



GOVERNMENT
OF MALTA



GUIDANCE NOTES

Measure 2 - Strengthening a healthy cultural identity

***RURAL DEVELOPMENT PROGRAMME
Malta (2014-2020)***

Version Call 8 – issued on the 9th July 2024

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European Agricultural Fund
for Rural Development:
Europe Investing in Rural Areas

Table of Content

Definitions:	4
1 Introduction	6
2 Rationale for Intervention	6
3 Scope and Objectives of the Measure	7
4 Contribution to focus areas and cross-cutting objectives	7
5 Eligible Actions	7
6 Description of the requirements and targets	8
7 Eligible Investments	8
8 Non-Eligible Investments:	9
The following is an indicative list of non-eligible investment under Measure 2:	9
9 Eligible applicants	9
10 Aid Intensities	10
11 Financing – Budget	10
12 Filling out Part A – Administrative Forms	10
13 Filling out Part B – Technical Description	11
14 Filling out Part C – Selection Criteria	11
15 The Application Process – General Provisions	13
16 Evaluation – Administrative Checks	14
17 Eligibility Criteria	15
18 Selection Process	15
18.1 Preliminary List of results	15
18.2 Unsuccessful Project Proposals	16
18.3 Publication of Final Result	16
18.4 Grant Agreement	17
18.5 Changes	17
19 Contractual Obligations	17
19.1 Durability of Investment	17
19.2 Documentation	18
19.3 <i>Procurement</i>	18
19.4 Controls and Penalties	18
19.4.1 <i>Administrative checks on support applications</i>	19
19.4.2 <i>Administrative checks on payment claims by the paying agency (ARPA)</i>	19
20 Payments	19
21 Compliance with Community Policy	20
21.1 General Principles	20
21.2 Procurement	20
21.2.1 <i>Procurement procedures for Voluntary organizations</i>	21
21.3 Equal Opportunities and Non-discrimination	21
21.4 Sustainable Development	21
22 Publicity	21
23 Data Policy	22
23.1 Data Protection	22
23.2 Retention of Documents	22
23.3 Monitoring, Evaluation and Dissemination	22
24 Contact Details	23

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

Such amendments may become applicable and enforced retrospectively.

In case of any conflicts between these guidance notes and the text of the Rural Development Programme (RDP) 2014-2020, GAL XLOKK Local Development Strategy and other legislative text, the interpretation given by the relevant legislation will be given priority.

The GAL Xlokk Foundation reserves the right to request additional information not Included in the accompanying application form.

Definitions:

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

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

Decision Committee (DC): The DC of the LAG is the decision-making body in relation to all activities.

EAFRD: European Agricultural Fund for Rural Development.

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

Evaluation Committee (EC): A committee appointed by the LAG and can be constituted by a least 2 members. Both are responsible for administratively checking the applications.

Grant Agreement: An agreement signed between the GAL XLOKK Foundation and the selected applicant (beneficiary) containing provisions and conditions related to the particular support.

LEADER: *Liason Entre Actions de Development de l'Economie Rurale*'. The LEADER programme refers to the implementation of the actions included in the Local Development strategies by the LAG to address specific local issues in line with the Rural Development programme for 2014-2020.

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

Measure: An aid scheme for implementing a policy. Each measure sets out specific rules to be complied with by the projects or actions that can be financed. There are two main types of measures: investment measures and area-related aid.

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

Project Selection Committee (PSC): The role of the Decision Committee includes the assessment and review of all recommendations made by the Evaluation committee. The PSC assesses and ranks applications.

Project closure: Closure takes place after the Agriculture and Rural Payments Agency has issued the final payment to the beneficiary, after it has carried out all the necessary checks and controls.

Project completion: A project can be deemed completed when the final request for payment has been submitted to the Agriculture and Rural Payments Agency

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

Rural Development Programme (RDP): A document prepared by a Member State or region, and approved by the European Commission, to plan and monitor the implementation of the rural development policy.

Voluntary Organisations (VO): Eligible VOs shall be those that are fully enrolled with the VO Commissioner and are compliant in their annual returns, as required by Subsidiary Legislation 492.01 of the Voluntary Organisations Act.

1 Introduction

These Guidance Notes are intended to assist Applicants in understanding the requirements for requesting and receiving funding support under **Measure 2 – Strengthening a healthy cultural identity** of the Xlokk Local Development Strategy (LDS).

Applicants are advised to familiarise themselves with these Guidance Notes prior to filling in and preparing the Application Form. The Guidance Notes, Application Form and all annexes and other documentation are available on www.galxlokk.com¹.

Applicants are reminded to check that they referred to the latest guidance notes as available on the Foundation's 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 latest version at the time of application will be accepted.

