



29th March 2019

**Measure 2 of the GAL Xlokk LEADER Programme 2014-2020:
"Development of Green Infrastructure"**

Clarification in relation to the Publication of results

Clarification:

Article 10 of the measure's guidance notes as published by the GAL XLOKK Foundation stated the following:

"The VAT element has 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. Written confirmation from the VAT Department that the project applicant is not-registered for VAT must be presented by the applicant. The VAT Declaration Form (annex 1 of these guidance notes) should be duly filled by the applicant."

Despite this clear guidance (correspondence dated on 21st February 2019) from the Managing Authority informed the LAG with the below:

"VAT eligibility under M19.2 is only for Local Councils and Public entities (except Ministries). Therefore, VAT for voluntary organisations will not be reimbursed and would have to be part of the private component."

Based on the above correspondence the Foundation has published the preliminary results (dated 15th March 2019) of this project with the grant amount excluding VAT. Both the evaluation committee and the Decision committee have considered the projects excluding VAT. Nonetheless, on the 27th March 2019, the Managing Authority sent the LAG with the below correspondence:

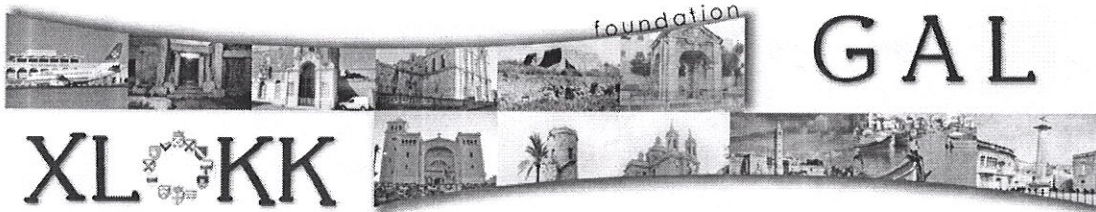
"Article 69 of the Common Provisions Regulations clearly states that the VAT could be eligible if it is not recovered. Hence NGOs could be VAT eligible but the LAG will have to perform an analysis on a case by case basis (based on the VAT declaration form provided at application stage)."

On the same day, another correspondence from the Managing Authority (dated 27th March 2019) stated the below:

"It is up to the LAG board to decide. We need to have more beneficiaires and hence more projects or less projects with higher co-financing?"

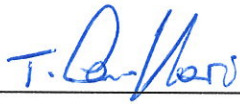
On Wednesday 27th March 2019, the Decision Committee discussed this issue during meeting number 92 of the Foundation. The DC members agreed that the Foundation

**GAL XLOKK Foundation – T: +356 2099 8008; W: www.galxlokk.com;
E: info@galxlokk.com A: 269, Main Street, Qormi**

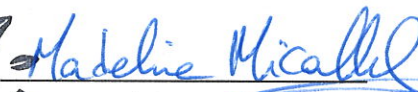


should revert back to article 10 of the guidance notes. Therefore, as indicated by the Managing Authority the VAT component could be eligible if it is not recovered.

Therefore, each application (as per submitted VAT declaration form) will be considered on a case by case basis analysis.



Mr. Terence Camilleri
GXF Manager



Ms. Madeline Micallef
GXF Secretary