



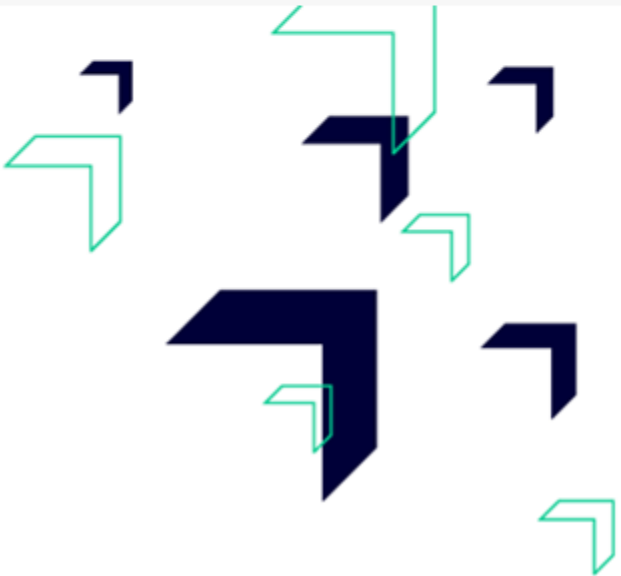
GOVERNMENT
OF MALTA



FONDI.eu

Business Enhance Grant Schemes

Status of 21-27 ERDF Schemes and next steps



Co-funded by
the European Union

Schemes to date:

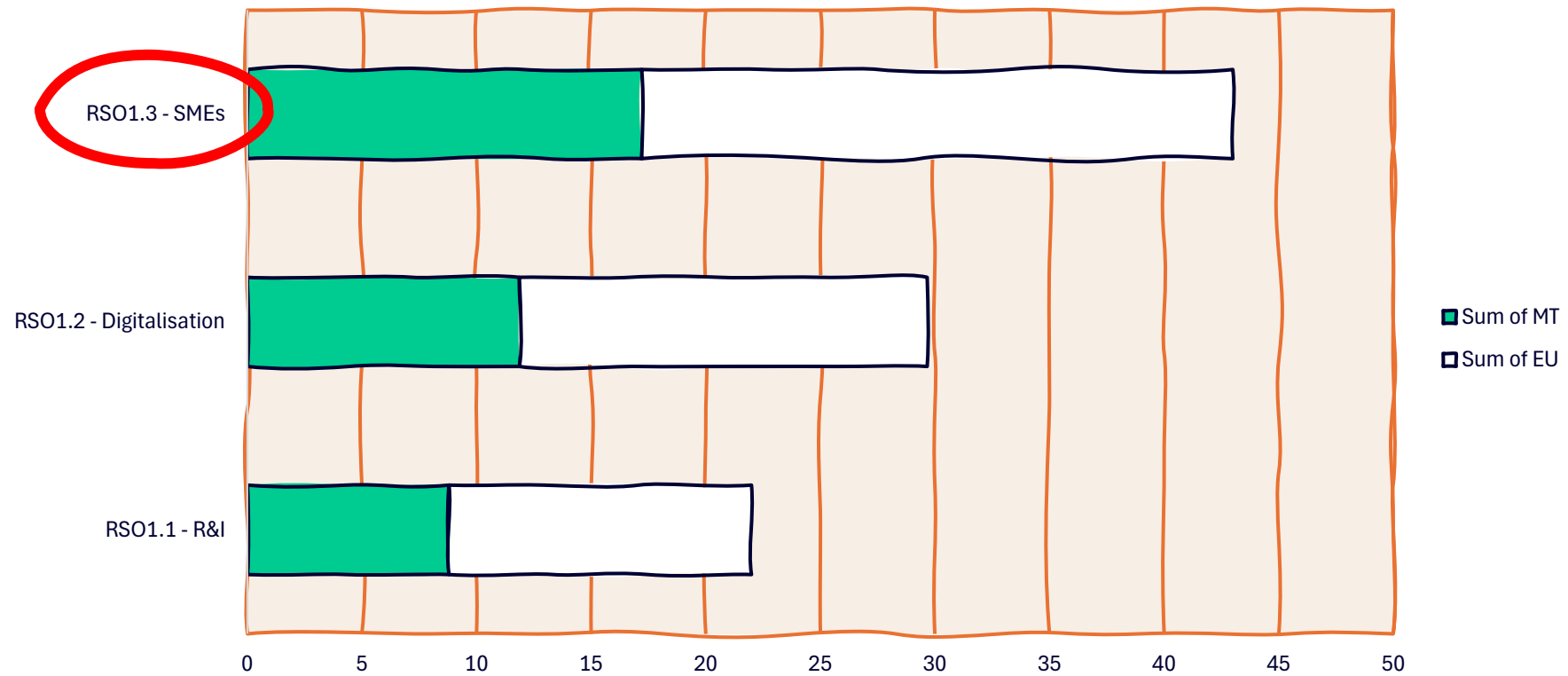
- **SME Enhance (de minimis)**
 - **SME Enhance (GBER)**
 - **Start-Up Enhance**
 - **Business Reports**
- } **RSO1.3**

Issued in 1 June 2023 the day after closure of 14-20 applications

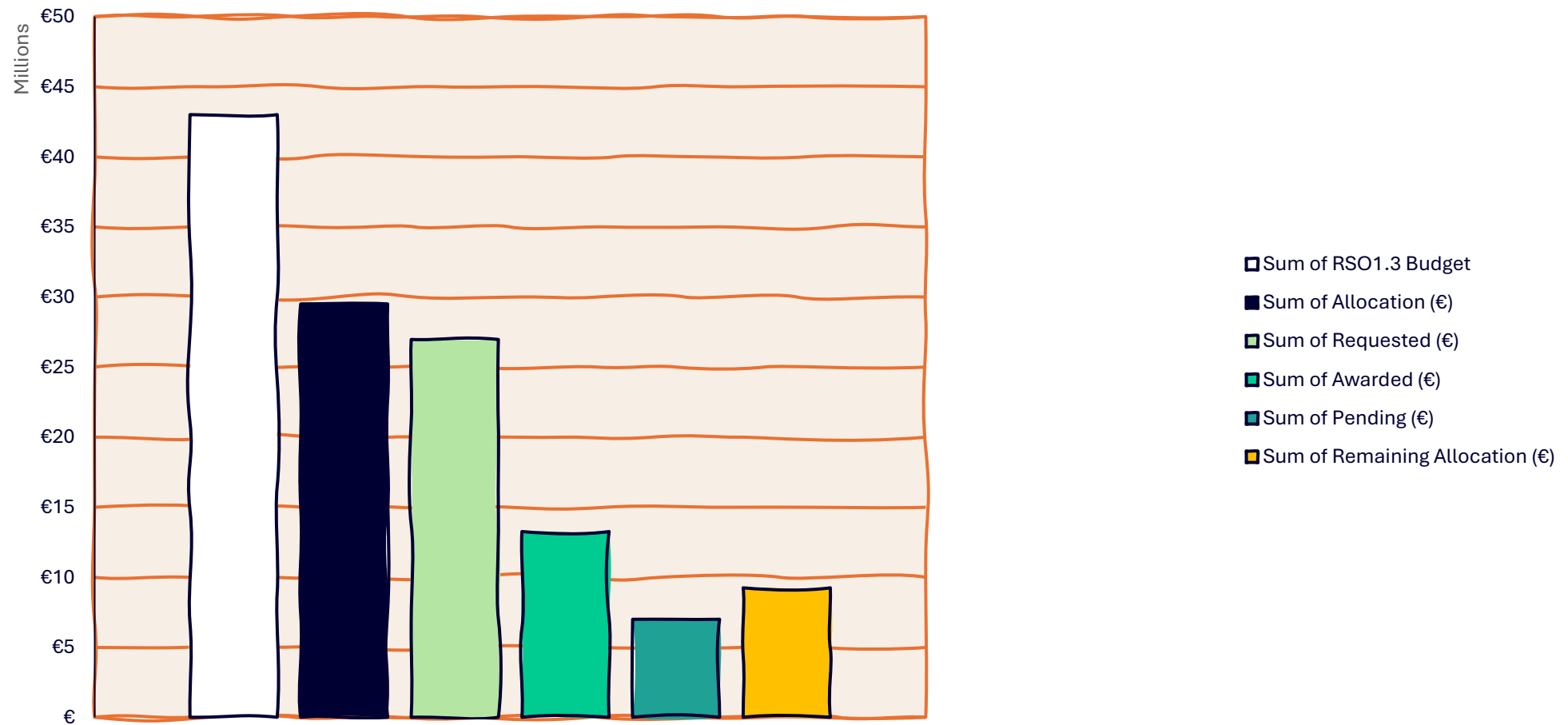
- **Feasibility Studies** — **RSO1.1**

Issued on 15 June 2024

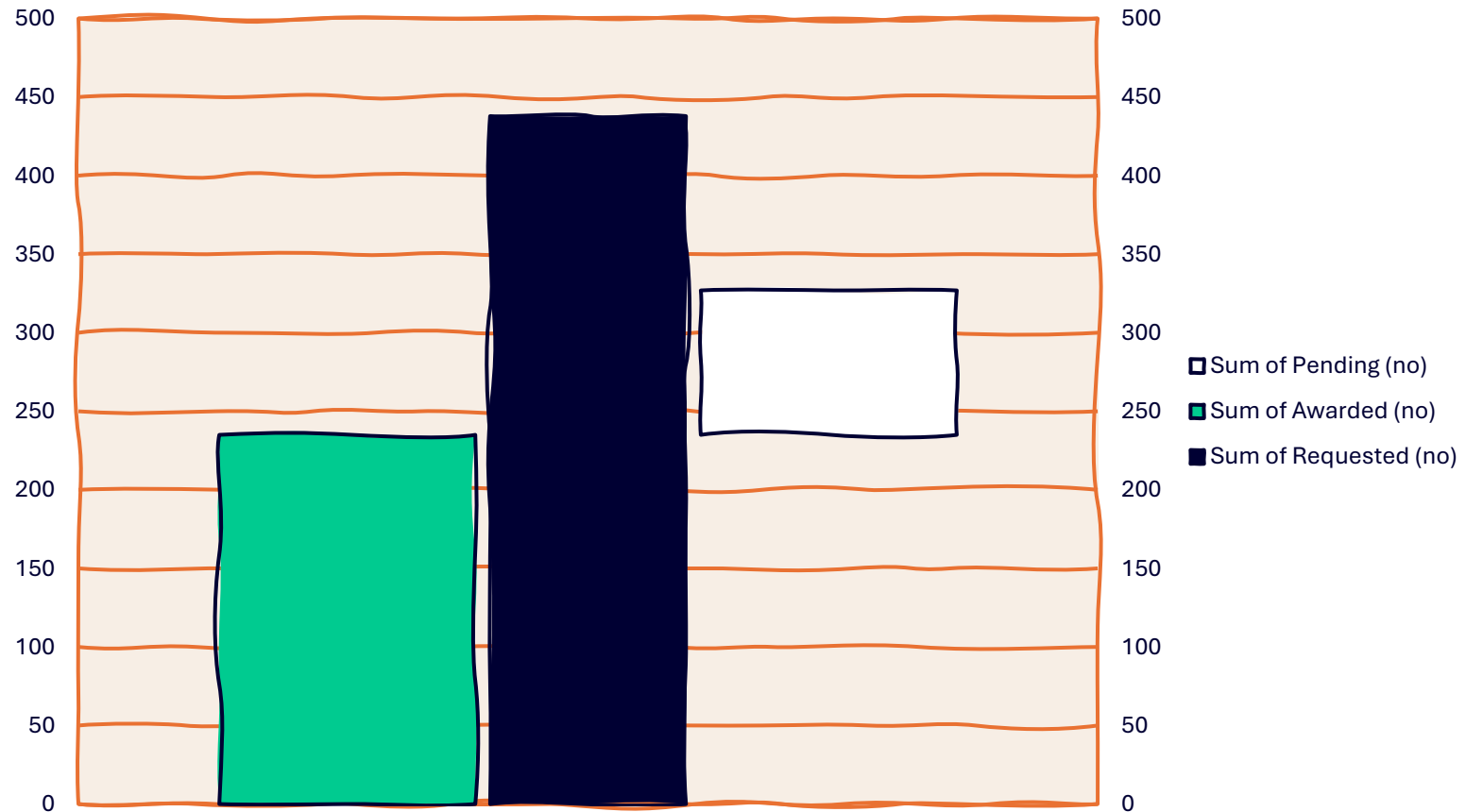
The Programme



RSO1.3 - Commitment Status

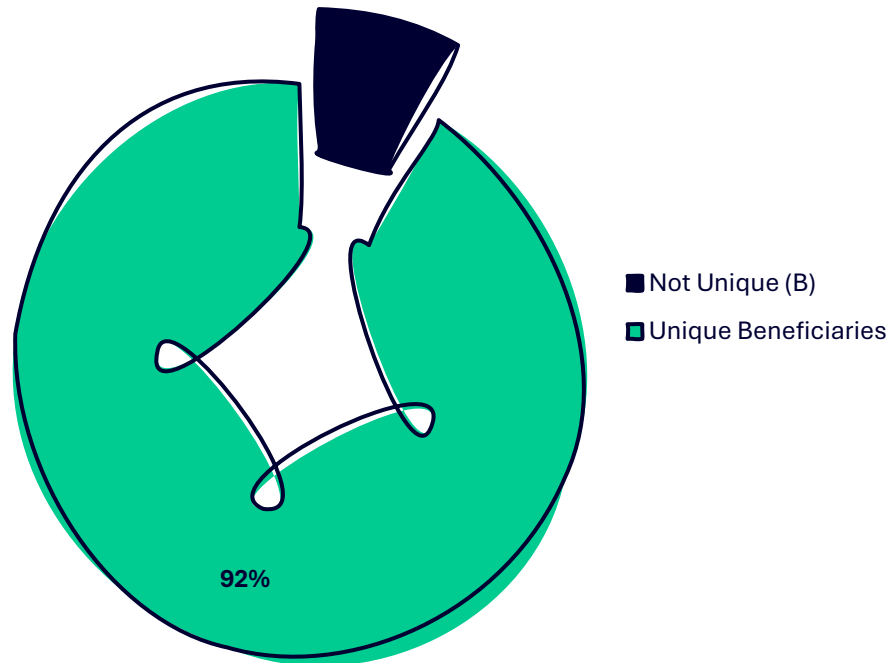


Applications received and accepted

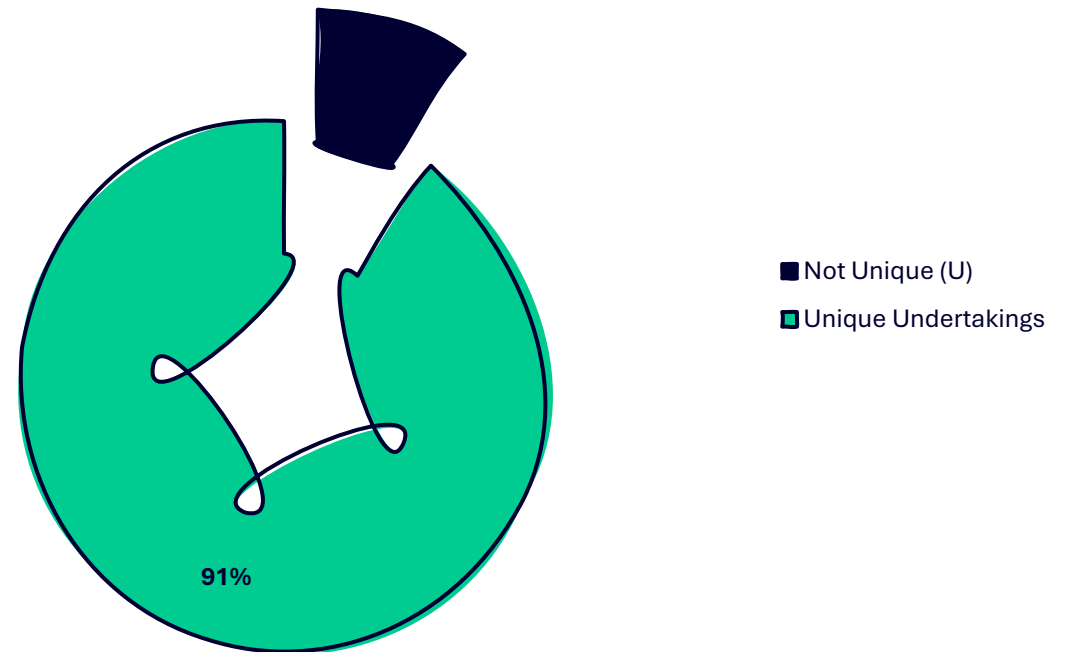


Beneficiaries

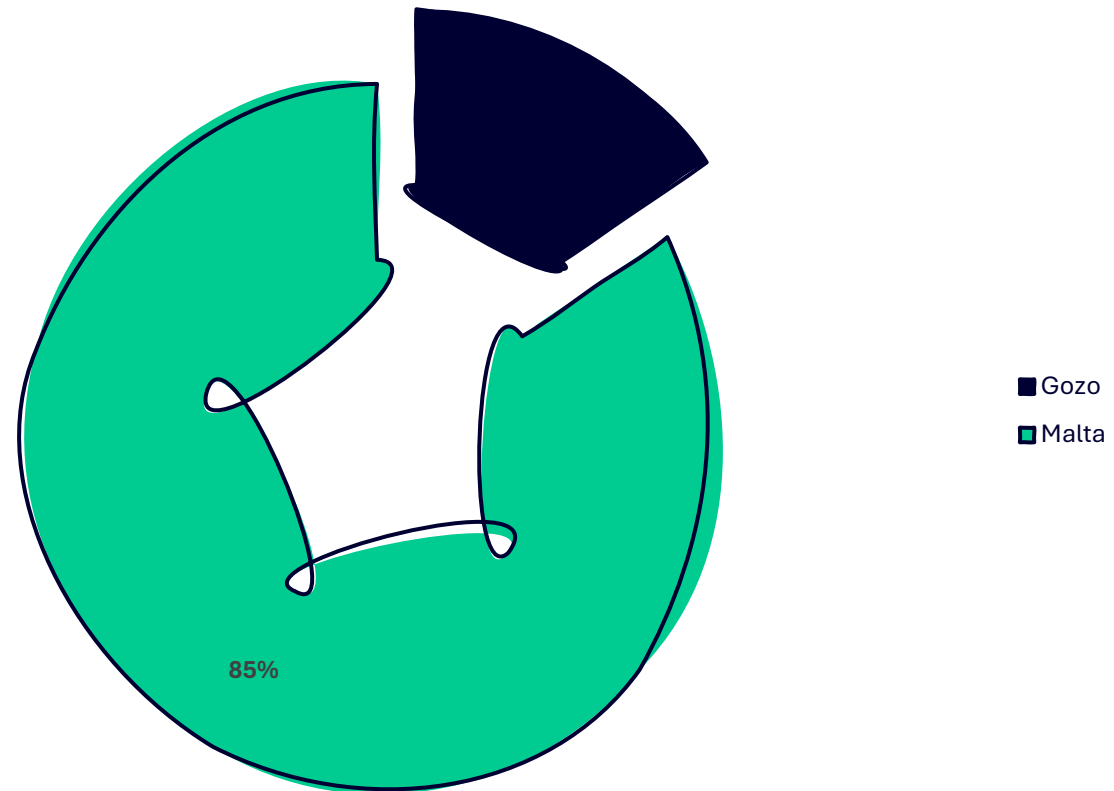
Beneficiaries



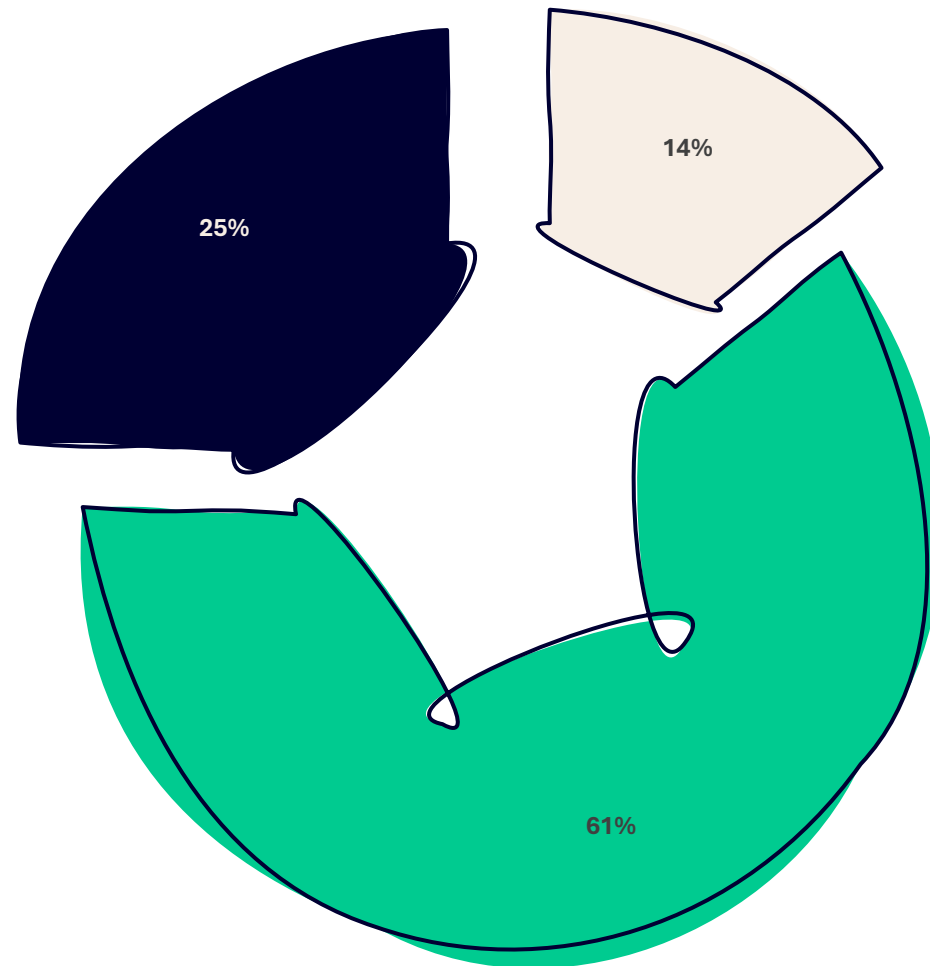
Undertakings



Beneficiaries: Malta/Gozo

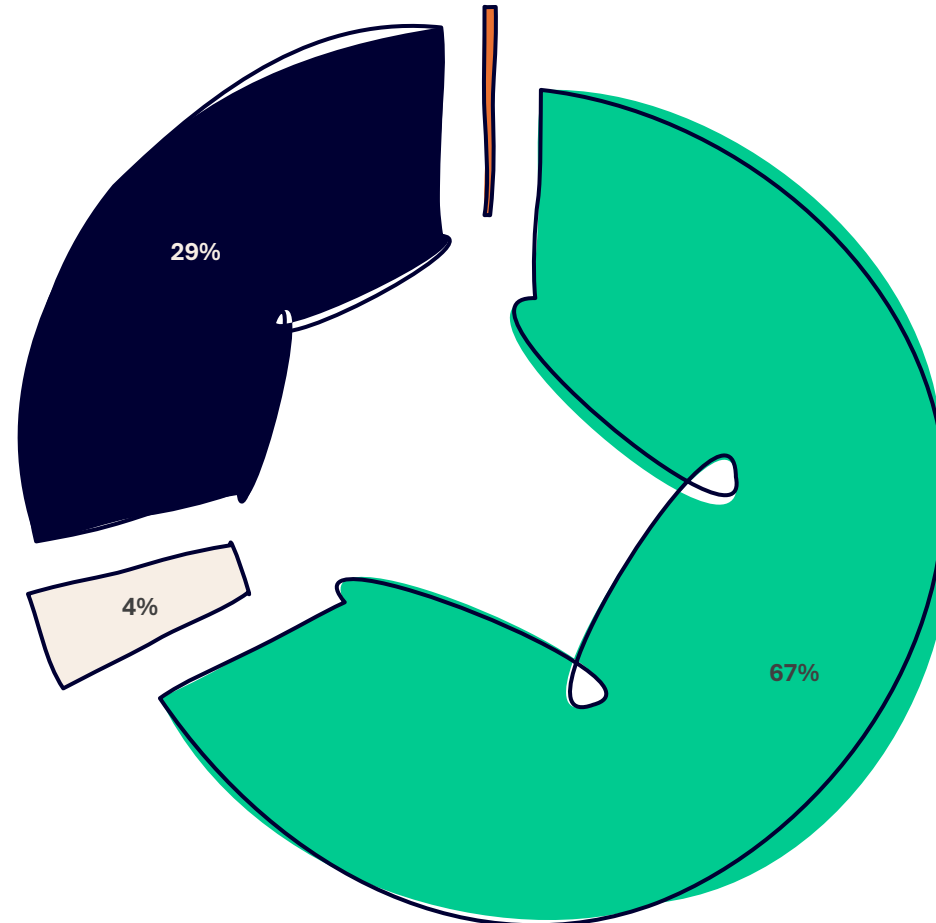


Beneficiaries: Size



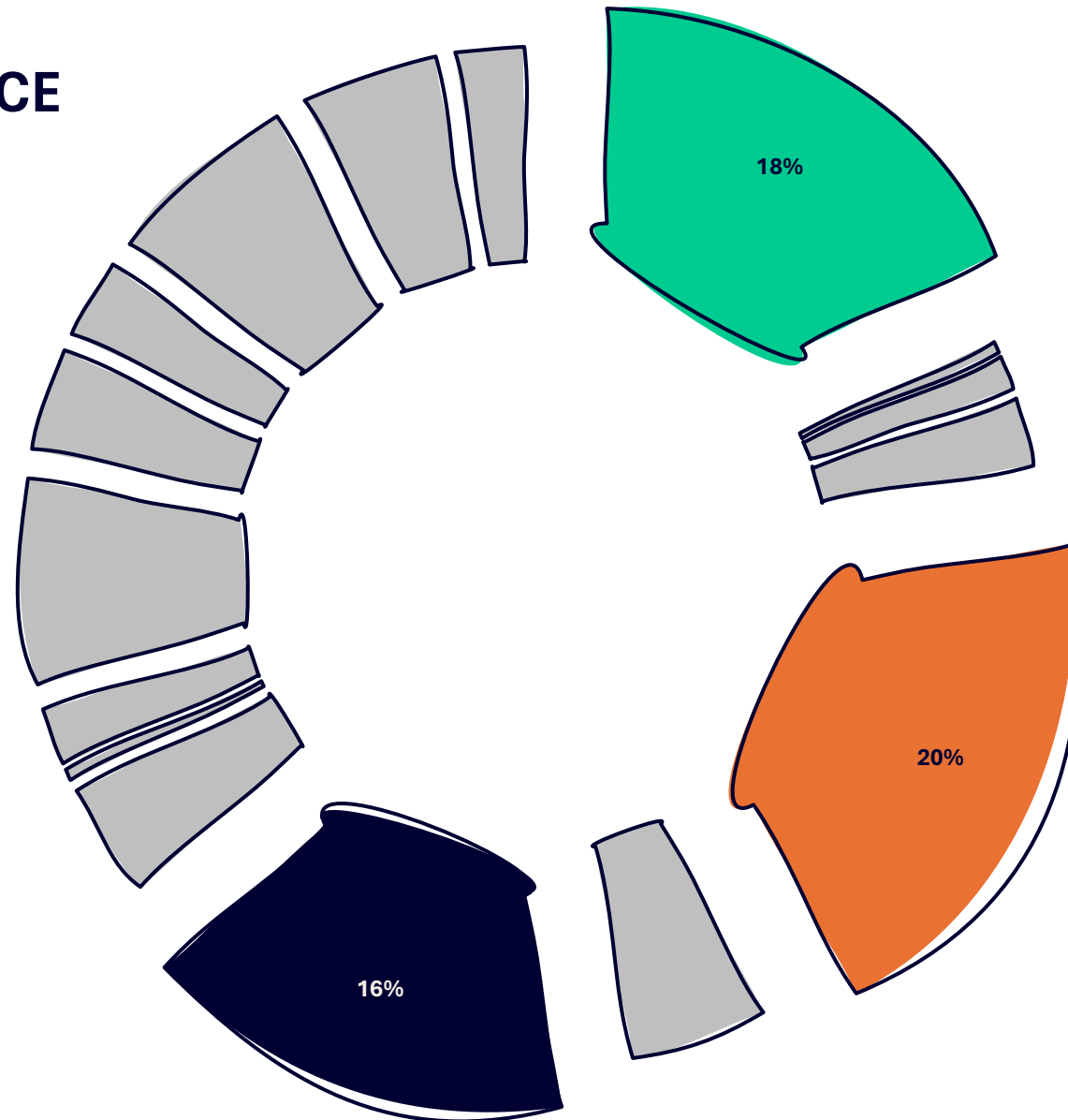
- Medium
- Micro
- Small

Beneficiaries: Legal Form



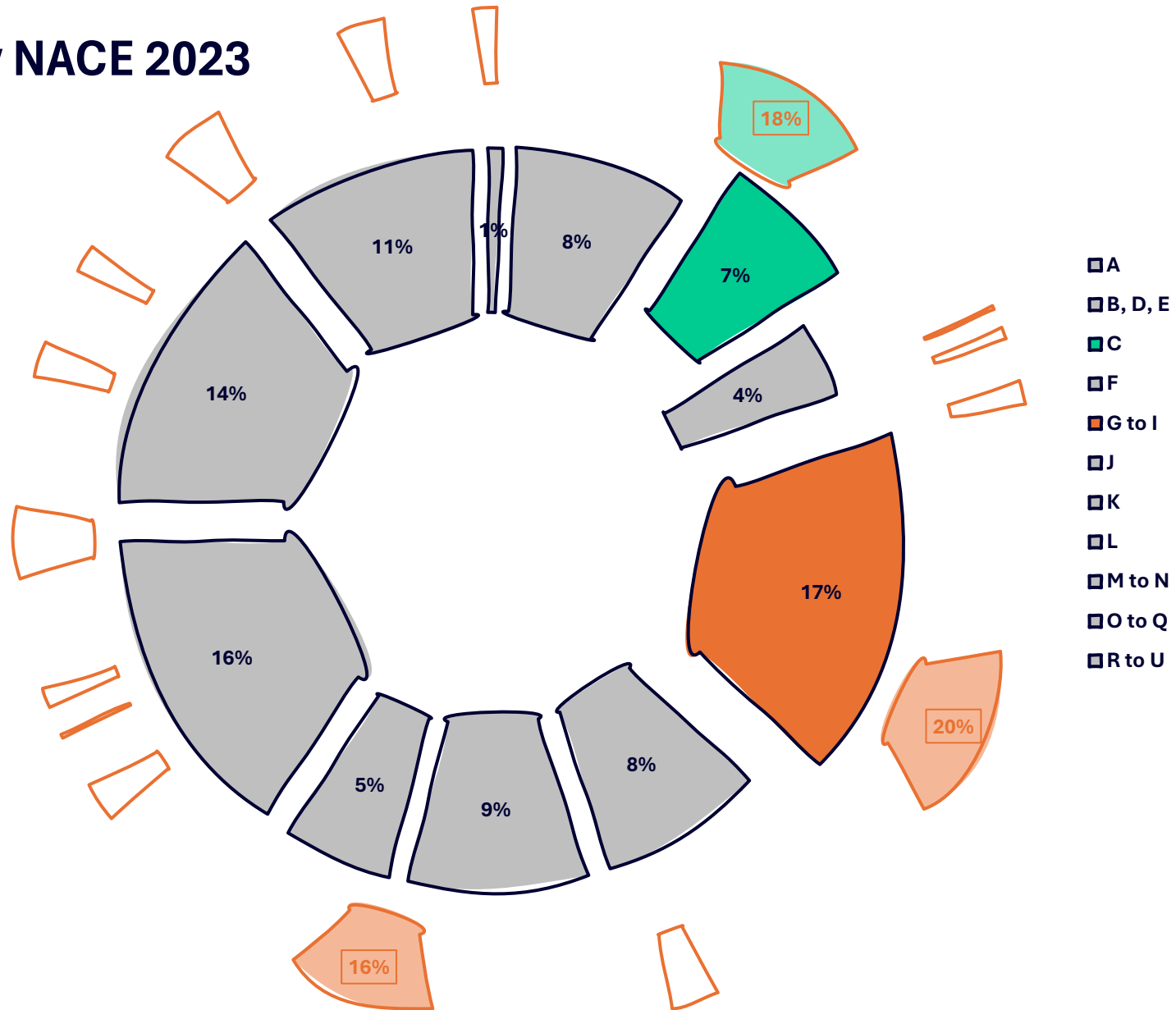
- Co-Operative Society
- Limited Liability Company
- Partnership
- Self Employed

Beneficiaries: NACE



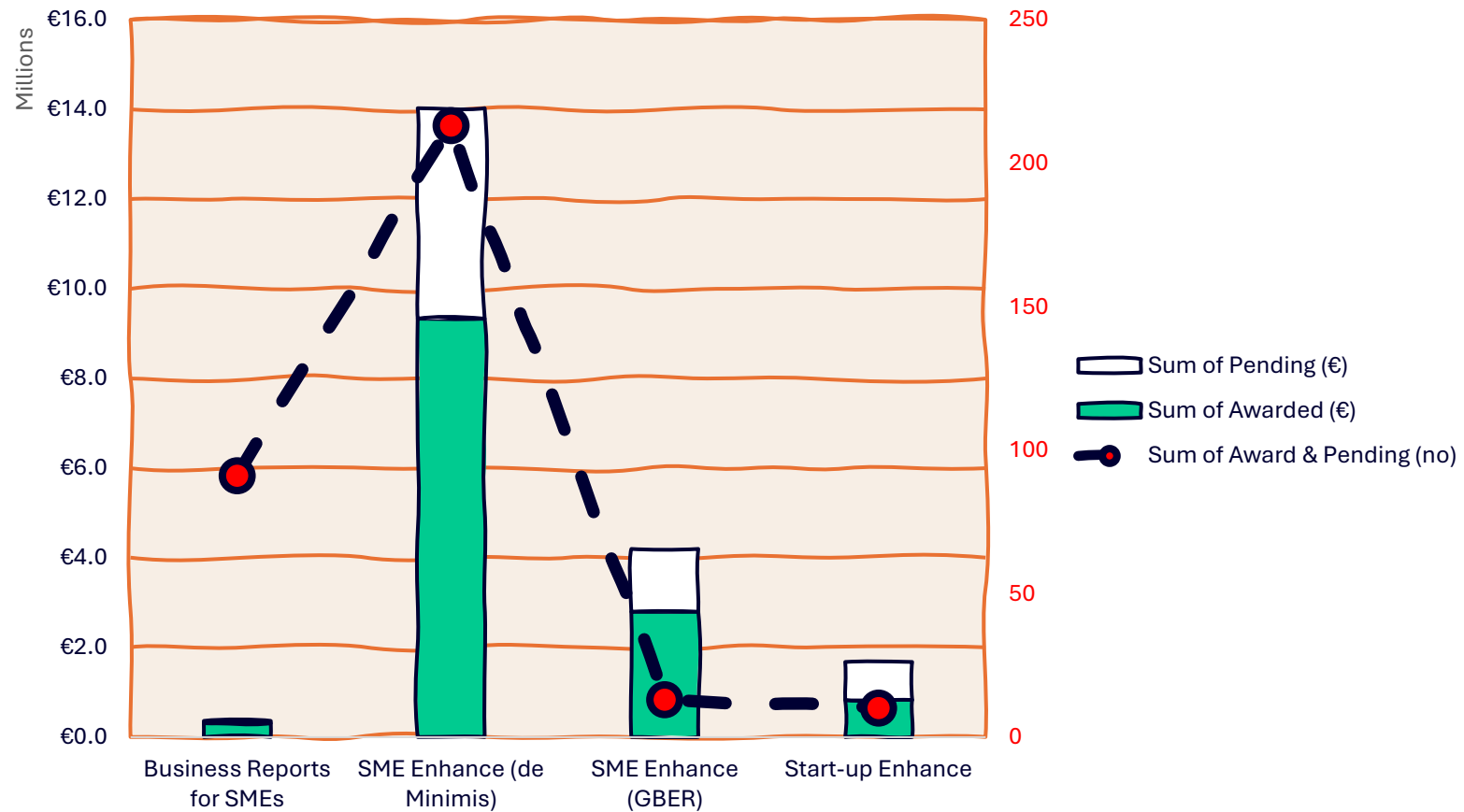
- Section C
- Section D
- Section E
- Section F
- Section G
- Section H
- Section I
- Section J
- Section K
- Section L
- Section M
- Section N
- Section P
- Section Q
- Section R
- Section S

