



11th May 2026

Circular No. OPS/MFI/5/2026¹

To: Voluntary Organisations and Non-Governmental Organisations (including Church Institutions and Social Partners)

cc: Ministry for Inclusion and the Voluntary Sector, Office of the Commissioner for Voluntary Organisations, Malta Commission for the Voluntary Sector, Agriculture and Rural Payments Agency, Planning and Priorities Coordination Division, Funds and Programmes Division, Strategy and Implementation Division, Internal Audit and Investigations Department, Department of Contracts, Servizzi Ewropej f' Malta

RE: Guidance Document on Procurement Procedures for Voluntary and Non-Governmental Organisations implementing European Union Funded Projects

The Financial Control Unit within the Ministry responsible for the European Funds hereby draws the attention of all Voluntary Organisations (VOs) and Non-Governmental Organisations (NGOs) (including Church Institutions and Social Partners) implementing projects financed by European Union Funds and related financial mechanisms to the issuance of the Guidance Document on Procurement Procedures for Voluntary and Non-Governmental Organisations implementing EU-Funded Projects.

Purpose of this Circular

This Circular aims to:

- formally notify VOs and NGOs Beneficiaries of the issuance of the above-mentioned Guidance and its Annex;
- clarify their scope, applicability and status; and
- remind Beneficiaries of the potential financial consequences of non-compliance.

Status of the Guidance

- VOs and NGOs are not Contracting Authorities and are therefore not directly subject to the EU Public Procurement Directives or the Public Procurement Regulations (S.L. 601.03).

¹ This Circular is repealing FCU circular 01/2019, MA Circular 06/2020, Circular 001/2023 and Circular 003/2026.

- However, as recipients of public funds, they are required to comply with the fundamental principles of procurement, namely transparency, equal treatment, non-discrimination, mutual recognition, proportionality, good governance and sound financial management.
- The Guidance is issued to assist Beneficiaries considered as VOs and NGOs in demonstrating compliance with these principles throughout the procurement lifecycle.

Obligation of Beneficiaries

VOs and NGOs are expected to:

- familiarise themselves with the Guidance and its Annex, particularly Annex 1 to the Guidance – which sets out, by analogy, the types of procurement irregularities and indicative financial correction rates that may be applied where non-compliance with procurement principles has or could have a financial impact on Union funds;
- ensure that procurement procedures are properly planned, documented and implemented in line with the procurement principles; and
- maintain a complete and reliable audit trail to demonstrate compliance during management verifications and audits.

Failure to do so may lead to financial corrections or recovery of funds, where a procurement irregularity has or could have a financial impact on Union funds, as applicable.

Entry into Force

This Circular shall apply as from 11th May 2026 and is to be read in conjunction with:

- the Guidance Document and its Annex;
- the Manual of Procedures for the Implementation of Operations; and
- any Circulars or instructions issued by the relevant Division (PPCD or FPD)/Managing Authority.

For further clarification, Beneficiaries are encouraged to contact their respective Division/Managing Authority/Paying Agency desk officer.

We thank you for your cooperation.

The Financial Control Unit
Office of the Permanent Secretary within the Ministry responsible for the European Funds