project objectives.

In line with the simplified manner in which this scheme will be implemented verifications on approved Grant Agreements shall ensure that the investments are in place, functional and operational and that the conditions for support have been fulfilled, as follows:

- Physical on-the-spot verificationsThe scope of these verifications will be to ensure that the costs included in the Claim for Reimbursement presented to the Paying Agency for payment processing, are in place and operational.
- Desk-based verifications will be carried out on the paperwork provided with the Claim for Reimbursement to ensure that the costs being claimed are in line with the conditions outlined in the Grant Agreement. Other desk-based verifications may include, but are not limited to, potential double funding, durability checks, separate accounting system/adequate accounting code.

The Paying Agency will be issuing a standard template that is to be used as a Claim for Reimbursement by every Beneficiary under this simplified scheme.

⁷ These should be limited to bank transfers and/or encashed cheque image and fiscal receipts.

9.0 Compliance with Community Policy

Each Grant Agreement will endeavour to preserve the **Horizontal Principles** and respect the fundamental **Human rights** that underpin all EU-funded projects. These principles promote impartiality, openness, and accessibility for individuals with disabilities, fostering inclusiveness and equal opportunities for all participants involved in the projects.

Gender equality is a fundamental aspect of these principles recognizing the importance of empowering all genders to contribute meaningfully to the development and execution of each project.

To foster a **harmonious and sustainable environment** for all, EU-funded projects must abide by the **Charter of Fundamental Rights of the European Union**, ensuring that the rights and freedom of all EU citizens are respected. Project activities, decisions, and actions must not violate or infringe upon the rights and dignity of individuals or groups, as defined by Maltese and international law, and wherever possible, promote the creation of an equal and just society.

The principle of **sustainable development** is of paramount importance, reflecting our commitment to meeting the needs of the present without compromising the ability of future generations to meet their own needs. Malta firmly believes in upholding the Union policy on the environment, as stipulated in Article 11 and Article 191 (1) Treaty on the Functioning of the European Union. All projects are required to comply with environmental regulations. This includes fully respecting the Union environmental acquis and national legislation pertaining to environmental protection. Projects should aim to avoid or minimize adverse environmental, social, and economic impacts, striving to prevent significant harm to ecosystems, natural resources, cultural heritage, and human health.

In recognition of the crucial role played by **innovation** in driving economic growth and societal progress, this guiding principle is critical and incorporated into Malta's funding framework. By emphasizing and promoting this principle, the aim is to encourage and nurture innovative initiatives that showcase exceptional promise and potential. EU funded projects should aspire to support and promote innovative initiatives that exhibit exceptional potential, thereby ensuring the efficient and effective allocation of EU funds to projects that can truly make a difference in shaping Europe's future.

10.0 Overarching Commitments

10.1 Data Protection

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.

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.

10.2 Transparency

Because all EU-funded projects 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 Malta's Common Agricultural Policy Strategic Plan 2023-2027. A list of Beneficiaries who receive payment is published to ensure maximum transparency.

10.3 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.

10.4 Conflict of Interest

Checks and balances to ensure that situations that may give rise to actual and/or perceived conflict(s) of interest are vital in order to safeguard the ethical and transparent use of EU funds, fosters fair competition, builds trust, and ensures compliance with legal requirements, ultimately contributing to the success and legitimacy of EU-funded projects.

In line with Article 61 of the Financial Regulation (EU, Eurotom) 2018/1046 of 18th July 2018⁸, the Ministry responsible for EU Funds, together with ARPA, carry out the necessary verifications to ensure that no conflict of interest arises at any stage of a project's lifecycle. Should a conflict of interest be detected, the applicant/Beneficiary will be notified to ensure that such instances do not prejudice the EU budget at large. The relevant authorities reserve the right to take any remedial actions that may be deemed necessary in such situations.

10.5 Force Majeure

Force majeure is generally considered to imply an abnormal or unforeseeable circumstance beyond the Beneficiary's control, the consequences of which could not be avoided by reasonable action. In cases of force majeure or exceptional circumstances a beneficiary is to notify the Force Majeure Board in writing including any relevant supporting documentation within fifteen working days from the date on which the beneficiary or the person entitled through him/her is in a position to do so.

⁸ Financial Regulation (EU, Eurotom) 2018/1046 of 18th July 2018 on the financial rules applicable to the general budget of the Union.

11.0 Contact Details

For more information regarding the On-Farm Productive Investments Intervention, kindly contact the Funds and Programmes Division through the following contact information and by referring specifically to this Intervention, or visit www.fondi.eu.

Address:

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

Telephone Number: (+)356 2555 2555

E-mail: communications.efunds@gov.mt

Website: www.fondi.eu

Annex 3 - Estimate of Works (Template)

Construction projects consist of a number of major components or chapters, such as earthworks, concrete, masonry, roofing, etc that may cover new construction projects, restoration or upgrading among others. In order to aid the Project Selection Committee assess the grant requested and arrive at a sound decision, applicants are required to present a filled-in Estimate of Works by an Architect of their choice. This template is NOT a Bills of Quantity. It is meant as a general estimate of the overall costs for construction projects to arrive at an estimated budget. Full and detailed Bills of Quantity should be presented at payment stage only.

Category of Cost	Estimate in Euro exc. VAT	Estimate in Euro inc. VAT
Planning and Professional Fees		
Civil Works		
Mechanical / Other Services		
Plant (equipment)		
Finishes (including apertures)		
Others... <i>[architect to specify]</i>		
Sub-Total		
Contingency up to 15%		
TOTAL		

With respect to the category *Plant (equipment)* applicants should briefly mention in point form the equipment foreseen to be covered by this Estimate of Works. This information is necessary to help the Project Selection Process ascertain the relevance of such equipment to the overall actions of the project. This information is not to be construed as a definite list of equipment that may be funded through EAFRD.

The category *Contingency up to 15%*, refers to additional funds set aside to account for unforeseen circumstances or events that may arise during the project's execution. Although the Project Selection Committee may approve this category of cost up to 15% of the remaining budget, approved Beneficiaries will need to substantiate every expenditure when presenting payment claims for processing at payment reimbursement stage.

Name and Surname

(Block Capitals)

Signature of Professional

Date:
