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European Agriculture Funds for Rural Development (EAFRD)

Rural Development Programme for Malta 2007 – 2013 LEADER

Assistance Notes for completing the Application Form for Measure 313 - Encouragement of Tourism Activities



This measure falls under the **PROJECT** category under Priority Axis 3 of Malta's Rural Development Programme (RDP) 2007 – 2013, and is part financed by the European Agricultural Fund for Rural Development and falls under the responsibility of the Ministry for Sustainable Development, Environment and Climate Change (MSDEC).

Section 1 – Details of the Applicant

Q 1.1 Details of the entity applying for the grant.

Please provide the name of entity applying for this scheme together with telephone number/s, email address, the VAT number (where applicable) and MFSA registration number (where applicable) of the entity applying for the grant.

Q 1.2 Type of Organization

From the options provided please indicate the type of organization that the Applicant is.

Q 1.3 Legal Status

In this section please indicate the legal status of the applicant. Below please find some related definitions:

Public equivalent body - the term public equivalent body, according to the definition described in the EU legislation on public procurement (Council Directive 93/36/EEC of 14 June 1993 and Directive 2004/18/CE of the European Parliament and of the Council of 31 March 2004) is any legal body governed by public law. This means any body:

- a) established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
- b) having legal personality; and
- c) financed, for the most part, by the State, local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities or by other bodies governed by public law.

Private enterprise - an enterprise is considered to be any entity engaged in an economic activity irrespective of its legal form. This includes in particular, self-employed persons and family business engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.

Q 1.4 Size of the entity applying for the grant

Please specify the number of persons employed within the entity applying for the grant. Please provide the details as requested in the table provided in Section 1.4. Please note that in the case of private enterprises, only small enterprises within the meaning of Commission Recommendation 2003/361/EC are eligible for funding.

For an enterprise to be considered as autonomous enterprise, the enterprise must not hold either solely or jointly (either as a partner or as a linked enterprise) 25% or more of the capital or voting rights of another enterprise.

Type of Enterprise Eligible for Funding under Measure 313	Range of Employees	Annual Turnover in (€)	Co-financing Rate of the Eligible Cost
Micro-size	0-9	0-2,000,000	50%
Small-size	10-49	2,000,001 – 10,000,000	50%

Q 1.5 Project Leader Details

The Project Leader is the person responsible for the implementation of the project and has the authority to take decisions during the course of implementation. The Project Leader should be from the Beneficiary organization since the Project Leader carries the overall financial and legal responsibility for the implementation of the project and hence, his/her direct association with the Beneficiary organization is fundamental, especially with a view to ensure that the grant will exclusively be used for the purpose stipulated in the project proposal.

A letter of intent must be submitted reflecting the nomination of a project leader by the beneficiary organisation.

Please provide the name of the project leader, postal address, telephone number/s, mobile number and email address. Please note that the project leader will be the reference person for the Majjistrat Action Group Foundation and for MSDEC.

Q 1.6 Involvement of any other organisation

Please indicate whether the project entails the involvement of another local organisation (other than the Applicant). If this is the case, the name of the organisation, the contact details, legal status and their role within the project should be provided.

Please also provide a description of the identified partners' role in the project (in not more than 100 words). If other partners are involved please include the information requested above for the other partners. Vat and MFSA numbers should also be filled if there are any.

Partners should sign a letter of intent as a proof of commitment to the project. This letter should be annexed to the Application Form.

Q 1.7 Institutional Framework

Clearly describe the institutional framework within which the project will operate and how the project will fit within this framework. Under this section the Applicant must prove that the organisation has the capacity to implement the project. Besides the experience that an organization has in the implementation of EU projects, capacity of the organization is also assessed in terms of adequate human resources. The Applicant should provide a clear description indicating the roles of responsibility of each person involved in the implementation of the project and how these persons will be coordinated and managed by the Project Leader.

