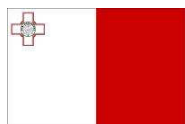


Guidance Notes for submission of:

Applications for funding under LEADER

Action 413.2 Support for Marketing for the local crafts and artisan (“Crafts”) producers

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 Resources and Rural Affairs (MRRA).



Rural Development Programme for Malta (2007–2013)
Programme ‘LEADER’
European Agricultural Funds for Rural Development:
Europe Investing in Rural Areas
Co-Financing Rate:
80% European Union, 20% Government of Malta



Rationale for intervention

Action 413.2

The role of micro and small enterprises, as well as the local talent, is considered of utmost importance towards the sustainable development of the Majjistral territory and as a result towards an improvement in the quality of life of the communities. The Local Crafts sectors have been identified as one of the major sectors to be supported under the Majjistral Local Development Strategy.

This sector is infact suffering from competition of imported, cheaper and mass produced products and also due to the lack of awareness and appreciation of genuine Maltese crafts products. This action seeks to improve the competitiveness of the sector by offering financial support for the direct marketing of the high quality products made by local craft artisans in MAGF's territory. Through the spread of knowledge via different marketing mediums, an increased awareness will be fostered by people in the territory and by local and international tourists about the value of the craftsmens' work, the variety and quality of local artisanal work and related issues.

The activity is intended to support regional cohesion through the empowerment of local craft artisans to take a greater control over their markets.

The proposed open call is designed to provide financial support to new and existing crafts businesses for the marketing of their products.

Support may also be provided under this action for joint initiatives undertaken by a group of craft businesses.

Scope and Objectives of this Measure

The scope of Action 413.2 is to improve the competitiveness of the sector by offering financial support for the promotion and marketing of the high quality products made by local craft artisans in our territory. Through the spread of knowledge, an increased awareness and appreciation will be fostered by people in the region and tourists of the core assets, values and products of the craftspersons.

It will also support and boost efforts being made by entities and individuals operating in the Artisan Crafts sector to raise awareness about the territory's traditional crafts and about the quality and variety of local artisanal work and thus enable them to improve the sales of their products.

Eligibility Actions

Operations supported through the EAFRD albeit consistent with the strategic objectives of the National policies and with the Majjistral Local Development Strategy, and shall be limited to support for Marketing expenditures by the Crafts sector operating within the Majjistral Action Group Foundation territory.

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 Ghargħur	Il-Mosta	Haż-Żebbuġ
Is-Siġġiewi	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 increases the competitiveness of the crafts industry by enhancing the Marketing of the Artisanal craft products within the territory;
- the proposed project increases the awareness about the territory's traditional crafts and about the quality and variety of local artisanal work;
- 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 will improve the competitiveness of the Local Crafts sector by enhancing the marketing of the Craft products and increasing awareness about the territory's traditional crafts and the quality and variety of local artisanal work. The applicant must also demonstrate how the proposed project can be sustained for a minimum of 5 years following its completion.

Eligible investments

Eligible investments supported under Action 413.2 is as follows:

- Development of web-sites;
- Development, printing and distribution of marketing material;
- Costs associated with the organization of workshops. The eligible costs are trainer's fees, hire of training venues; and advertising and promotion of workshops.

And must be in line with the Eligibility Criteria outlined on page 3 of the Guidance Notes.

Non Eligible Investments under Action 413.3

The following is an indicative list of non-eligible investment under Action 413.3

- 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 launch of the call for the application i.e. expenditure incurred before 21st January 2013.
- 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);

- The expenses incurred to obtain the necessary planning permit from the Malta Environment and Planning Authority;
- Simple replacement operations; and
- The purchase costs of second-hand equipment.
- Value Added tax.
- Courses of instruction or training which form part of normal education programmes or systems at secondary or higher levels;
- Working capital (including stock)

Type of beneficiaries

The beneficiaries eligible for funding under Action 413.2 are private legal entities (including self-employed individuals) and NGO's. 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

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.

Financing- Budget

The sum of €47913.56 is allocated to Action 413.2 under the Leader Programme for Malta 2007-2013. 80% of this sum will be financed through the EARFD whilst the remaining 20% will be financed by the Government of Malta.

The budget allocation for applications for single initiatives is capped at € 7,000 excluding VAT and €10,000 excluding VAT for applications for joint initiatives.

The VAT component must be borne by the applicant.

¹ Enterprises qualify as micro if the staff headcount is less than 10 and turnover is less than €2 million. Enterprises qualify as small if the staff headcount is less than 50 and turnover is less than €10 million.

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. The applicant is required to demonstrate how the project will be sustained for this time period and therefore a marketing plan or a timeline indicating at which interval promotional activities will be implemented is necessary.
- Ownership or title to the location 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 Majjstral Action Group Foundation. Should the applicant move from the premises stated in this application, prior to 5 years after the project termination date and the establishment is not relocated with the same scope, to another area within the Majjstral Region, the applicant shall be asked to refund the funds received back and pay a penalty as requested.
- If the project is selected for funding, all the funds allocated to the project must be disbursed within 6 months of the date of the signing of the contract with MRRA. Failure to do so will result in the reimbursement of any funds received from the applicant and other penalties may be applied.
- In order for a project to be considered completed the beneficiary has to submit the final payment claim to MAGF and after all checks are effected the relative payment is processed by the Paying Agency.
- The projects selected for funding will be subject to control by the relative authorities to ensure that the locally made products which are being promoted are authentic. Should a beneficiary be found to have utilised the funds to promote, market or give information about products which are fake, plagiarized, counterfeit, or illegally branded, they are obliged to reimburse any grants received plus interest accrued according to law, and any penalties applicable will be enforced.

The eligibility start date of Action 413.2 is **the 21st January 2013**. **MAGF** will accept applications under this Action as from the **21st January 2013** and the deadline for submission of applications is the **06th March 2013, 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 413.2 Support for Marketing for the local crafts and artisan (“Crafts”) producers

	CRITERIA	POINTS
1	Enhancement in the Marketing and Promotion of the Crafts products	15 points
2	Increase in the awareness about the territory’s traditional crafts and about the quality and variety of local artisanal work;	15 points
3	Proposed project contributes to the implementation of the Majjstral Local Development Strategy	10 points
4	Sustainability of the project	16 points
5	Overall quality of the project proposal	15 points
6	Qualification/s of individual within the organization proposing the project	5 points
7	Number of businesses participating in the project proposed	1 point for every craft business involved. Max 5 points
8	Innovation and uniqueness of the project within the region	10 points
9	Number of youth (aged 30 years or under) entrepreneurs within project proposers	1 point for every youth. Maximum 3 points.
10	Number of distinct marketing activities being proposed by the applicant	2 points for every activity. Maximum 6 points

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