2 Rationale for Intervention

This measure, falls under Objective 1 of the Xlokk LDS – Development of the cultural landscape, social heritage and tourism product of the rural territory.

The analysis of the territory and the results of the consultations have both demonstrated a uniquely strong element of the community's need to establish its identity, on a regional as well as on a local scale, through cultural and social investments, and a strong emphasis on the need to invest in projects that develop this cultural heritage of the rural community. In this sense, culture is seen as a driver and a destination.

The need to support the development and strengthening of cultural and social investments in their many and very diverse forms, is both logical and justified, as these activities represent the people's way of life within the rural communities. The rationale to encourage a very wide scope of actions with a cultural dimension stems from the evidence of the existence of a wide spectrum of cultural activities, and a desire to continue to build on the already established cultural heritage, as well as expand on it. With this reasoning, the aim is two-fold: to ensure that no group or sector is excluded, however small or under-represented it is, as long as it has a genuine intent to engage in the creation and development of cultural investments with true links to the rural territory in which it operates, and to stimulate the further development and growth of this rich cultural and social fabric of the community.

This measure is built on the premise that without the necessary investment in the infrastructure, these cultural and social activities would not be possible. This need is more evident when one considers that most of the functions in question are run by local voluntary groups, with little or no access to alternative sources of funding. The intention is therefore to use the LEADER fund to provide support for the necessary initial infrastructure to be put in place, such that the activity/investment can be sustained in the longer term.

¹ <http://galxlokk.com/category/documents/>

3 Scope and Objectives of the Measure

This measure is intended to provide support for the setting up and/or quality improvement of activities, events, experiences and sessions of cultural and social value, that have a strong link to the historical, social and cultural development of the locality or the region, build on the rural heritage of the areas, and that are aimed to provide a means of entertainment and recreation, social space and expression for members of the community. Support under this measure shall be provided for the investments in any one or a combination of the following areas: culture, arts and crafts (including performing arts, dance, film, literature and theatre productions; trades and artisanal crafts and products), music, sports, adventure (including outdoor adventure and scouting), life skills (including survival and leadership skills), gastronomy and culinary experiences, agrarian traditions and heritage, and trades and traditional practices (including fisheries and farming).

This measure supports interventions that are aimed to invest in the infrastructure for new or improved cultural and social investments to take place within the Xlokk territory. Such investment includes improvements to immovable property/premises from which the group operates, and other related ancillary investments in equipment and facilities that are necessary for the activity or event.

This measure shall not support the maintenance of existing/on-going cultural and social activities that are already being organised on a regular basis.

4 Contribution to focus areas and cross-cutting objectives

Actions supported under this sub-measure shall contribute to the **Focus Area 6B: Promoting social inclusion, poverty reduction and economic development in rural areas.**

The contribution of this measure to the cross-cutting objectives of climate and the environment is promoted through the requirements for environmental sustainability embedded in the selection criteria, whereby preference is given to investments that demonstrate how the environmental/climate impact is being reduced (e.g. the project has sound waste-management and/or green transport arrangements) and investments that incorporate an element of education and communication on the local environment.

These elements in turn contribute towards the innovative aspect of the measure, moving away from the more 'traditional' way of doing things on a single discipline, but rather striving to combine different aspects of the local culture.

5 Eligible Actions

Projects must be physically undertaken in any of the rural localities that constitute the GAL Xlokk Foundation territory, listed in the following table.

Rural Localities within the Xlokk Action Group Foundation Territory				
Ħal-Qormi	Ħal-Luqa	Ħal-Kirkop	Ħal-Safi	Il-Gudja
Il-Qrendi	Ħal-Għaxaq	Iż-Żurrieq	Iż-Żejtun	Ħaż-Żabbar
Ix-Xgħajra	Birzebbugia	Il-Kalkara	Marsaxlokk	Marsaskala
Mqabba	Santa Luċija			

6 Description of the requirements and targets

The applicant is required to demonstrate that the proposed investment shall result in the achievement of the following targets:

- i. the creation of new cultural and social investments/events and/or the significant improvement of existing ones.

