



GOVERNMENT
OF MALTA



Manual of Procedures for Private Beneficiaries and/or Natural Persons under the CAP Strategic Plan 2023–2027

(covering EAFRD Non-IACS Interventions)

Implementation of Approved Operations

Version: 1.0

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Definitions

The Start Date is the date indicated in the letter of acceptance issued by the Funds and Programmes Division to the Beneficiary.

An operation may commence prior to its formal approval, provided that:

- The operation is carried out within the defined eligibility period and after the application is submitted to the Managing Authority.

Project Completion is defined as the date by when the Beneficiary ensures that:

- The Investment has been procured, delivered and is fully operational; and
- All expenditure has been incurred, invoiced and fully paid; and
- Applicable permits are in place; and
- Final Claim for Reimbursement is submitted

Any expenditure incurred, invoiced or paid after the project completion will be considered as ineligible.

Operation means the project being proposed for part-financing through Call/s under Common Agricultural Policy Strategic Plan (CAP/SP) 2023-2027

The Authorised Representative is the person identified in the application form who is entrusted to legally represent the undertaking and is thereby authorised to enter into agreements and sign contracts for and on behalf of the undertaking. In the case of Sole Traders/Self Employed person, this should invariably be the beneficiary.

Private and/or Natural persons refer to individuals acting in a private and/or business capacity, and/or registered private entities that are not public bodies.

The Project Leader is identified in the application form and is the person responsible for the implementation of the project on a day-to-day basis.

Unrelated to the Beneficiary – the fact that the buyer does not control the seller is not sufficient for fulfilling this criterion. The parties must be unrelated. For that, there should be no influence (decisive or not) on the composition, voting or decisions of the organs of an Undertaking.

Crafts refers to the production, transformation, or restoration of goods that are predominantly handmade or produced with traditional techniques, often using locally sourced materials, and which embody cultural heritage, creativity, and local identity. In the context of the CAP Strategic Plans and the LEADER measure, crafts include activities that contribute to the diversification of the rural economy, strengthen short value chains, promote local culture, and support sustainable development through innovation, skills transfer, and the creation of quality employment in rural areas.

Assets: Investments eligible under the CAP Strategic Plan, divided into:

- Tangible assets: physical items such as machinery, equipment, infrastructure, or buildings for farming and rural development.
- Intangible assets: non-physical items such as patents, licences, software, know-how, or certification schemes that enhance competitiveness, sustainability, and innovation.

In line with Articles 65–67 of Regulation (EU) 2021/1060 (CPR) and Article 73 of Regulation (EU) 2021/2115 (CAP Strategic Plan), as well as the programme-specific provisions laid down in the CAP SP, the eligibility of assets is subject to national eligibility rules, durability requirements, and the prohibition of double financing.

1. Introduction

This document provides essential guidance for private beneficiaries implementing operations financed under the Common Agricultural Policy Strategic Plan (CAP SP) 2023–2027, supported by the European Agricultural Fund for Rural Development (EAFRD). It outlines the key procedural, administrative, and financial requirements that must be respected during the planning, execution, and closure of CAP SP EAFRD-supported projects.

This Manual of Procedure is to be read in conjunction with the Guidance Notes issued together with the Application Form, which offers detailed instructions on how to correctly complete and submit an application for CAP SP support. Together, these documents form part of the mandatory regulatory and operational framework governing CAP SP interventions.

The provisions set out in this guidance are binding on all private and/or natural beneficiaries. Failure to comply with the requirements and conditions outlined herein may result in financial corrections, suspension or termination of the Grant Agreement, and the full or partial recovery of funds.

The Funds and Programmes Division reserves the right to review, update, or amend this Manual of Procedures as necessary throughout the lifetime of the applicable calls, in line with changes to applicable EU or national legislation, policy developments, or implementation needs. Beneficiaries are responsible for regularly consulting the most up-to-date version of the document as published by the Division, and for ensuring continued compliance with its contents.

1.1 Management structure

The overall management and implementation of the Common Agricultural Policy Strategic Plan (CAP SP) 2023–2027 in Malta is the responsibility of the Funds and Programmes Division, operating under the Ministry responsible for EU funds. This Division serves as the Managing Authority (MA) for the CAP SP and is entrusted with the effective, efficient, and compliant delivery of the Fund in accordance with Union and national regulations.

As Managing Authority, the Funds and Programmes Division is responsible for the overall coordination and administration of the CAP SP. Its main functions include:

- Preparing, managing, and updating the CAP SP in line with strategic objectives;
- Establishing and maintaining effective management and control systems;
- Launching calls for proposals and ensuring transparency in selection procedures;
- Providing guidance and support to beneficiaries;
- Monitoring of funded operations;
- Promoting the visibility of the CAP SP and ensuring compliance with communication obligations.

The Paying Agency (PA) is the Agriculture and Rural Payments Agency (ARPA) within the Ministry responsible for Agriculture.

