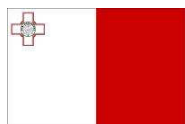


Guidance Notes for submission of:

Applications for funding under LEADER

Action 413.6 Support for capital expenditures for the arts and cultural societies

This measure which falls under the **Project** category under the programme LEADER of the Rural Development Programme (RDP) for Malta 2007 – 2013, is part financed by the European Agricultural Fund for Rural Development and falls under the responsibility of the Ministry for European Affairs and Implementation of Electoral Manifesto (MEAIM)



Rural Development Programme for Malta 2007 – 2013
LEADER

Call Part-financed by the European Union
The European Agricultural Fund for Rural Development
Co-financing Rate:

80% European Union, 20% Government of Malta

Europe Investing in Rural Areas



Rationale for intervention

Action 413.6

Arts and cultural entities (as per definition on page 6 of these guidelines) serve an important role in the territory of the Majjstral. The preservation of these community cores where residents, spanning all generations, come together and share common interests and ideas are in the interest of the Local Development Strategy for the Majjstral region.

Arts and cultural entities perform the role of educators, entertainers and employers, apart from providing a social dimension which is inclusive of various interest groups and age groups.

This action also targets micro and small enterprises operating within the arts and culture sectors and aims to provide for their growth taking into consideration the key challenges and difficulties faced by such enterprises. Notwithstanding that such entities may generate revenue from operating within these sectors, the fact remains that with their operations they will automatically heighten the exposure of local communities about such sectors and thus increase the awareness and their appreciation of them.

It is therefore important for the rural development of a region to support such entities that provide the community with these important services.

This action also aims, amongst others, to fund projects that expose the young sector to the arts and cultural dimension; nowadays youths are at a risk of a number of social issues and thus entities operating in such sectors offer another mentally healthier form of recreation aiding more towards the correct development of this specific age group.

The type of investments to be supported under this action are those of a capital nature and through which the operations of voluntary organisations and private entities will be

enhanced and result in an increased capacity to promote arts and culture within the territory.

Supporting arts and cultural entities that are dedicated to the promotion and delivery of the cultural and artistic experiences will also foster increased cultural cohesion and contribute to the creation of the regional identity which is one of the objectives of MAGF

Scope and Objectives of this Measure

The scope of Action 413.6 is to enable arts and cultural entities to attain or improve the necessary set up in order to improve or provide a means of recreation linked to culture and arts, to the community, as a direct result of the initiatives financed by this action.

This action will also give preference (as can be seen from Selection Criteria no 2) to projects that will aim to utilise the investments to be funded, not only for the benefit of the beneficiary, but also for the benefit of other entities or individuals from other localities in the MAGF territory. It is the idea of MAGF that such projects will create regional cohesion .

Eligibility Actions

Operations supported through the EAFRD albeit consistent with the strategic objectives of the Majjistral Local Development Strategy, and shall be limited to support for Capital expenditures by private legal entities and NGO's that have a direct interest in Arts and Culture.

The rural localities within the Majjistral Action Group Foundation territory are:

Rural Localities within the Majjistral Action Group Foundation territory		
Il-Mellieħa	San Pawl il-Baħar	L-Imġarr

In-Naxxar	L-Iklin	Hal-Lija
Hal Gharghur	Il-Mosta	Haz-Żebbuġ
Is-Sigġiewi	Had Dingli	L-Imdina
L-Imtarfa	Ir-Rabat	San Ġwann
H'Attard		

Eligibility Criteria

- the proposed project is located within the Majjistral Action Group Foundation territory;
- the proposed project enhances and promotes the practice and appreciation of the cultural and artistic sectors and associated activities for the communities within the territory.
- the proposed project fits within the scope of the actions listed under the measure.

Description of the requirements and targets

The applicant is required to demonstrate that the proposed investment shall result in the achievement of certain objectives.

In order to be eligible for support under Action 413.6, applicants must demonstrate how the proposed project will promote and enhance the practice and appreciation of art and culture for the communities within the territory.

Eligible investments

Eligible investment supported under Action 413.6 is as follows:

1. Enhancement to premises (this MAY not include restructuring or the setting up of bar and catering facilities within the premises)
2. Purchase and/or enhancements to equipment
3. Purchase and/or enhancements to fixtures and fittings

Investments must be line with the Eligibility Criteria outlined on page 4 of these Guidance Notes.