7 Eligible Investments

Eligible investments supported under Measure 2 is as follows:

- Direct project costs associated with the development and/ or creation of the cultural or social activity, including professional fees, leasing of space and equipment, purchase of small instruments and activity equipment;
- Improvements to immovable property (construction costs/enhancement of premises), that are necessary for the development/ creation of the activity and without which the activity could not take place

The following is an indicative list of the direct project costs that **may be supported** under this measure when these relate to the development/creation of the activity (activities which already form part of the annual calendar will not be funded):

- Expenses related to knowledge capacity building of historical, geographical, traditional/folkloristic documentary evidence;
- Costs of procurement of specialist services, including experts' fees (such as historians, artists, designers, chefs, etc.) and area-specialists (literature, art, music, theatre, sports, nutrition, outdoor adventure, etc.). The costs of these specialists shall only be supported for the duration of the projects and upon demonstration of evidence of their direct contribution to the implementation of the action. Additionally, such costs will be capped at a maximum of 10% of the total cost;
- Purchase of new equipment, machinery and instruments that are to be used for the realisation of the cultural activity, such as equipment for the high-quality delivery of the cultural activity/event/experience, including audio-visual equipment, and instruments that are either necessary for the delivery of the activity/event/experience, or that are to be transmitted to the participants to enable them to engage in the activity including musical instruments, sports equipment, etc;
- Procurement of durable activity aids and accessories including traditional costumes, props, designs, printed material, graphical aids, training resources (such as compasses, torches, maps, guidebooks, etc.), artifacts, antiques, collectable items, apparatus etc;
- Leasing of temporary facilities and infrastructure, such as leasing of premises, mobile toilets, tents, exhibition stands, information panels, among others, which are needed for the organisation of the proposed events will be capped at 20%;
- Project Publicity costs (refer to the Visual identity guidelines issued by the Managing Authority).

The following are indicative eligible costs relating to the investments in infrastructure:

- a. The improvement of immovable property;
- b. The purchase of new equipment up to the market value of the asset;
- c. General costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees. This cost is eligible up to 10% of the total eligible costs of

the project.

****Only Projects covered by a valid Planning Authority permit and those which are in the process of a permit application are eligible under this Action. Projects should be having a Planning Authority number or DNO number. Projects with a tracking number will be rejected at application stage.***

The beneficiary can only claim EAFRD funds for eligible and approved expenditure that has been incurred after an application has been submitted to the GXF and an acknowledgement is issued by the Foundation, in line with EU Regulation 1305 of 2013 Article 60 (2).

8 Non-Eligible Investments:

The following is an indicative list of non-eligible investment under Measure 2:

- Purchase of land and buildings;
- Currency exchange losses;
- Purchase of means of transportation
- Provisional installations that are not directly related to the investment (e.g. warehouses for keeping materials for the construction)
- Activities which already form part of the annual calendar will not be funded, if there is no improvement on the existing ones
- Expenditures made before the launch of the call for application (the applicant should refer to Article 60 of Regulation 1305/2013 of the European Parliament and Council. The applicant may at his own risk initiate the implementation of the project as from the date of submission of application);
- Income Tax and/or other operational costs of the entity applying for the project, including provisions for possible future losses or debts;
- Bank Interest;
- Inputs which are the subject of a contribution in kind;
- Administration fees (salaries, insurance obligations and running costs);
- Second-hand equipment;
- Value Added Tax (except where it is non-recoverable under national VAT legislation). Refer to section 10 of these guidance notes.
- Non-durable accessories (such as sportswear/kits and training aids such as footballs, cones etc.)
- Provision of bar and catering facilities
- Work in kind
- Statutory fines and penalties
- Planning Authority fees

9 Eligible applicants

Support under this measure is open to:

- a. **Voluntary Organisations (VOs) in line with the Voluntary Organisations Act 2007** (Chapter 492 of the Laws of Malta), and that do not carry out an economic activity within the meaning of Article 107 of the Treaty of the Functioning of the European

Union.²

Voluntary organizations under the Second Register (generating a Gross Annual Income of less than €5,000) **cannot** apply for this scheme.

IMP: Applicants who have already benefited under one of the calls as part of the same measure may still apply under this call on the basis that they have presented the last claim for payment to the Paying Agency including all necessary documents. GXF will do the necessary checks with the Paying Agency and will not tolerate any form of abuse.

10 Aid Intensities

A beneficiary will be granted 80% of the total eligible expenditure should the proposed investment be selected. The other 20% of the total eligible expenditure must be borne by the applicant.

The VAT element must to be borne by the applicant (except where it is non-recoverable under National VAT legislation). Grant assistance may be provided in respect of non-recoverable VAT.

11 Financing – Budget

The maximum grant support for each project is capped as per below:

- €30,000 for major investments³ or;
- €15,000 for smaller-scale investments or;
- €5,000 for the organisation of events

The **indicative** remaining total allocated funds for this call is set at **€90,023.16**. In the case of over-subscription of the call, the **GAL XLOKK Foundation MAY** reserve the right to allocate additional funds to this measure following approval by the Managing Authority.