Q 1.8 Project Premises

To be eligible for the grant you must own or have a long term lease for the physical infrastructure related to the project. For the purpose of this grant a long term lease is considered to be for a minimum of 10 years. The applicant must indicate if he/she is the owner of the establishment where the project will take place. If the project is to be implemented in a site which is leased or under a management contract or guardianship deed, the applicant must provide evidence of such an agreement through an authentic copy of the leasing contract and/or agreement. In addition the applicant must also submit a letter of consent by the owner of the property whereby the owner indicates that the proposed project can take place on the site in question.

Q 1.9 Financial Documentation

1.9a If the applicant is a private entity please provide the information requested in the table provided in Section 1.9a. Please provide the enterprise's latest available annual turnover and the annual costs in order to determine the Gross Value Added for 2010 as well as the project annual turnover and costs for 2011. In the 3rd & 4th column respectively please provide the forecasted turnover and annual costs for the 1st and 2nd year following completion of the project.

Please note that value of product/services minus the bonuses given on sales and the taxes on sales will give the annual turnover. In relation to bonuses, please provide details of any alternative income, such as contributions from 3rd parties that have been received by the organization. Taxes on sales should reflect the taxes incurred by the organization on Turnover + Bonuses.

1.9b If the applicant is a public entity, the applicant is kindly requested to submit the latest cash flow statement and balance sheet together with projections.

It is important to note that should the project be granted assistance under Measure 313, the applicant will be obliged to submit a declaration of sales on an annual basis until 2018 and may also be requested to submit audited accounts on an annual basis should the Paying Agency deem it necessary.

Q 1.10 Funding of the project

Projects co-financed through this Scheme will be assisted through a contribution (reimbursement) from the European Agriculture Fund for Rural Development and Government of Malta funds. In the case of Measure 313, interim payments will be issued for projects that are selected for funding under this Measure. The percentage amount of aid intensity varies depending on the type of entity applying for the grant.

A beneficiary will be granted the following financial assistance should the proposed investment be selected:

- Public entity: up to 100% of the total eligible expenditure; and
- Private entity: up to 50% of the total eligible expenditure and in accordance with Block Exemption as per Commission Regulation (EC) No 1628/2006.

The applicant must indicate whether the funding that is to be provided by the applicant will be funded from own financial resources or whether the applicant will be obtaining a bank loan for this project. In the case of own financing, kindly provide a signed declaration by a certified auditor confirming that the Beneficiary can meet the co-financing expenditure of the proposed project together with a bank letter confirming availability of credit facility should the need arise. In the case of a bank loan please provide details of the bank you will be getting a loan from with respect to the project, contact details of the contact person at the bank and a bank sanction letter.

It is important to provide exact details of any grant aid under Measure 313 which has been sought and/or received by the organization in respect to any previous calls under Measure 313.

It is to be noted that any beneficiaries who have running projects under other calls of Measure 313 can still apply under this call.

Section 2 – Details of the Project

Q 2.1 Project Title

In no more than ten words please provide a title for the proposed project

Q 2.2 Project scope

- a. From the list provided, please indicate which of the headings provided in this section of the application, best describes the scope of the project and expected operative results.
- b. In Section 2.2.b, please provide a list of 5 main aims that the applicant seeks to achieve through the implementation of the proposed investment, in point form. The applicant should also describe how the proposal complies with the objectives set out for Measure 313, thus promoting economic growth and rural heritage as a tourist product in rural areas.

Q 2.3 Activity of Investment

From the list provided, the Applicant must indicate what the investment will lead to. The Applicant may select more than one of the expected results listed.

Q 2.4 Increase in employment

The applicant must indicate whether following completion, the project will result in job retention (i.e. retaining the current number of people employed with the applicant organisation) or will it lead to creation of further jobs. If the proposed investment will result in an increase in the number of employees engaged with the enterprise following completion of the project, the applicant must indicate the forecasted increase in employees. (Kindly note that should the project be selected for funding, upon completion the applicant will be obliged to provide the increase in the number of employees by gender as well as the respective age bracket of the employees engaged under the respective activity. The applicant will be obliged to provide this information on an annual basis up to 2017).