Non Eligible Investments under Action 413.6

The following is an indicative list of non-eligible investment under Action 413.6

- Purchase of land and buildings;
- Leasing 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);
- Expenditures made before the opening of the call for the application i.e. expenditure incurred before 08th August 2014.
- Taxes or other operational costs of the entity applying for the project, including provisions for possible future losses or debts and any interest owed;
- Inputs which are the subject of a contribution in kind (e.g. land, immovable property whether in its entirety or in part, durable capital goods and raw materials);
- Training of the staff;
- Operational Costs (salaries, insurance obligations and running costs);
- MEPA application fees
- Simple replacement operations;
- The purchase costs of second-hand equipment.
- Recoverable Value Added Tax
- Entertainment costs
- Architect Fees
- Refurbishment or setting up of bar and catering facilities

Type of beneficiaries

The beneficiaries eligible for funding under Action 413.6 are private legal entities and NGOs operating within the Majjistrat Action Group Foundation territory that provide a service that promotes arts and culture within MAGF's territory. In the case of private entities, only small and micro enterprises within the meaning of Commission Recommendation 2003/361/EC are eligible for funding. ¹

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Small enterprises are defined as enterprises which employ fewer than 50 persons and whose annual turnover or annual balance sheet total does not exceed 10 million euro.

Micro enterprises are defined as enterprises which employ fewer than 10 persons and whose annual turnover or annual balance sheet total does not exceed 2 million euro.

Aid intensities

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

- up to 80% of the total eligible expenditure.

The other 20% of the total eligible expenditure will be borne by the applicant.

Recoverable VAT on the total eligible expenditure has to be funded by the applicant.

Financing- Budget

The sum of € 500,000.00 is allocated to Action 413.6 under the LEADER Programme for Malta 2007-2013. 80% of this sum will be financed through the EAFRD whilst the remaining 20% will be financed by the Maltese Government.

The VAT component must be borne by the applicant unless this is unrecoverable².

In the case of oversubscription to the call, the Majjistral Action Group Foundation reserves the right to transfer additional funds to this Action following approval by the Managing Authority.

Obligations

- The applicant is bound to maintain the project as a going concern for a minimum of five (5) years from the date of completion of the project. Failure to do so will result in penalties being applied.

² In cases where the applicant declares that VAT cannot be recovered, the applicant is requested to submit a statement from the VAT department that confirms this. This statement must be dated and make reference to the name and VAT number of the applicant.

- Ownership or the location of the project (or part of the project) cannot be changed within five (5) years from the date of completion of the project without the prior written approval of the Majjistral Action Group Foundation.
- If the project is selected for funding, it must be completed within 6 months of the date of the signing of the contract with the competent authority. Failure to do so will result in penalties being applied. Completion will be calculated from the date when the beneficiary will have submitted the final payment claim.
- The chosen entity must ensure that all activities are carried out in compliance with national rules and any other mandatory requirements as laid down in the Rural Development Programme for Malta (2007-2013). Failure to do so will result in an obligation from the part of the chosen entity to reimburse any grants received plus interest accrued according to law, and any penalties applicable will be enforced.
- Planning permit where relevant. In cases where a MEPA permit is required, the valid permit has to be presented by the applicant prior to the signing of contract. MAGF reserves the right to reject any project if the MEPA permit is not presented in time.
- The eligibility start date of Action 413.6 is the date of opening of the call i.e. **8th August 2014**. The **Majjistral Action Group Foundation** will accept applications under this Action as from **8th August 2014** and the deadline for submission of applications is **22nd September 2014 at noon**.

Selection Criteria

An evaluation of the quality of proposals, including the financial information, will be carried out in accordance with the selection criteria set out in the Selection Criteria Grid below.

ACTION 413.6 SUPPORT FOR CAPITAL EXPENDITURES BY ARTS AND CULTURAL SOCIETIES

	SELECTION CRITERIA	Maximum POINTS
1	Enhancement and promotion of the cultural and artistic practice amongst the territory's communities	20 points
2	Active involvement of entities from different localities within the territory as a result of the project	2 points for every locality involved. Max 10 points
3	The orientation of the project towards the youth sector	15 points
4	Project contains strong elements that contribute to the fulfilment of the LDS ³	15 points
5	Demonstrated Sustainability of project following completion	10 points
6	Overall quality of the project proposal	10 points
7	Innovation and uniqueness of the project within the region	5 points
8	Readiness of project proposal	15 points

To be considered for funding or to be placed on the reserve list, a project must pass all the Eligibility Criteria (refer to Page 4 of the Guidelines) and must also obtain a minimum of 50 marks out of the total marks allocated to the Selection Criteria.

³ A copy of the LDS (Local Development Strategy) of MAGF can be found on the website www.leadermajiistral.eu under the Section *Downloads*.