12 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:** **Projects including submission of final payment claim should be completed by not later than 30th May 2025.** Thus **applicants are advised to be realistic in their project in view of the timing constraints.** The project duration in months will be calculated from the date of the signing of the grant agreement.
- **Applicant's Information:** The Applicant must fill-in only the section that is relevant according to the nature of activity.

² These VO's must be compliant with the Office of the Commissioner for Voluntary Organisations

³ Major investments refer to construction works and improvement to immovable property, up to the market value of the asset and general costs (up to 10% of the total eligible costs)

13 Filling out Part B – Technical Description

- **Key Investment Plan (Project Summary):** This is a critical section of the application form. This is where all the details and technical specifications of the project are to be explained. The applicant is being asked to provide details of the proposed actions and investments, together with the objectives of the same project.
- **VAT Declaration** - The applicant should indicate whether the project gives rise to sales. If the project is directly related to sales on which VAT is charged the applicant can recover the VAT element from the VAT department. If the sales are zero rated (exempt with credit) the applicant will cover the VAT from the LEADER funds. Please read the declaration carefully and tick ☒ accordingly. The declaration will become legally binding once the project is approved and the applicant has signed the Grant Agreement.
- **Source of funding** - The applicant should indicate whether other sources of funding were considered. Please read the declaration carefully and tick ☒ accordingly. The declaration will become legally binding once the project is approved and the applicant has signed the Grant Agreement.
- **Type of expenditure** - The applicant should indicate under which type of investment the application is being submitted.
- **Project Costs:** For each investment proposed, list down in the table (double – click on the table) the line item (e.g. Projector) and the Quantity (e.g 1). Each investment is to be backed up by a quotation or Bill of Quantities to be enclosed with the application form. Only items listed in this section will be considered for application assessment and grant award. Projects co-funded through this Measure will be assisted with 80% contribution from the European Agricultural Fund for Rural development and Government of Malta funds. The amount of each component is to be included under the year in which the investment is expected to be procured.
- **Project location** - Details where the project will be located should be provided.

14 Filling out Part C – Selection Criteria ⁴

The PSC will proceed to award marks to each proposal based on the information submitted in the applications and provided through clarifications (where applicable). In order to qualify for selection, the proposal needs to obtain a total of at least 50% of the total marks of the selection criteria. For those eligible projects going through the assessment stage, the PSC may seek clearance from the State Aid Monitoring Board (SAMB).

The following is a list, together with maximum scoring, of selection criteria applicable to the measure. The maximum total marks that can be obtained by fulfilling these selection criteria is 100%.

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

1. Relevance to the objective of the measure (max.25 marks)		
1a	Evidence of the cultural value of the activity (evidence of significance of activity in terms of the cultural and social heritage of the locality/area) - (max 10 marks)	High marks will be given to interventions with a high cultural value
1b	Evidence of the tourism potential of the cultural activity (to attract non-residents) - (max 5 marks)	High marks will be given to interventions with a tourism value.
1c	Evidence that the investment encourages the participation and increases the regular organization of events (such as exhibitions) that may become part of the annual calendar of events - (max 10 marks)	The applicant should show how the investment will contribute to the daily running of the organization leading to increased cultural activity
2. Link to the territory (max. 15 marks)		
2a	Evidence that the cultural project has a historical and social link to the cultural heritage and traditions of the area - (max 5 marks)	A tick box system is being used; whilst, the applicant should provide details of the historical and social background of the investment related to the culture/ traditions of the territory.
2b	Evidence that the cultural activity is geographically linked to the territory - (max 5 marks)	A tick box system is being used; whilst, the applicant should provide details of the investment's geographical link with other sites/assets found in the territory
2c	Evidence that the cultural project is linked to other activities of cultural and/or touristic value in the same area - (max 5 marks)	A tick box system is being used; whilst, the applicant should provide details how the project is with sites/assets which are popular among tourists in the territory.
3. Type of project (max. 20 marks)		
3a	The project is an integrated project in that it incorporates the achievement of more than one objective - (max. 10 marks)	The applicant should identify which objectives the intervention will be targeting from the following: (cultural exchange, enhancing of life quality, leisure & entertainment and skills building). Here the applicant is not obliged to achieve all objectives, but is required to provide details how the objective/s will be reached.
3b	The project involves local actors emanating from different sectors of arts, crafts and popular culture - (max. 10 marks)	High marks are given to applicants involving other actors which are involved in the above-mentioned sectors. Projects with at least another partner apart from the lead partner will be given full marks. Partners need to contribute financially to the project.
4. Social impact on the Community (max.15 marks)		
4a	The project's information and education components are targeted to children and youths, elderly and persons with learning difficulties and/ or disabilities- (max 5 marks)	Marks are given to applicants describing the direct social impact towards the identified target group. These can include any promotional/dissemination actions taken.
5. Preparedness (max 10 marks)		