As indicated in the Selection Criteria Grid, preference will be given to projects where the investment will generate an increase in the number of people employed within the entity on a full time and/or part time basis.

Q 2.5 Indicators

Please quantify the indicator towards which the project will contribute. The applicant must quantify the number of tourist overnight stay within the rural area being targeted by the proposed project following completion of the project and where applicable, tourist (day) visits. The indicator quantified in the application is binding and it is important to note that if the project is approved, failure to deliver the agreed indicators could result in EU Funds being withdrawn and/or repaid by the Beneficiary.

Q 2.6 Project Timetable

Please indicate what the proposed start date of the project is, its completion date, as well as the total duration of the project in months. The project must be completed by 30 June 2015.

Section 3 - Key Investment Plan

Q 3.1 Project Overview

Provide a summary of the scope, main activities and outcome and results of the proposed project. For example, will the investment lead to the provision of small-scale infrastructure for tourism and countryside recreation? Explain what the expected outcome of the project is (e.g. development of tourism products based on the rural concept that promote the traditional character of the rural community). Explain why there is a need for the project and how this need was identified. Here the applicant has to illustrate how the proposed investment falls within the Eligibility Actions listed in the Guidance Notes to Measure 313. The applicant is to illustrate how the project fits in with the eligible criteria that relates to the project scope identified in Q2.2.

IMPORTANT – View the ‘Guidance Notes for the submission of applications for funding Measure 313 – ‘Encouragement of Tourism Activities’ for further information relating to Eligible Actions and Investments under this Measure.

Q 3.2 Background and Justification

Under this section the Applicant should outline why the project is being undertaken within the context on Malta’s needs and within the context of the mandate of the relevant organisation. In this section the applicant should give an explanation as to why the project is required (perhaps market failures that have brought about specific local problems that the project aims to address), the necessity to implement this project as well as how the project will address the problems identified. The applicant should highlight how the project links with or complements government strategies or initiatives and should identify links with other national documents where possible. Any supporting documentation or research to justify the implementation of this project should be referred to. Such documentation should include factual as well as statistical evidence, market research or other preliminary evidence that can justify the need to undertake the project.

Q 3.3. Project Costs

- a. In the tables provided please indicate the eligible costs of the individual components of the project. There is a table for each eligible type of investment under Measure 313. Please ensure that the appropriate table is filled in.

Completing Table 1 for Small Scale Amenities - In the first column, indicate the specific component relative to the type of investment. In the 2nd column indicate the cost estimate prepared by the architect. In columns 3-5 indicate the values in Euros in accordance with the architect's estimate. In the 6th and 7th column please indicate the applicant's contribution exclusive and inclusive of VAT respectively

Completing Table 2 for Recreational Infrastructure – In the first column, indicate the specific component relative to the type of investment. In the 2nd column indicate the cost estimate prepared by the architect. In columns 3-5 indicate the values in Euros in accordance with the architect's estimate. In the 6th and 7th column please indicate the applicant's contribution exclusive and inclusive of VAT respectively

- b. Overall Total Project Costs

In the table provided, please fill in the total costs per Action type of investment as per tables completed in Q3.3a above.

IMPORTANT – No requests for additional funding to cover additional costs incurred will be entertained.

Q 3.4 Procurement

- a. Sub-Section 3.4a must be filled in only if applicant is a private entity

It is important to note that in the case of *Purchase of Equipment* and/or *Intangible Costs*, the applicant, being a private entity, must submit 3 quotations for each investment to be financed through the project. If the applicant has been unable to submit 3 quotations, the applicant must provide an explanation for not submitting 3 quotations.

In the case of infrastructural works, the applicant must submit a detailed estimate (Bill of Quantities) prepared and signed by an architect.