Gross Value Added by NACE 2023 Comparison

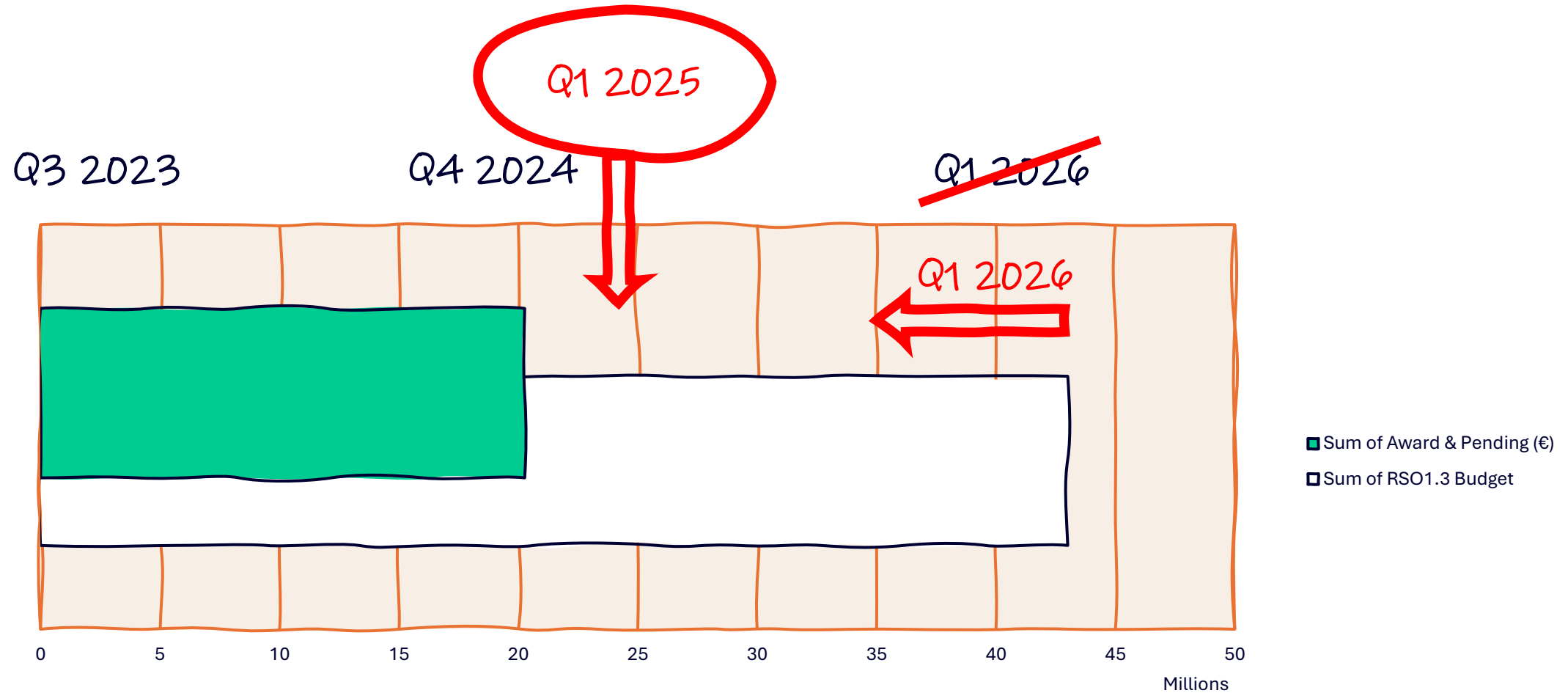


NSO News Release: NR 039/2024
 Gross Domestic Product: Q4/2023
 Release Date: 28 February 2024

Amounts requested and granted



Rate of commitment



Actions to prolong availability:

- 1. Reduce Max. Grant Thresholds**
- 2. Focus support to who needs it most**
- 3. Incentivise good financial and operational standing**
- 4. Penalise riskier proposals/applicants**
- 5. Focus expenditure items**
- 6. Motivate quick implementation and claim submission**
- 7. Increase focus on advisory support schemes in preparation for funding availability under post 2027 programmes**

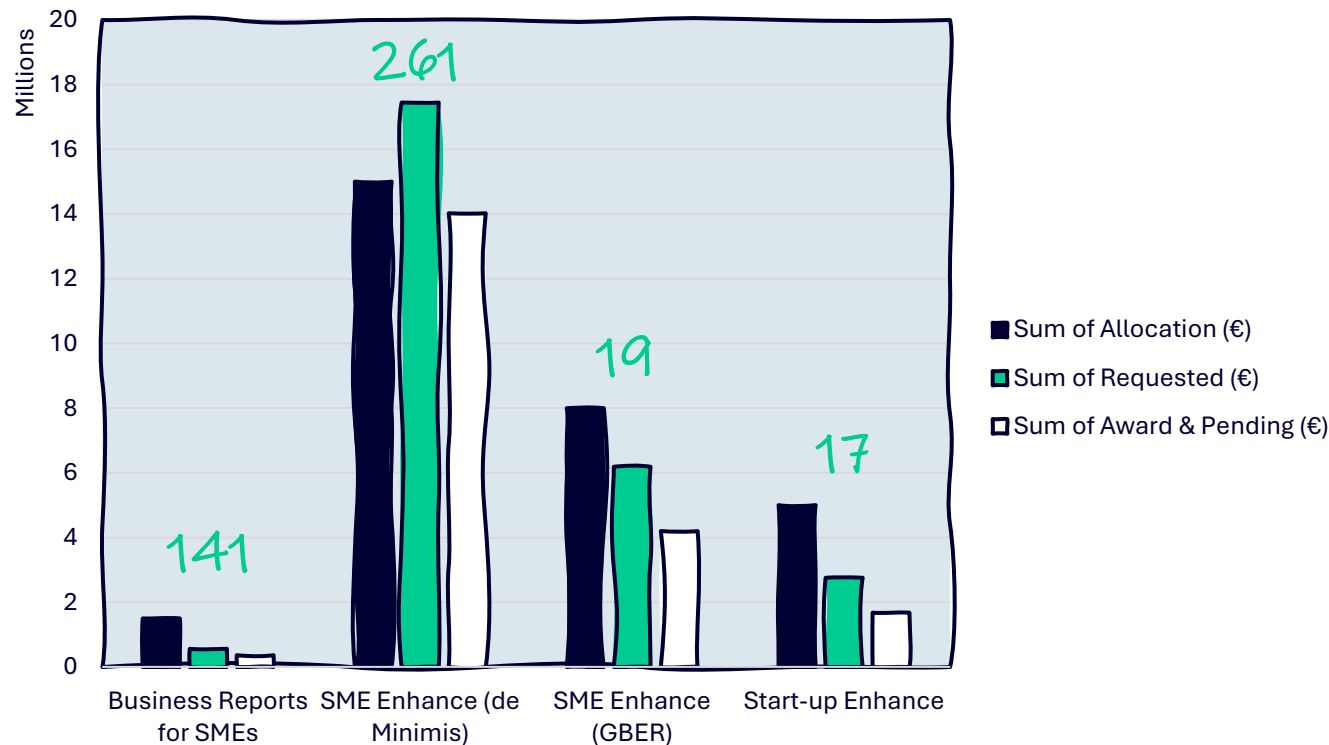
Close all current open calls in Q1 2025

SME Enhance (*de minimis*) will close on 31 December 2024; the others on 28 February 2025

Re-issue revised as well as new schemes (1st tranche) by 1 March 2025

All schemes will be on an open-rolling basis with cut-off dates every 14 days from end March 2025 onwards.

1. Reduce Max. Grant Thresholds



Max:	€4,000	€128,400	€500,000	€400,000
Av.:	€4,000	€67,000	€325,000	€162,000

A single Investment Scheme consolidating the current 3.

- Max Grant Amount of €128,400 (inc. 7% indirect costs)
- Multiple State Aid attachments:
 - De minimis @ 50% (+10% GZ)
 - GBER Art. 14 @ 10-35%
 - GBER Art. 22 @ 60% (+10% GZ)

2. Focus support to who needs it most

Applicants whose project value (total eligible direct cost) is less than 2% of their book value (net assets) will not be considered eligible.

A company applying for a €10,000 grant at 50% (total eligible direct cost of €20,000) would not be eligible if it has net assets of over €1M.

At the max grant amount (less indirect costs) the total eligible cost is €240,000. A company would not be eligible if it has a book value (total assets – total liabilities) which is greater than €12 Million.