5a	Evidence that the necessary arrangements have been made with local actors that are to be involved in the development and delivery of the activity - (max 5 marks)	<i>Applicants are awarded points according to the level of preparedness with regards to quotations, bill of quantities and any consent provided. The documents to be requested are applicable according to the type of applicant and/or project.</i>
5b	Evidence that the necessary permits (PA/ Development Notification Order permits) in case of improvement to immovable property and/or other relevant permits are in hand - (max 5 marks)	⁵ Maximum marks are given to applicants that already have the PA permit in hand or for projects which do not need a PA permit.
6. Sustainability of the Project (max.15 marks)		
6a	Sustainability of the project following 5 years from its completion - (Max 5 marks)	Maximum points will be given to those projects which will still have an impact on the community following a five year period.
6b	Evidence that the project has a neutral or positive impact on the environment and the climate - (max 5 marks)	Points awarded on the basis that the proposed intervention/s contribute towards the promotion of equal opportunities equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. Consideration will be taken whether the applicant has a gender mainstream strategy and an adequate policy on equality.
6c	Evidence that the project has a neutral or positive impact on gender and other forms of non-discrimination policies - (max 5 marks)	
Total		100 marks

15 The Application Process – General Provisions

Interested applicants need to submit the completed application form for Measure 2 (8th call). It is strongly advisable that prior to the preparation and submission of the application, **prospective applicants read these guidance notes.**

- a. All applications must be completed in full by the Project Leader. No parts of the application form are to be left blank – in cases where specific requested information in the application is not applicable to the applicant, the applicant must fill in the field with the note '*Not applicable*'.
- b. Although GXF representatives are available for meetings with interested applicants, it is the ultimate duty of the applicants to read thoroughly the guidance notes and application form. It is also the ultimate responsibility of the applicants to ensure that all documentation requested is correctly presented. Applicants must ensure that the application form and the requested supporting documentation **are presented at the**

⁵ Only projects with a valid PA permit in hand or projects which do not require any PA permit will be considered, this is being taken into consideration due to the restricted time frames.

GXF offices, 269, Main Street, Qormi, by hand and on info@galxlokk.com within the deadline of the call.

- c. It is not the duty of GXF to verify the above matters irrespective of any meetings that may be held between GXF and the applicants.
- d. The call for applications will open on the 25th **June 2024** and shall remain open until the entire budgetary allocation under this Measure is allocated. The GXF will be adopting an **Open Block Calls Procedure**. This means that a batch of applications received within a respective time block will be assessed separately from applications received in subsequent batches. The call shall close either once the allocated budget has been committed or should the call be withdrawn through a notification by the GXF. The GXF may re-issue the call in a similar or different format. The GXF may also issue clarifications and amendments during the time period of the open call for applications without necessarily closing and re-opening the call. Such clarifications will be uploaded on our website: www.galxlokk.com
- e. A receipt shall be issued by the receiving officer upon submission of a completely filled-in application form. The issuance of the receipt letter does not imply that the applicant will be considered as a main beneficiary under this call. The application may be refused and returned to the applicant following the issuance of the receipt letter.
- f. The first Call for proposal will remain open until **Thursday 25th July 2024, at noon**, subject to availability of funds. Applications received after this deadline **WILL NOT BE CONSIDERED for the first batch**. The deadline for the respective set of applications will be received **on the last Tuesday of each respective month, at noon**. Applicants are encouraged not to leave to the last day to submit their application.

16 Evaluation – Administrative Checks

The evaluation committee will carry out administrative checks on submitted applications. It is important that the submitted application form is filled-in correctly and completely. In case an application is submitted with missing documentation/information, a notification letter will be sent to the applicant allowing a period of 5 working days to submit the missing documentation and/or information from the date of such letter.

If the requested documentation is not submitted within this time-frame, the application will be automatically disqualified and a rejection letter will be sent to inform the applicant.

The evaluation committee will then carry out verification of the eligibility of the supporting documentation submitted, as well as the screening of the application in terms of the eligibility criteria. It is important to note that it is within the responsibility of the applicant to ensure that the content of the application and the supporting documentation submitted is in full and in line with what is being requested.

With reference to the quotation to be submitted by the applicant, the Evaluation Committee reserves the right to ask for further clarifications or necessary adjustments even after the applicant submits the missing documentation/clarifications. The Evaluation Committee reserves the right to contact suppliers/service providers to validate the quotations provided.