The Funds and Programmes Division also works closely with other national entities and stakeholders to ensure coordination and alignment with sectoral policies and national development priorities.

This governance structure is designed to ensure sound financial management, accountability, and alignment with the overarching objectives of the CAP Strategic Plan (CAP SP) and the EAFRD, namely fostering a sustainable, competitive, and resilient agricultural sector, supporting rural development and diversification, promoting environmental sustainability and climate action, and strengthening the socio-economic fabric of rural areas in Malta.

1.2 Legal Background

The implementation of the Common Agricultural Policy Strategic Plan (CAP SP) 2023–2027, supported by the European Agricultural Fund for Rural Development (EAFRD), is grounded in a robust legal framework established at Union and national level. The following are the main applicable regulations and instruments:

a. The CAP Strategic Plan 2023–2027, which provides support from the European Agricultural Fund for Rural Development (EAFRD).

b. 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 the European Agricultural Fund for Rural Development (EAFRD), and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013.

c. 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.

d. Commission Implementing Regulation (EU) 2022/1475 of 6 September 2022 laying down detailed rules for the implementation of Regulation (EU) 2021/2115 of the European Parliament and of the Council as regards the evaluation of CAP Strategic Plans and the provision of information for monitoring and evaluation.

e. Commission Implementing Regulation (EU) 2022/129 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

f. Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 2018/1046 (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.

g. Other applicable laws, regulations, directives, and standards in force in Malta and, where relevant, in the European Union. These regulations collectively establish the legal basis for the fund's

implementation, set out the responsibilities of Managing Authority, Paying Agency and beneficiaries, and define the conditions for the use of EU financial support.

This Manual of Procedures should be read in conjunction with the above regulations, the national eligibility rules, and the specific provisions outlined in the Grant Agreement to ensure full compliance during implementation.

1.3 Scope

This Manual of Procedures sets out the main procedures and obligations applicable to private beneficiaries implementing operations under the Common Agricultural Policy Strategic Plan (CAP SP) 2023–2027, supported by the European Agricultural Fund for Rural Development (EAFRD) in Malta.

It is designed to assist beneficiaries in understanding and fulfilling the requirements associated with the planning, implementation, monitoring, and closure of CAP SP/EAFRD-supported operations. The document also aims to promote compliance with the relevant Union and national regulatory frameworks, including:

- Regulation (EU) 2021/2115 establishing rules on support for CAP Strategic Plans financed by the EAGF and the EAFRD;
- Regulation (EU) 2021/2116 on the financing, management, and monitoring of the CAP;
- Commission Implementing Regulation (EU) 2022/1475 on the evaluation and monitoring of CAP Strategic Plans;
- Applicable national eligibility rules for the 2021–2027 programming period.

This document applies specifically to private legal and/or natural persons benefitting from EAFRD support for eligible operations. The types of actions supported are defined in line with the respective calls for applications issued from time to time by the Managing Authority / Paying Agency. Each call may establish specific eligibility conditions, objectives, funding modalities, and procedural requirements.

1.4 Programme

Each EU Fund is implemented on the basis of a specific Programme, which outlines the objectives to be achieved, the types of activities that may be supported, and the applicable rules and conditions.

For the 2023–2027 programming period, the relevant Programme for Malta in the field of agriculture and rural development is the Common Agricultural Policy Strategic Plan (CAP SP). Resources under the CAP SP are financed by two funds:

- the European Agricultural Guarantee Fund (EAGF), and
- the European Agricultural Fund for Rural Development (EAFRD).

Interventions foreseen under the CAP SP contribute towards three general objectives:

1. Fostering a resilient and diversified agricultural sector,
2. Ensuring long-term food security, and

3. Strengthening environmental protection, climate action, and the socio-economic fabric of rural areas.

Further information about the CAP Strategic Plan for Malta is available on the official website:

<https://fondi.eu/programme/common-agricultural-policy-strategic-plan/>

1.5 Purpose and Use of this Guidance Document

This Guidance Document is intended to support private beneficiaries in the implementation of operations financed under the Common Agricultural Policy Strategic Plan (CAP SP) 2023–2027, supported by the European Agricultural Fund for Rural Development (EAFRD). It applies from the moment the Grant Agreement is signed and remains in force until the durability period elapses.

The guidance outlines key processes and obligations, including those related to financial management, reporting, procurement, publicity, on-the-spot verifications, claims for reimbursement, and record-keeping. It aims to ensure that all supported operations are implemented in full compliance with the Grant Agreement, relevant EU and national legislation, and the principles of sound financial and operational management.

While this document provides overarching guidance, further specific instructions may be issued through separate Circulars, Internal Notes, and Standard Operating Procedures by the Managing Authority and/or the Paying Agency. This Guidance Document may be subject to periodic updates or revisions. Any changes will be communicated to relevant stakeholders, and the official website of the Ministry responsible for EU funds (<https://fondi.eu>) will be regularly updated with the latest versions and related documentation.