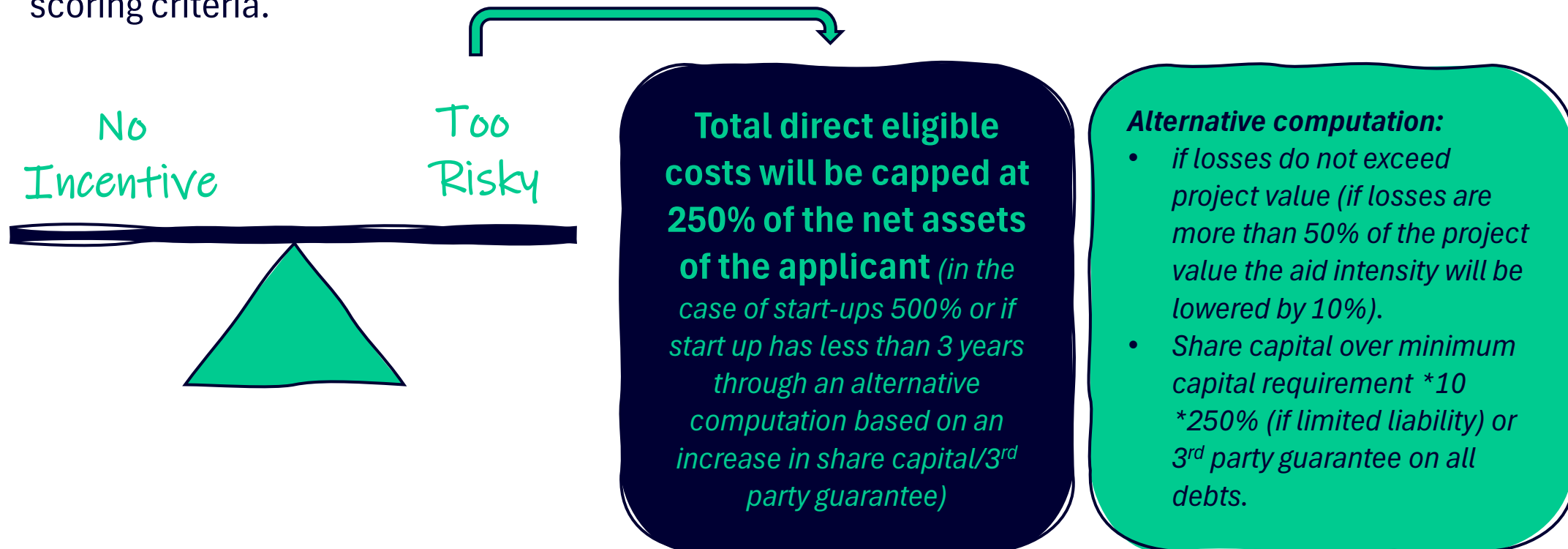
The applicant can afford to finance the investment and there is little to no incentive for a grant.

Will not apply to all schemes. Through other schemes we want to promote certain practices so strong financial capacity does not necessarily translate to lack of incentive. E.g. Business reports.

3. Incentivise good financial and operational standing

4. Penalise riskier proposals/applicants

To date eligibility was focused on compliance with legal requirements and proof of sufficient own funds to execute. If these were satisfied, financial and operational capacity were assessed in line with scoring criteria.



Total direct eligible costs will be capped at 250% of the net assets of the applicant *(in the case of start-ups 500% or if start up has less than 3 years through an alternative computation based on an increase in share capital/3rd party guarantee)*

For the max grant amount, TEC is €240,000. Applicant needs to have net assets of at least €96,000. (€48,000 if a Start-up)

If net assets are €20,000 then TEC would be capped to €50,000. (€100,000 if a Start-up)

Alternative computation:

- *if losses do not exceed project value (if losses are more than 50% of the project value the aid intensity will be lowered by 10%).*
- *Share capital over minimum capital requirement *10 *250% (if limited liability) or 3rd party guarantee on all debts.*

Project Value (TEC) of €200,000

Grant Request @ 60%= €120,000

Losses (negative net assets) of €110,000

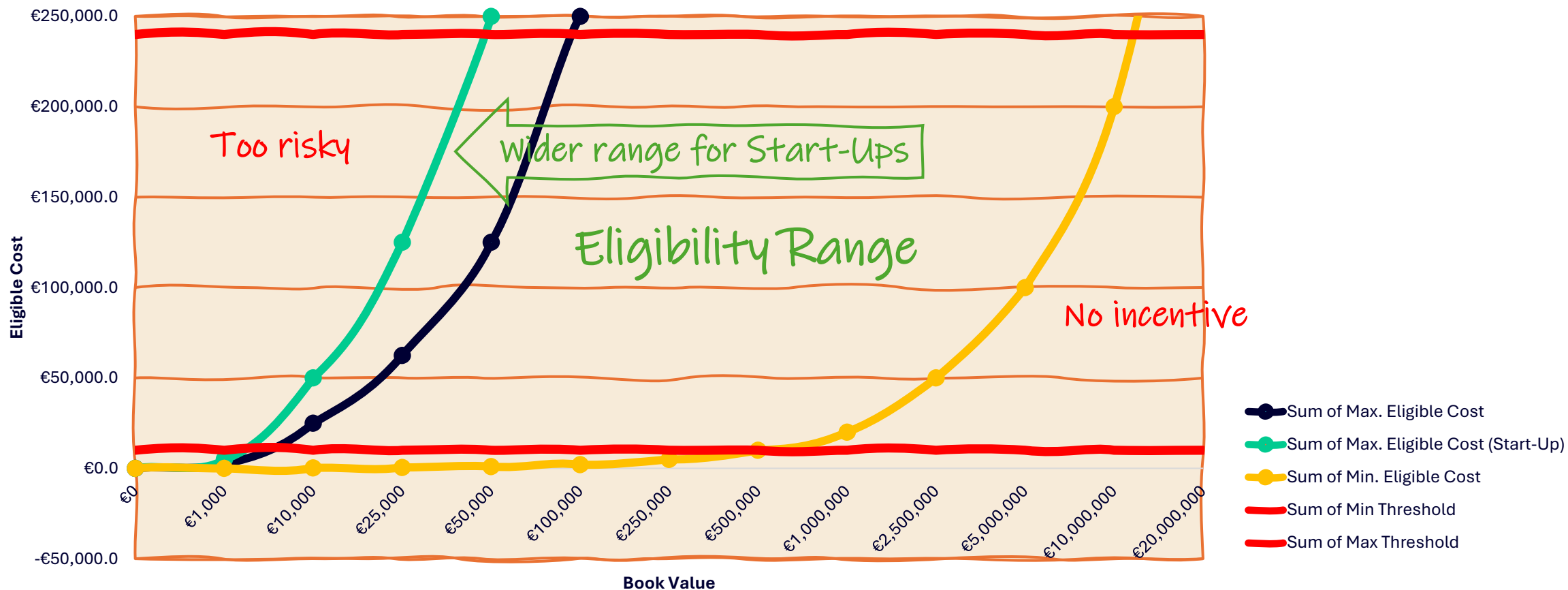
Share capital of €5,000 over minimum capital requirement.

*€5,000 * 10 * 250% = €125,000*

-10% aid intensity.