No further additional information will be accepted after the closing date for applications unless it is requested. In this regard, it is the applicant's sole responsibility to ensure that the application is complete in the best possible way before submission. Evaluation of the application will be carried out only on the information submitted at application stage or any other information as requested by GXF. **Any false or misleading information will lead to the immediate rejection of the application.**

17 Eligibility Criteria

The following general eligibility criteria shall apply for the evaluation of proposals for actions to be supported under this measure:

- a. The applicant is able to demonstrate that he/she forms part of (or is the legal representative of) the beneficiary/applicant organization.
- b. Submitted application is fully completed and duly filled-in⁶
- c. Voluntary Organizations should be compliant with the *Office of the Commissioner for Voluntary Organizations*
- d. The proposed project will be implemented within the GXF territory;
- e. The applicant is able to demonstrate evidence of sufficient financial capacity required to finance the project and to fund the private financial component
- f. The proposed project contributes to the general and specific objectives of the measure;
- g. The proposed project contributes to at least one indicator target;
- h. The project proposal contains evidence of the cultural and/or social activity that is to be created and/or developed as a result of the investment;
- i. The project proposal contains evidence of the social/cultural/historical link of the investment to the Xlokk territory, or to any of its localities;
- j. The project involves the setting up of on-going events and not a one-time event;

The GXF reserves the right to revise the eligibility criteria applicable to the Measure, subject to per-notification.

18 Selection Process

A Project Selection Committee (PSC) made up from the Decision Committee members will be responsible for ranking and selecting applications for support after close liaison with the EC members. The PSC may request the services of a technical expert to assist the whole evaluation process. The PSC reserves the right to request additional information and further clarifications on the project as part of the selection process.

18.1 Preliminary List of results

A preliminary list of the proposals containing selected, on reserve and failed applicants together with their respective score shall be drawn up. Furthermore, the PSC reserves the right to request project re-dimensioning in special circumstances.

⁶ In terms of details as required by the Selection Committee to evaluate the project for eligibility and selection accordingly.

The preliminary result shall be published on the Foundation's official website⁷. In addition, a notification letter shall be sent to applicants informing them of their right of appeal in cases where applications fail to qualify.

18.2 Unsuccessful Project Proposals

In the notification letter sent to the applicant, reasons why the project was not selected shall be provided. The applicant shall have the right to appeal in writing through a registered letter within 5 working days from receipt of the email/letter of notification of result sent by the LAG.

The appeal is to be addressed to the Chairperson of the Project Selection Appeals Board (PSAB). The PSAB is an independent Committee set up to review in an autonomous way any appeals lodged. The PSAB will be composed of a minimum of three (3) individuals with a Chairperson chairing the appeals process. The appellant is required to sustain the clarifications provided by including justified reasons backed by necessary supporting documentation/testimonials.

The applicants wishing to lodge an appeal must send a registered letter addressed to **"The Chairperson", Project Selection Appeals Board of GXF, 269, Main Street, Qormi, QRM 1107**, within 5 working days from when the applicant receives the notification letter. **The Appeals Board will not consider late appeals.** The letter should include detailed reason/s of why the appeal is being made, supported by any relevant documentation/testimonials.

The decision of the Appeals Board **is final** and the applicant cannot contest this decision. The applicant will be must notified in writing the decisions to each appellant. The appeals procedure shall be published on LAGs website.

18.3 Publication of Final Result

Upon completion of the appeals process, GAL Xlokk shall publish the final result of the projects eligible for financial support on its website and notice board.

The successful applicants will receive a 'Letter of offer' following the publication of the Final list of results. The applicants will be required to send a 'Letter of acceptance' (a draft copy of the Acceptance letter will be sent with the letter of offer) and a Bank Payment Form within 10 working days from the receipt of the 'Letter of Offer'.

If, after 10 working days, the LAG does not receive the letter of acceptance, it will be considered that the applicant is no longer interested in undertaking the project and funds will be relocated according to the discretion of the LAG.

Should the beneficiary accept the offer, eligible period of expenditure should start from the date of submission of application (*Refer to Article 60 of EU Regulation 1305/2013*). If the applicant accepts the offer, the bank payment form should be completed and referred to the Front Office of the ARPA. The form must be endorsed by a bank official

⁷ <http://galxlokk.com/category/news-2/> and <http://galxlokk.com/category/documents/>

and should show the IBAN of the applicant.

18.4 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 GXF by signing the Grant Agreement. More details on the generic provisions applicable in the Grant Agreement and the contractual obligations of the Beneficiary are provided in the subsequent sections. Selected applicants that do not come forward to sign the grant agreement within stipulated time-frames will have the award withdrawn.