1.6 Pre-Implementation Process

Before reaching the implementation stage covered by these guidelines, operations financed under the Common Agricultural Policy Strategic Plan (CAP SP) 2023–2027, supported by the European Agricultural Fund for Rural Development (EAFRD), particularly non-IACS interventions, undergo a process beginning with the publication of Calls for Applications on the fondi.eu website. Interested applicants must submit their proposals in full compliance with the requirements and conditions set out in the respective call, and it is strongly recommended that prospective applicants review this Manual of Procedure together with the Guidance Notes to the Application Form before preparing and submitting their application. Once submitted, applications are assessed against the eligibility criteria, with only those proposals that fully meet these criteria proceeding to the next stage of assessment against the relevant selection criteria. Applications that meet the required standards and fall within the scope of the available budget are approved for funding, after which the Funds and Programmes Division (FPD), acting as the Managing Authority (MA), issues an Award Letter to the selected applicants. This letter may include specific conditions recommended by the Project Selection Committee, which must be fulfilled before the project may proceed to contract. The FPD engages with the applicant to finalise the Grant Agreement (GA), the legally binding document that formalises the funding arrangement and outlines the terms, conditions, and obligations of both parties. Where applicable, the Managing Authority may also set additional conditions to be met prior to the signing of the GA. Once all pre-contractual requirements are satisfied, the FPD issues the final Grant Agreement in two copies — one signed copy is retained by the FPD, and the other by the Beneficiary.

The Paying Agency plays a key role in this process as it is responsible for the execution of payments to beneficiaries, verifying the legality and regularity of expenditure, and ensuring compliance with EU and national financing rules. The Paying Agency works in close coordination with the Managing Authority to guarantee that payments are made promptly, correctly, and in line with the terms of the Grant Agreement. Beneficiaries are therefore required to also follow the specific guidance, instructions, and templates issued by the Paying Agency in relation to claims for reimbursement, supporting documentation, and payment procedures which are available online through <https://arpa.gov.mt/en/guidance-documents/>. With the Grant Agreement in force, the operation enters the implementation phase, and the provisions set out in these guidelines, together with the guidance issued by the Paying Agency, become fully applicable.

2. Implementation, Monitoring and Reporting

2.1 Implementation

2.1.1 Filing and Record-Keeping Requirements

All documents shall be retained in line with the requirements set out in the *Guidelines on the Submission of Payment Claims (Non-IACS Interventions)*, applicable to the respective intervention being financed. These guidelines are available at the following link: <https://arpa.gov.mt/en/guidance-document>. All records related to the operation must be retained for the period set out in Section 5 of the Manual. The beneficiary shall be informed once the final claim to the European Commission has

been submitted. This obligation ensures compliance with audit, monitoring and verification requirements.

Throughout this period, the Beneficiary must fully cooperate with the Managing Authority (MA), the Paying Agency, and any authorised monitoring, audit, or control bodies responsible for ensuring the sound implementation and correct use of funds under the scheme.

2.1.2 Inventory

Unless otherwise directed to use the Biedjacam mobile application for such purposes, the Beneficiary is required to complete an inventory of the fixed assets financed through the operation, using the standard template as found online on the following link https://fondi.eu/important_documentat/earfd-templates/. This inventory must be kept up to date and include all relevant details of the assets acquired. It is the Beneficiary's responsibility to ensure that the assets are used for the intended purpose for the entire duration of the durability period.

The inventory should be regularly updated to reflect any new asset acquisitions as well as any modifications made to existing equipment following their purchase. The updated list must be signed and certified as correct by the beneficiary and made available to the Managing Authority/Paying Agency upon request.

2.1.3 Payments

Payments from the Paying Agency are made directly to the beneficiary, based on eligible expenditure that has already been paid by the beneficiary to third parties (e.g. suppliers or service providers). Prior to any payment, or reimbursement, the Beneficiary shall verify the delivery of the works, products, or services. Following this verification, the payment request is submitted to the Paying Agency, which will carry out the necessary verifications and issue instructions to the bank to effect payment either to the third-party contractors/service providers or directly to the Beneficiary. Further guidance on payment claims may be obtained from the ARPA website, accessible at the following link: [https://arpa.gov.mt/en/guidance-documents/2.1.4 Project Leader](https://arpa.gov.mt/en/guidance-documents/2.1.4%20Project%20Leader)

The Project Leader, as indicated in the application form, is responsible for overseeing the daily implementation of the operation. This individual serves as the main liaison between the Beneficiary and the Managing Authority and is expected to be available and responsive within reasonable timeframes to discuss the progress of the operation as needed. The Beneficiary shall ensure that a Project Leader is appointed for the entire duration of the operation's implementation. In the event of any change in the designated Project Leader, the Beneficiary shall complete the "Change in Project Leader" form, available for download from the following link: https://fondi.eu/important_documentat/earfd-templates/ and submit it to the Managing Authority.