- b. Sub-Section 3.4b must be filled in only if the applicant is a public entity (in this case only Local Councils, active members of MAGF can apply)

It is vital that public entities implementing projects financed through EAFRD follow clear and open procedures in any procurement undertaken. In this regard, Applicants must ensure compliance with the Public Contract Regulations. At the time of Publication of these Guidelines, the Public Contracts Regulations in force are LN 177 of 2005 and its subsequent amendments. Applicants are to ensure that procurement is made in line with the regulations in force at the time of implementation.

In the **Public Procurement Table** please indicate the expected tenders/calls for proposals and the costs in Euro. Under the first column please indicate the name of the calls/tenders that are to be issued. Under the second column please specify whether it is a supply, service, works tender etc. In the third column please indicate the procurement procedure that is going to be followed, i.e. departmental tender, open tender, accelerated open, restricted, accelerated restricted, negotiated, accelerated negotiated etc.

In the **Implementation Schedule Table** please indicate the stage of each tender/call per quarter. The tenders/calls listed should be the same as the ones listed Public Procurement table above. Project leaders are to ensure that the implementation schedule presented in the proposal is as realistic as possible (and any potential delays are factored in) because this schedule will be binding in the grant agreement. Any deviation at a later stage (for whatever reason) may result in automatic decommitment of funds (for the project and ultimately for Malta).

Please use the following definitions:

Design (D) refers to the timeframe required to finalise specifications of the tender documents or timeframe required to finalise specifications of calls.

Tendering (T) refers to the timeframe of the tendering process i.e. what is the deadline for submission of tender, evaluation of the tenders received right up to contracting.

Implementation (I) refers to project life.

Closure (C) refers to issues such as the commissioning of final implementation reports, certification, settlement of any outstanding invoices (final disbursement) and final request for payment claim to the Paying Agency.

In the **Contracting, Disbursement & Submission of Payment Request Table** please fill in the contracting and disbursement schedules in Euros. The information included in this table must be split between Total Eligible Costs excluding VAT, the VAT component and Grand Total. In addition, the applicant must also fill in the submission of payment request for reimbursement to be made by the applicant indicating the amounts to be submitting within the respective timeframe. The aim of the table is to give a clear indication of the total amount of funds that will be contracted, disbursed and reclaimed during each year of the project's life time.

Contracted refers to the amount of funds for which the Beneficiary enters into an agreement with a third party to procure goods or services.

Disbursement refers to payments effected by the Beneficiary.

Request for Payment refers to the amount of funds that the project Beneficiary would have disbursed and will be requesting a reimbursement from the Paying Agency.

Q 3.5 Project Readiness

Readiness refers to project proposals that are in an advanced state of preparedness such as tenders have already been launched, projects that need shorter timerframes to be completed etc.. Evidence of readiness should be provided. Please indicate at which stage the project is in terms of readiness.

- It is to be noted that only projects that do not require a MEPA permit or at the date of application already has a valid MEPA permit are eligible to apply under this call.

Q 3.6 Project Sustainability

The proposed project must be sustainable in the long-term. The applicant needs to demonstrate that the project is sustainable following completion. The project applicant must show how the benefits of the project will continue to be delivered after the grant will be exhausted. The applicant should ensure that the long term economic sustainability of the project is taken into consideration and appropriate measures are put in place to ensure sustainability. The applicant should provide a calculation of the annual operational costs for the expected lifetime of the project.

Q 3.7 Risks and Conditionality

Any risks or conditionality that may impinge on the smooth and efficient implementation of the project must be identified in this section of the application. The applicant should indicate if any action is being undertaken to mitigate such risks and if so, what actions is being taken and by whom. Risks or conditionality which are beyond the control of the applicant should also be included as these can still impinge on the project implementation.

Summary Application Details

Please provide the name of the entity applying for this scheme together with postal address, telephone number, mobile number, email address and amount of funding sought for the project proposed.