18.5 Changes

Change requests should be approved by the GXF. Any request should be made before the actual expiry of the original time-frame. In cases where amendments to the contract are required, the beneficiary must submit a *Change Request* to GXF prior to the changes being actually implemented (a priori) and the beneficiary must wait for a reply from GXF. Applicants are being advised that changes related to extensions are being restricted considering the tight time-frames being imposed.

A change request in the form of an email on info@galxlokk.com should suffice.

If a request for changes to the contract is submitted after these changes have actually taken place (ex-post), the expenditure related to these changes may be subject to applicable penalties. The written request for changes must indicate the changes required, the necessary justification and relevant supporting documentation.

19 Contractual Obligations

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

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

19.1 Durability of Investment⁸

Beneficiaries are obliged to maintain the project as a going concern for five (5) years, as defined in Article 71 of Regulation 1303/2013, from the date of final payment to the beneficiary. The period shall also be stipulated in the Grant Agreement.

⁸ It is being clarified that in line with the obligations under Art 71 (1) (b) of Regulation (Eu) No 1303/2013 Of The European Parliament and of the Council, 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. This period, as described in the guidance notes and grant agreement (contract), is applicable for 3 or 5 years, depending on the durability obligations. Breach of such obligation will lead to a full recovery of any support paid.

Investments will be subject to ex-post on-the-spot checks. Failure to comply with the obligation for the durability of investments will result in penalties being applied. The Project has to be operational and functional at the end of the implementation period.

19.2 Documentation

Beneficiaries are obliged to retain all supporting documentation for a two (2)-year period from 31 December following the submission of the accounts in which the final expenditure of the completed operation is included. A signed inventory, listing any items bought in connection with the project, should be compiled and held on site and this should be made available to ARPA whenever requested.

19.3 Procurement

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

Checks in relation to public procurement will verify that Union public procurement rules and related National rules are complied with and that the basic principles of transparency, objectivity, non-discrimination, and appropriate disclosure have been respected throughout the entire process.

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

19.4 Controls and Penalties

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

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

19.4.1 Administrative checks on support applications

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 rural development programme, including those of public procurement, State aid and other obligatory standards and requirements. The checks shall, in particular, include verification of:

- The eligibility of the beneficiary.
- The eligibility criteria, commitments, and other obligations of the operation for which support is requested.
- Compliance with the selection criteria.
- The eligibility of the costs of the operation, including compliance with the category of costs or calculation method to be used when the operation or part of it falls under Article 67(1)(b), (c) and (d) of Regulation (EU) No 1303/2013⁹.
- For costs referred to in Article 67(1)(a) of Regulation (EU) No 1303/2013, excluding contributions in kind and depreciation, a verification of the reasonableness of the costs submitted. The costs shall be evaluated using a suitable evaluation system, such as reference costs, a comparison of different offers or an evaluation committee."¹⁰

19.4.2 Administrative checks on payment claims by the paying agency (ARPA)

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

20 Payments

- a. The facility of interim payments will be provided by the Agriculture and Rural Payments Agency (ARPA).
- b. Interim payments (of up to 80% of the total eligible value of the project) following the submission of a request for reimbursement and financial documentation (including invoices and receipts).
- c. In case of infrastructural works a provisional certificate of works prepared by an engineer/architect must also be presented.
- d. The final payment of the remaining 20% of the total eligible cost of the project will be made following the completion of the works and submission of the request for reimbursement together with the necessary financial documentation (including invoices and receipts, and a provisional certificate of works prepared by a warranted architect).
- e. The final payment will be issued once all the necessary on-site verifications and on-the-spot-check are carried out by GXF and ARPA and adherence to the contract is confirmed.

⁹ Simplified costs option

¹⁰ Article 48(2) of Commission Implementing Regulation (EU) No 808/2014

- f. In case of irregularities, penalties and sanctions may be applied by ARPA in line with the above-mentioned guidelines.
- g. Official certification by the architect appointed by the beneficiary is required for settlement of final payment (in case of infrastructural works).
- h. **The project is to be completed by not later than the 30th of May 2025 from contract signature or as defined by the GXF in the respective grant agreement.**

21 Compliance with Community Policy

21.1 General Principles

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

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

21.2 Procurement

At application stage, applicants are not required to submit quotations for structural works - a bill of quantities prepared by a warranted architect will suffice. On the other hand at application, one quotation is required **for all non-infrastructural components for which funding is being requested.**

Upon project approval, following the adjudication of the chosen supplier/s, the applicant should send a letter or email to the chosen and rejected suppliers upon issue of the project's award letter informing them of the organization's decision.

If the cheapest quotation is not chosen by the applicant, a justification would need to be provided. The applicant is to note that in such cases, the amount of funding co-financed through the EAFRD (2014 – 2020) can only be based on the cheapest quotation obtained.