2.1.4 Changes and Amendments to the operation

Once a Grant Agreement has been signed, the Beneficiary is obliged to implement the operation as approved, within the stipulated timelines and in accordance with relevant EU and national regulations and administrative procedures. The Beneficiary shall not strategically alter the overall scope or broad project actions of the operation without the prior agreement of the Managing Authority (MA).

Significant or strategic changes, including but not limited to modifications in scope, timetable, budget, location, or ownership, must be requested through the MA's Change Request procedure. Any strategic changes applied without MA approval will be undertaken at the Beneficiary's own risk and will be assessed during the payment verification stage.

In the event that the Beneficiary fails to follow the timelines defined in the Grant Agreement, the MA / PA may recover funds or terminate the project unless an extension is either requested and granted by the MA, or granted administratively by the MA.

Change Request Limits:

Projects with a grant value up to EUR 100,000 are limited to two (2) change request submissions, including extension requests.

Projects with a grant value above EUR 100,000 but up to EUR 200,000 are limited to three (3) submissions.

These limits apply for the entire duration of the project, regardless of whether requests are partially or fully rejected.

In cases where an investment requires a planning permit, failure to obtain necessary approvals in a timely manner may result in a withdrawal assessment by the MA, without prejudice to other withdrawal actions that may be taken by the MA or the Paying Agency (ARPA) due to project delays or deviations from the approved scope.

The Change Request Form is available for download from the Managing Authority website at: http://fondi.eu/important_documentat/earfd-templates/

2.2 Procurement Process

2.2.1 General

Beneficiaries are reminded that operations awarded under CAP SP involve the use of public funds. Therefore, all procurement relating to cost items co-financed through the operation must be conducted in line with the principles of sound financial management.

Eligible expenditure must meet all the following criteria:

- (i) It must be incurred directly by the Beneficiary;
- (ii) It must relate specifically to the actions and timeframes set out in the Grant Agreement;
- (iii) It must be identifiable, verifiable and properly recorded in the Beneficiary's accounts in accordance with applicable accounting standards;

- (iii) It must comply with the applicable national and EU legislation including law on taxes, labour and social security; and
- (iv) It must be reasonable and comply with the principle of sound financial management.

Beneficiaries must take all necessary steps to avoid situations that may give rise to a conflict of interest during the procurement process. All goods, services, and works must be procured in line with this requirement, the European Commission issued Notice C(2021) 2119, which provides detailed guidance on identifying, avoiding, and managing conflicts of interest under the EU Financial Regulation. Further guidance is available in the European Commission's document titled: [Guidance on the avoidance and management of conflicts of interest under the Financial Regulation – Notice C\(2021\) 2119](#).

Beneficiaries are expected to familiarize themselves with the relevant provisions of this guidance and ensure full compliance, as failure to do so may result in financial corrections or the recovery of funds.

Additionally, VAT is considered an ineligible cost except where it cannot be recovered through the Commissioner for Revenue. Beneficiaries must ensure that VAT and any other applicable taxes are itemized separately by suppliers in their quotations and invoices.

All financial documentation should be presented in the Euro denomination. In cases where this is not possible the beneficiary must convert the amount using the applicable daily exchange reference rate published by the European Central Bank available at: <https://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>

Failure to comply with these requirements may result in the related expenditure being deemed ineligible and may affect the overall eligibility of the operation. Non-compliance may lead to financial corrections and/or the recovery of funds. The Beneficiary shall be responsible for reimbursing any amounts identified as ineligible or non-compliant by the Managing Authority, the Audit Authority, or any other competent body responsible for the verification and control of expenditure.

2.2.2 Procurement Requirements for CAP SP Financed Items

Beneficiaries must ensure that all procurement of goods, works, and services under operations financed by the CAP Strategic Plan (CAP SP) or the European Agricultural Fund for Rural Development (EAFRD) is carried out in compliance with the conditions set out in the grant agreement and guidance issued by the Managing Authority and the Paying Agency, available in the relevant section of guidance documents on the ARPA and fondi.eu website. Key obligations for beneficiaries include:

1. Competitive and Transparent Procedures – Procurement must be conducted fairly, transparently, and without discrimination, ensuring equal opportunity for all potential suppliers.
2. Proportionality – The choice of procurement procedure must be proportionate to the estimated value, complexity, and nature of the goods, works, or services.
3. Documentation and Record-Keeping – Private beneficiaries must retain all procurement documentation, including tender notices, bids, evaluation reports, award decisions, contracts, and invoices, as applicable, for a period of not less than five years following the submission of the accounts in which the last expenditure of the operation is included. Such documentation must also be submitted to the Paying Agency (PA) for storage and verification.