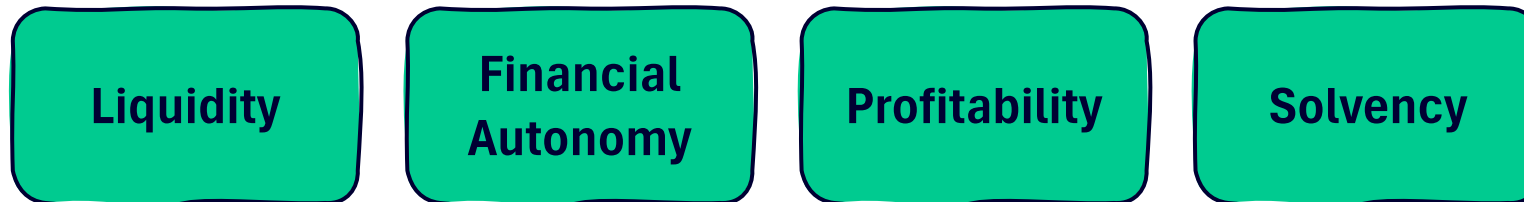
We would therefore consider a grant capped to €62,500

Eligibility Range (points 2, 3 & 4)



Financial capacity

Introduce checks following the EU Central Verification Service's method



Will use a tool that is also available online so applicants can perform a self-check

This will provide a score which is then considered with other factors:

- Qualifications in the financial statements
- Substantial findings in audits
- Administrative irregularities or fraud (inc. being subject to proceedings)
- Court orders
- Newly established and has never closed accounts

Will be performed for grants over €60,000

Will require financial statement for 2 years (can be in a single document if preceding year is included) with the most recent being within 18 months.

The income statement will always be requested.

Sole traders, apart from income tax return to also provide a statement identifying their assets and liabilities (CPA)

INCENTIVE

Good financial capacity will open the possibility for advances and interim reimbursements.

PENALTY

Weak financial capacity could imply refusal of the grant or a conditional offer.

1st Advance Payment

Amount – 50% of the 7% Flat Rate for Indirect Cost*

Payment Trigger – Signing of the Agreement

2nd Advance Payment

Amount – 30% of the eligible Grant amount of main component/s identified in the GA*

Payment Trigger – Invoice from supplier of main component/s

Additional Information – Such component/s is to be fully paid, delivered and operational within the financial year of the advance payment.

Interim Reimbursements:

Upon delivery of main component/s as identified in the GA: up to 60% of Grant amount net of any advance (+10% if operational).*

** Amount will be higher for Start-ups*

5. Focus Expenditure items

Clearer listing of exclusions:

- **Land, buildings and any construction works**
 - **Fees related to design, marketing and any other consultancy**
 - **Mobile phones**
 - **M&E (supplies and works)**
 - **Finishes (supplies and works)**
-
- M&E and Finishes may be considered if specialised for the economic activity to the extent that they may be considered equipment (e.g. anti-static flooring in certain manufacturing facilities)
 - Must be related to the applicant's economic activity (e.g. coffee machine in a restaurant but not in an office)
 - Must have a productive purpose not merely for embellishment (no paintings/plants etc.)
 - Must have a lifetime of over 3 years (no sheets, pillows, curtains, plates)

Categorisation:

A. Equipment & Machinery

1. Furniture

2. Fixtures and Fittings

3. Equipment

4. IT Equipment

5. Vehicles (land & water)

- only if directly related to the economic activity
- only if no specific schemes are available
- can be considered as equipment (primary use is not transport)
- if economic activity relates to passenger transport only if it is a mass transport vehicle (minimum 8 passengers)
- reduced aid intensity in the order of full electric/hydrogen, partial electric/hydrogen, latest EURO standard (75/60/50% of applicable aid intensity).
- In the case of water vessels, if vessel and motor are separate, reduced intensity will be applied to motor only.
- Replacement motors for used vessel/vehicle are not eligible.

B. Lease

Unchanged from current schemes (capped at 10% of Equipment & Machinery cost up to 2 years)*

C. Ancillary items

Will be simplified. Allocation of up to 10% of Equipment & Machinery cost capped to a grant amount of not more than €10,000, or the remaining balance to the max. scheme threshold (whichever is the lowest), will be made available for items that need not be specified at application stage.

Items must be eligible when considered as ‘Equipment’ and related to the project/economic activity of applicant. If items are to be claimed under this activity the usual documentation (invoice, proof of payment etc. need to be provided)

**** Amount will be higher for Start-ups***

6. Motivate quick implementation and claim submission

Project timelines and extensions:

- to be considered in 6 month blocks
- Extensions will also be given in 6 month blocks (programme and marks permitting)
- 1st 6 month extension – no deduction
- Further extensions – deduction of 1% of original grant amount per 6 month period.
- Extensions beyond 36 months of GA – deduction of 2% per 6 month period.
- If extension is requested after the end date of the project has elapsed an additional deduction of 5% will be applied

Submission of Final Claim:

- To be submitted within 3 months from the end date of the project, deduction of 0.5% per month, if late.

Other changes:

- Limitation of Quotations to 3 distinct items (or multiples thereof)
- Family relationships declaration – for size determination
- PEP Declaration (from subject person – Bank or CPA)
- Inclusion of Arbitration clause as to corrections/terminations
- More information will be asked on operational capacity (during and post implementation) as to human resources and maintenance costs – conditions may be imposed.

Change limited to Business Reports for SMEs

Simplification: Financial Statements will not to be requested with application

In the case of a Start-up established not over 2 years from the date of application (including Sole Trader/self-employed) and not having the required documentation, a board resolution from the Board of Directors (or applicant in the case of a Self-Employed person) shall be provided in which it identifies the turnover and total assets as at the date of the resolution without the need for this to be certified by a CPA. These then must be assessed and reflected in the financial statements presented in the Business Plan.

7. Increase focus on advisory support schemes in preparation for funding availability under post 2027 programmes

- Marketing Strategy for Micro & Small Enterprises (inc. Start-Ups)
- Internationalisation Strategy
- Advisory support to obtain awards/quality marks/standards (not mandatory to operate)

Update Service provider administration and rules

New Schemes for 2025

1st Half of 2025

- Similar scheme to Digitalise your Business under ERDF
- Marketing Strategy Micro & Small Enterprises
- Internationalisation Strategy
- Advisory support to obtain awards/quality marks/standards
- RDI

2nd Half of 2025

- Scheme to support the development of digital products
- Scheme/s for Micro Enterprises
- Scheme/s under RDI

Deployment:

Prior to this meeting an announcement was published informing applicants of the closure of the current schemes and the cut-off dates for the new schemes once re-issued.

Presentation to MC on proposed way forward.

Information sessions with prospective applicants (with the support of SEM) as well as dedicated sessions for Registered Service Providers - December 2024 and January 2025.

In Q1 2025: the criteria for all revised and new schemes, will be circulated by the Secretariat through written procedure.



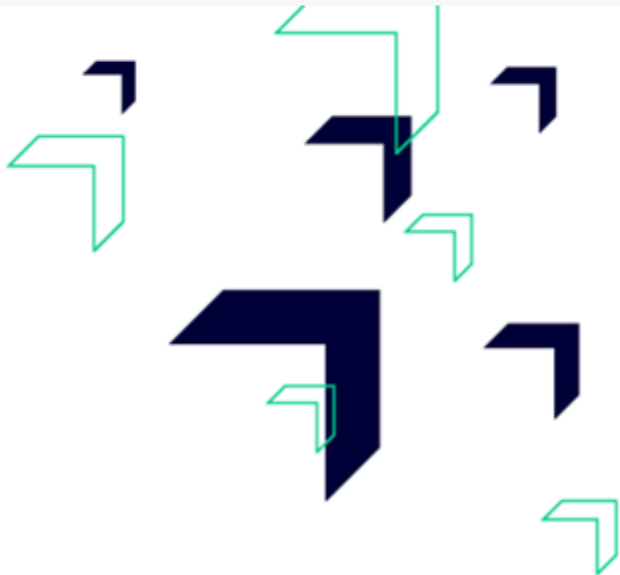
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msd.eufunds@gov.mt

<https://fondi.eu/business-enhance/>



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