Should for some reason three (3) quotations cannot be obtained by the applicant, a justification why, should also be provided by the applicant and it would be the Paying Agency's prerogative, after consulting with the GXF, whether to accept such justification or not.

In accordance with the Public Procurement Regulations, expenditure relating to economic operators convicted of a criminal offence are considered ineligible for funding and such expenditure will not be reimbursed by the Agriculture and Rural Payments Agency.

Applicants are guided to refer to the "Guidelines on the Submission of Payment Claims related to Investment Measures" issued by ARPA for details related to the required content and format of quotations and other procurement procedures; these guidelines may be downloaded at the below link:

<https://agriculture.gov.mt/en/arpa/Documents/guidelines/investmentMeasuresPaymentGuidelinesFinalEN-V3.0.pdf>

21.2.1 Procurement procedures for Voluntary organizations

In the case of Voluntary Organizations, applicants are asked to abide by the latest circular issued by the Managing Authority and Paying Agency on the 21st June 2021, MA PA EAFRD Circular 01/2021 found in the below link:

<https://fondi.eu/wp-content/uploads/2023/01/MA-PA-EAFRD-Circular-01-2021.pdf>

21.3 Equal Opportunities and Non-discrimination

Beneficiaries are required to take a pro-active approach to Equal Opportunities and must ensure that at all stages of the implementation of the action/s consideration is given to Equal Opportunities. Equal Opportunities and non-discrimination are not meant to just address gender discrimination but have a wider scope and include race, ethnicity, religion or belief, disability, age and sexual orientation.

21.4 Sustainable Development

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

22 Publicity

In case of information and publicity, the main beneficiaries must abide by the provisions of Part 2 of Commission Implementing Regulation (EU) No. 808/2014, as well as any Publicity/Visibility Guidelines that may be provided by the GXF through MA. In order to meet the requirements of the EAFRD Regulations, beneficiaries must ensure that adequate publicity is given to the project with a view to:

- a. making potential participants aware of the opportunities afforded by it;
- b. making the general public aware of the role of the Community in relation to the project;
- c. ensure transparency of the assistance concerned.
- d. As an example, materials used by the Beneficiary and major correspondence, including contracts signed with third parties must include any acknowledgement of EAFRD support.
- e. Any publicity material, such as advertisements, billboards and information leaflets about EAFRD co-financed projects must acknowledge this support.
- f. Publicity of individual projects must be incorporated into the project budget.
- g. Applicants are to be cautious when determining publicity actions for the project.
- h. Applicants should also ensure that the project benefits from any free publicity and that anything that will be proposed to be funded under the project is either obligatory or adds value to the results of the project, taking into account the value for money principle. In this regard, publicity measures of individual projects should take into account the nature of the project and must be relative to the size and objectives of the project.
- i. The Beneficiary should note that publicity may only be used to increase awareness of what EU funds are used for and to disseminate results. Publicity measures undertaken must be project specific.

- j. Publicity and information measures must not be used as a marketing tool to promote an organisation, its products, services, or infrastructure. Where a project includes an element of marketing, this must be used to complement but not replace the project's obligatory information and publicity measures.
- k. Marketing efforts should be included as a separate activity in the project and as a separate budgetary allocation and justified accordingly. The Applicant may also make reference to the 'Visual Identity Guidelines 2014-2020' that may be downloaded from the following link:
<https://fondi.eu/visual-identity-guidelines-2021-2027/>

23 Data Policy

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

23.1 Data Protection

GAL XLOKK has the duty to protect data provided in the Application Form. Any queries regarding Data Protection matters should be brought to the attention of the GAL XLOKK. The officer in charge can be contacted by e-mail on: info@galxlokk.com

23.2 Retention of Documents

The applicant is to retain all documentation in a project file (required to ensure any adequate audit trail) safely stored. All documents pertaining to the implementation of the project must be retained by the applicant for at least five (5) years following the end of the programming period. This is to facilitate audits and the ex-post evaluation of the program.

23.3 Monitoring, Evaluation and Dissemination

From time to time, the GXF, Managing Authority and/or Paying Agency, as well as other National and/or EU entities as may be identified, may conduct economic, environmental or other evaluation of the measure 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 measure 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 measure as well as evidencing implementation of projects. The GXF may also request cooperation from beneficiaries vis-a-vis promotion of the RDP, including use of pictures/videos taken from projects funded under this measure.

24 Contact Details

For more information regarding the Measure, kindly contact the GAL XLOKK Foundation.

Address: 269, Main Street, Qormi. QRM 1107

Telephone number: +356 2099 8008

Email: info@galxlokk.com

Website: www.galxlokk.com