4. Conflict of Interest – Beneficiaries must avoid any conflicts of interest and ensure that all staff involved in procurement act impartially.
5. Audit and Verification – Procurement procedures are subject to checks and verifications by the PA, and other authorized control bodies. Beneficiaries must fully cooperate and provide requested documentation in a timely manner.

Non-compliance with procurement guidance may result in financial corrections, recovery of funds, or other penalties, as specified in the Grant Agreement and relevant EU and national legislation.

Beneficiaries are strongly advised to consult the guidance issued by the Ministry responsible for EU Funds on fondi.eu, as well as the Paying Agency, available at <https://arpa.gov.mt/en/guidance-documents/>, which outlines the applicable thresholds, procedures, and documentation requirements for private beneficiaries. Where SCOs are implemented, the relevant guidance shall apply accordingly.

2.3 Claims for reimbursement

Beneficiaries implementing operations under non-IACS interventions are required to submit claims for reimbursement in line with the specific rules and procedures applicable to the intervention being financed.

To ensure accuracy and compliance, Beneficiaries must consult the Guidance Documents issued by ARPA for the relevant intervention available on the ARPA website at the following link: <https://arpa.gov.mt/en/guidance-documents/>

In addition, Beneficiaries must also refer to the Guidance Note issued with the application form by the Managing Authority, which provides supplementary instructions and clarifications applicable to the intervention concerned.

Beneficiaries are strongly advised to familiarise themselves with these documents prior to submitting any claim for reimbursement, as failure to adhere to the established requirements may result in delays, financial corrections, or rejection of claims.

2.3.1 Simplified Cost Options

Beneficiaries should note the following distinctions in reimbursement methods under the CAP Strategic Plan.

Where SCOs — namely unit costs, flat rates, or lump sums — are published in a call for project proposals by the Managing Authority, the specific conditions for their application, including payment triggers and subsequent verification requirements, shall be respected as outlined in the call or, at the latest, in the Grant Agreement.

When costs are reimbursed in accordance with Article 83(1)(a) of Regulation (EU) 2021/2115 (reimbursement of eligible costs actually incurred and paid), the Paying Agency verifies that the expenditure claimed by the beneficiary corresponds to eligible costs and confirms that such amounts have been paid. Conversely, where costs are reimbursed under points (b), (c), or (d) of Article 83(1) (covering unit costs, lump sums, and flat-rate financing), the Paying Agency verifies that all conditions for reimbursement have been satisfied.

2.3.2 Overheads Component

For the Overheads component, Beneficiaries are not required to submit supporting documents to trigger payment. It is sufficient to include the allocated amount in the Claim for Reimbursement.

In the event that the Beneficiary does not complete a part of the investment approved in the Grant Agreement, the Overheads component will be recalculated and paid at 7% of the eligible investment that has been implemented and is operational subject to any capping which might be included in the call for proposals

2.4 Management Verifications

Management Verifications are a fundamental element of all EU-funded projects, ensuring compliance with applicable regulations, promoting accountability and transparency, managing risks, monitoring performance, maintaining sound financial management, and facilitating accurate reporting. They also serve to enhance the overall quality and effectiveness of the project.

Administrative checks on applications for support are carried out to confirm that the operation complies with obligations established under Union or national law, as well as the Common Agricultural Policy Strategic Plan (CAP SP).

Beneficiaries should refer to the ARPA Payment Guidelines for detailed procedures, available on the ARPA website: <https://arpa.gov.mt/>. The Agriculture and Rural Payments Agency (ARPA) may also issue additional guidance and instructions from time to time, which Beneficiaries are required to follow.

2.5 Payment Process

The Paying Agency is committed to processing payments in a timely manner upon receipt of a complete and duly documented Claim for Reimbursement. Payment to beneficiaries is carried out by the Paying Agency following the submission of the required documentation, in line with the procedures outlined in Section 2.5 of this document. It is the beneficiary's responsibility to ensure that all supporting documents are complete, accurate, and submitted within the specified timeframes.

Following the signature of the Grant Agreement and in accordance with the eligibility rules of the specific intervention, beneficiaries may submit payment claims to the Paying Agency for processing, verification, and payment authorisation. Processing will occur once any outstanding queries raised with the Beneficiary have been resolved and it has been confirmed that the supported action has been implemented in line with the Grant Agreement and applicable regulations. After this internal assessment, the Paying Agency may carry out further verifications prior to the disbursement of funds.

The Paying Agency shall not be held responsible for any issues arising within the payment process, nor for any decisions taken by higher authorities that may overturn their initial payment recommendation. Beneficiaries who feel aggrieved by such decisions may pursue other remedies available at law, as provided under Subsidiary Legislation 146.03.

2.6 Monitoring

Ongoing monitoring plays a vital role in supporting the efficient implementation of the operation and in verifying that planned objectives and outcomes are being met. It ensures that progress remains on track and that resources are being used effectively to achieve the intended results.

2.6.1 Monitoring by the Beneficiary

It is the Beneficiary's responsibility to actively monitor the progress and execution of the operation. This duty extends beyond verifying that intended results are achieved — it also involves overseeing the overall efficiency and effectiveness of the intervention throughout its implementation.

2.6.2 Monitoring and Evaluation Activities

The Beneficiary is required to actively cooperate with all monitoring and evaluation activities carried out by the Managing Authority (MA), the Paying Agency (PA), the Audit Authority, the European Commission, and any other relevant bodies. This cooperation may involve participating in surveys, attending events, and providing information that may be used for reporting, publications, and dissemination through online platforms.

From time to time, the MA and/or the PA, as well as other National and/or EU entities identified by the MA, may conduct economic, environmental, or other evaluations of the intervention. Such evaluations may involve the Beneficiary in surveys, interviews, or other forms of data collection. MA officials or consultants/evaluators engaged by the MA may contact Beneficiaries as necessary. By applying for support under this intervention, the Beneficiary is deemed to have agreed to cooperate with and take part in such studies, which are essential for reviewing the effectiveness of the intervention and evidencing the implementation of projects.

2.7 Reporting

A Project Closure Report is made available and transmitted to eligible Beneficiaries once the Paying Agency receives the final payment claim. This report is issued by either the Managing Authority or, in the case of LEADER operations, the Local Action Group (LAG). The Project Closure Report, duly completed and submitted by the Beneficiary, is a mandatory requirement. The Paying Agency shall not process the final payment claim unless this report has been properly filled in and returned.

2.8 Double Financing

In accordance with Article 191(3) of Regulation (EU, Euratom) 2024/2509 which sets out the financial rules governing the EU budget, it is a core principle that the same expenditure cannot be financed more than once from Union resources. To uphold this principle, the Funds and Programming Division/Paying Agency may exchange information related to supported interventions with other public bodies to verify that duplicate public funding has not been granted for the same activity. Any instance of double funding from public sources is strictly prohibited and will lead to the recovery of the amounts concerned.

3. Audit and Control

Operations financed under the CAP Strategic Plan (CAP SP) 2023–2027, supported by the European Agricultural Fund for Rural Development (EAFRD), are subject to checks and controls to ensure compliance with EU and national rules, as well as the principles of sound financial management.

Beneficiaries are obliged to fully cooperate with any control or audit procedure and to provide timely access to all relevant documents, records, and premises when requested. Such checks and controls may be carried out at any stage of the project cycle, from application to implementation and after project closure, including during the durability period.

Checks and controls may be carried out by any of the following authorities:

- a. Managing Authority (MA) – Funds and Programmes Division (FPD), within the Ministry responsible for EU funds.
- b. Paying Agency (PA) – Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA).
- c. Certifying Body (CB) – Internal Audit and Investigations Department (IAID), Office of the Prime Minister (OPM).
- d. National Audit Office (NAO) – in view of the fact that public funds are being utilised for the implementation of the investment.
- e. Audit Services of the European Commission (EC) and the European Court of Auditors (ECA) – in view of the fact that the investment benefits from EU funds.
- f. VAT Department – to ensure that VAT regulations are respected.
- g. Any other national or EU entity legally entitled to carry out verifications on public funds awarded.

Beneficiaries are reminded that failure to comply with control or audit requirements, or obstruction of authorized checks, may result in financial corrections, recovery of funds, or exclusion from future funding opportunities.

3.1 Internal Control

Beneficiaries are responsible for establishing and maintaining effective internal control systems to ensure the sound financial management of CAP CP support. As part of this obligation, beneficiaries must maintain either a dedicated accounting system or use a clearly identifiable accounting code to record all financial transactions linked to the operation, in accordance with national accounting standards. Where a beneficiary is implementing multiple operations co-financed by European Structural and Investment Funds (ESIF), it is essential that each operation is recorded separately through distinct accounting systems or codes to ensure transparency, traceability, and compliance with audit requirements.

3.2 Accounting Treatment

The beneficiary must ensure that all accounting documentation related to the project is readily available, in line with the requirements outlined in Circular HR_OPM_EES_7_2024.pdf available on fondi.eu.

3.2.3 Audit Visits

Under AGRI, audits are carried out at the premises of the Paying Agency. Physical checks may, however, be conducted directly at the Beneficiary's site. Beneficiaries must ensure that both the Authorised Representative and the Project Leader are available during such checks to provide the necessary support and clarifications.

All relevant documentation must be properly organised and stored within the designated project file, whether physical or electronic, and must be readily accessible to the Paying Agency and auditors upon request. Beneficiaries are obliged to fully facilitate access to all records, systems, and personnel required for the purposes of verification, checks, and audit.

3.2.4 Audit Follow-up

Following the conclusion of the audit, the auditors will prepare a report detailing the findings and any relevant recommendations. Where necessary, the auditors may request clarifications or additional information. In such cases, feedback will be sought from both the Managing Authority and the beneficiary.

The beneficiary is required to fully cooperate during this process and must submit any requested data, documentation, or clarifications within the specified deadlines. Timely and accurate responses are essential to ensure the proper closure of audit procedures and the resolution of any issues identified.

3.3 Identification and Notification of Irregularities

Irregularities may be identified at any stage of the operation, as a result of the various checks and audits conducted by different authorities, including the beneficiary. They may also be detected through alternative sources such as tax inspections, evaluations, formal or anonymous complaints, or publicly available information.

In all instances, the beneficiary is obliged to immediately report any identified irregularity to the Managing Authority and/or the Paying Agency. Timely notification is essential to enable appropriate corrective action and to uphold the principles of transparency, accountability, and sound financial management.

3.4 Financial Recovery and Correction

Where an irregularity results in undue payments, the entity that detects the issue—whether it be the beneficiary, the Paying Agency, or another competent body—must act without delay to initiate the recovery process.

It should be emphasised that non-compliance with applicable rules and obligations may give rise to irregularities which, in turn, could trigger financial corrections. In more serious cases, this may lead to a full recovery of the funds concerned. The scale of the correction will be assessed in line with the European Commission's guidelines and in accordance with State Aid provisions, where applicable.

3.5 Remedies Available to Beneficiaries

Subsidiary Legislation 146.03 (Paying Agency Regulations) provides the legal framework governing the functions of the Paying Agency. Under these Regulations, beneficiaries who feel aggrieved by a

decision of the Paying Agency are entitled to seek remedies at law through the procedures established therein.

4. Information and Publicity

This section outlines the information and publicity obligations for operations co-funded under the Common Agricultural Policy Strategic Plan (CAP SP) 2023–2027. These obligations aim to ensure transparency, visibility, and public awareness of the EU's contribution to projects, in line with Article 123 of Regulation (EU) 2021/2115 (CAP Strategic Plan Regulation) and Annex III of Commission Implementing Regulation (EU) 2022/129.

In Malta, a yearly Communication Strategy is prepared by the Communications Unit within the Ministry responsible for European Funds. This covers the communication activities of all EU co-financed programmes, including CAP SP, ensuring a consistent and harmonised approach across funds.

4.1 Role of the Managing Authority

The Managing Authority (MA) is responsible for ensuring that information and publicity measures are in line with Article 123 of Regulation (EU) 2021/2115 and Annex III of Commission Implementing Regulation (EU) 2022/129. The MA shall ensure that beneficiaries are informed of their obligations in relation to visibility requirements, including the use of the EU emblem and appropriate reference to EU financial support.

The MA shall also publish and keep up to date the list of operations funded under the CAP Strategic Plan, as required under Article 123(2) of Regulation (EU) 2021/2115.

4.2 Obligations of the Beneficiary

In accordance with the Implementing Regulation (EU) 2022/129 and specifically Annex III thereto, beneficiaries are required to comply with EU visibility and communication obligations. In this regard, all CAP Strategic Plan (CAP SP), beneficiaries shall:

- Acknowledge the support received from the European Union through the use of the EU emblem and reference to EU funding on all communication materials, websites, and promotional activities linked to the project.
- Ensure visibility of EU support at the project site through permanent plaques, billboards, posters, or digital communication tools as applicable.
- Cooperate with the MA in publicity and communication actions organised at programme or project level.

Beneficiaries must also ensure full compliance with the Visibility and Information Guidelines (VIGs) issued by the Ministry, as specified in Section 4.5. Failure to comply with publicity requirements may lead to financial corrections.

4.3 Public List of Operations

The MA shall publish a list of operations supported under the CAP Strategic Plan, as per Article 123(2) of Regulation (EU) 2021/2115. This list shall be updated at least every four months and include, at a minimum, the following data in line with Commission Implementing Regulation (EU) 2022/129 Annex III:

- The name of the beneficiary;
- The name of the operation;
- The summary of the operation;
- The dates of approval and completion;
- The total eligible expenditure allocated to the operation;
- The Union contribution;
- The intervention type, in line with Annex VI of Regulation (EU) 2021/2115.

4.4 Collaboration in Publicity Activities

Beneficiaries may be requested by the MA to participate in or contribute to information and publicity actions organised at programme or project level, such as media coverage, case studies, success stories, or events.

4.5 Visual Identity Guidelines

Beneficiaries shall comply with **Visual Identity Guidelines** which establish the standards for the correct use of the EU emblem, references, and visibility materials. These guidelines are available on the Managing Authority's website <https://fondi.eu/visual-identity-guidelines-2021-2027/>

4.6 Commemorative Publicity

Where an operation involves the purchase of equipment, infrastructure works, or other investment actions, beneficiaries must ensure permanent visibility of the support received. In accordance with Article 6 and Annex III of Commission Implementing Regulation (EU) 2022/129 and, this shall be done by means of durable commemorative plaques or billboards, or digital tools, placed at a location readily visible to the public. Permanent commemorative publicity must be installed within one month of the completion of the operation, as follows:

- At a prominent location within the premises that is accessible to the general public;
- In any section or area where the financed investment is located, or affixed directly to the financed item in the case of equipment.

All required logos and emblems for commemorative plaques can be downloaded from the following link:

- <https://fondi.eu/visual-identity-guidelines-2021-2027/>

For operations supported under the LEADER/CLLD approach, the visibility material shall include the LEADER logo in addition to the standard EU funding requirements.

4.7 Visibility Stickers

In the case of tangible investments procured through EAFRD support, including but not limited to machinery, tools, storage units, farm building, and other physical assets, the beneficiary is to affix a visibility sticker directly onto the financed item as part of fulfilling visibility requirements.

The beneficiary must consult the Communication Unit within the Ministry for EU Funds to determine whether the use of stickers may replace or supplement permanent commemorative publicity obligations.

Visibility stickers must:

- Be durable and, where applicable, suitable for outdoor;
- Be placed in a visible and accessible spot on the financed item.

The Managing Authority provides templates and official logos to ensure consistency and compliance. These can be accessed here:

<https://fondi.eu/visual-identity-guidelines-2021-2027/>

5. Durability of Operations

Beneficiaries are obliged to maintain the project in operation after the final payment, as follows:

- Investments with a grant value up to €15,000: durability period extends one (1) year from the final payment.
- Investments with a grant value between €15,000 and €200,000: durability period extends three (3) years from the final payment.
- Investments with a grant value over €200,000: durability period extends five (5) years from the final payment.

This obligation applies to investments in infrastructure and/or productive investments and is independent of the size of the beneficiary. During this period, beneficiaries must ensure that such investments are not subject to any of the following:

- Cessation or transfer of a productive activity outside the NUTS 2 region where support was received.
- Change in ownership of an item of infrastructure that would give a firm or body an undue advantage.
- Substantial changes affecting the nature, objectives, or implementation conditions of the investment that could undermine its original objectives.

Investments will be subject to ex-post on-the-spot checks. Failure to comply with the durability obligations may result in recoveries. All project activities must be in place, operational, and functional at the time payments are processed.

It is clarified that, in line with CAP SP obligations, a change in ownership of an item of infrastructure is not permitted. Beneficiaries must maintain ownership of assets purchased with EU funds and ensure that acquired assets are kept in good condition during and after project implementation. Breach of this obligation may lead to full recovery of support paid.

To ensure compliance, the Paying Agency will carry out at verification visits during the durability period. These visits will confirm that the operation remains active and that none of the prohibited situations above have occurred.

Non-compliance with the above provisions may result in full or partial recovery of financial support, in accordance with Section 3.3.

6. Data Protection

Data and information gathered by the Managing Authority and/or the Paying Agency in connection with the funded action may be shared, where necessary, disclosed to authorised third parties for the purpose of fulfilling legal and administrative duties. Such data processing shall be carried out in compliance with applicable EU and national legislation, including Regulation (EU) 2016/679 (General Data Protection Regulation), and any subsequent amendments.

All information submitted by applicants and beneficiaries will be used solely for its intended purposes: namely (i) to carry out verification and control procedures, and (ii) for monitoring and evaluation in accordance with Regulation (EU) 2021/241. Under no circumstances will the data be used for purposes that are inconsistent with those for which it was originally collected.

By entering into a Grant Agreement with the Managing Authority, the beneficiary undertakes to allow the Maltese authorities to carry out all necessary checks and verifications, including consultations with competent authorities and organizations, to validate the information submitted throughout the lifecycle of the supported action. Beneficiaries are required to submit truthful and accurate data. They retain the right to access all personal and project-related data held in their name and may request corrections where inaccuracies are identified.

7. Contact Details

The Funds and Programmes Division (FPD), acting as the Managing Authority (MA), is responsible for the overall management, monitoring, and supervision of projects under the CAP Strategic Plan 2023–2027, and can be contacted for any queries related to these functions.

Managing Authority

Address: Funds and Programming Division
The Oaks Business Centre, Block B Farsons Street
Hamrun, HMR1325, Malta.

Telephone Number: 2555 2555

Email: fondi.eu@gov.mt

Website: <https://fondi.eu/>

Paying Agency Contact Details

For queries related to payment claims, supporting documentation, or verification procedures, Beneficiaries should contact the Agriculture and Rural Payments Agency (ARPA):

Agriculture and Rural Payments Agency (ARPA)

Address: Agriculture and Rural Payments Agency (ARPA)
Luqa Road, QORMI, QRM 9075, Malta.

Telephone Number: +356 2292 6148

Email: arpa.mafa@gov.mt

Website: <https://arpa.gov.mt>