

## MAJJISTRAL ACTION GROUP FOUNDATION



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European Agricultural Fund for Rural Development (EAFRD)

### Rural Development Programme for Malta

2007 – 2013

Guidance Notes for submission of:

Application for funding under Measure 125:

Infrastructure related to the development and adaptation of  
agriculture (2<sup>nd</sup> Call)



This measure falls under the **PROJECT** category under Priority Axis 1 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, the Environment and Climate Change (MSDEC)

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## **Measure 125 – Infrastructure related to the development and adaptation of agriculture**

### **1. Focus of the guidelines**

The focus of these guidelines lies on Measure 125 of Priority Axis 1 of Malta's Rural Development Programme. These guidelines will provide the rationale, scope and objectives of Measure 125, the eligible beneficiaries and the activities which may be financed under Measure 125 as well as the respective selection criteria.

### **2. Rationale for intervention**

The efficient management of local infrastructure is not only vital to ensure competitiveness in agriculture but also to ensure the sustained preservation of farm holdings that are increasingly under threat of land abandonment as a result of adverse conditions related to the difficult accessibility, limited water supply and under utilisation of resources.

A serious limitation on agriculture in Malta is the preservation of existing land holdings that are at risk of abandonment as a result of difficult accessibility due to fragmentation. Lack of accessibility limits the application of machinery, which consequently has a negative effect on productivity and brings about land marginalisation. The lack of adequate access to these holdings, particularly those situated in terraced hills and coastal cliffs, is one of the major driving forces causing land abandonment in the Maltese islands, since it limits mechanisation, and productivity, and leads to land marginalisation. Therefore the improvement in accessibility to these holdings through the upgrading of farm access roads will constitute an increase in farm utilisation, improve farm management, and increase farm efficiency.

### **3. Scope and Objectives of the Measure**

The objective of Axis 1 - Measure 125 is to facilitate the development and adaptation of agriculture by supporting the improvement of the necessary infrastructure, and to address one of the major limitations affecting agricultural land quality and productivity; that is farm accessibility.

Projects proposed under this Measure must ensure that there is no discrimination between farmers that will benefit from the project. Furthermore the scope of the proposed projects must only and exclusively be for agricultural purposes.

#### **4. Eligibility Actions**

Only Actions under Type 4 of Measure 125 shall be supported under this action. This implies that only actions put forward **to increase accessibility leading to agricultural holdings** by farmers, through the **upgrading of existing farm access roads and passageways**, are permitted under this particular call.

**No interventions can be carried out on agricultural holdings.**

#### **5. Eligible investments**

Eligible investments supported through this call shall be limited to the following:

- Upgrading and resurfacing of existing access passageways to agricultural holdings located within the territory of MAGF.

#### **6. Non - Eligible investments**

The following is a non-exhaustive list of non-eligible investments under Measure 125. Support shall NOT be granted for:

- ordinary maintenance operations (simple pothole repair);
- on-farm activities/operations;

- work in kind;
- purchase of land and buildings;
- purchase of means of transportation;
- provisional installations that are not directly related to the investment (e.g. warehouses for storing materials required for construction);
- expenditures made before the launch of the call for the application;
- taxes (including recoverable VAT) or other operational costs of the entity applying for the project, including provisions for possible future losses or debts and any interest owed;
- variations to the contracted project costs;
- 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);
- operational costs (such as salaries, insurance obligations and running costs);
- the purchase costs of second-hand equipment;
- intangible costs (such as Environment Impact Assessments, MEPA permit fees, feasibility studies, fees paid to architects, engineers, etc.);
- project management fees;
- changes to the levels of the road;
- interventions on trees or shrubs are not permitted;
- roads which do not lead to utilised agricultural land (i.e. only roads leading to such land are eligible for support);
- construction of new roads;
- road widening;
- concreting on soil, clay or garigue;
- works/investments/interventions which require MEPA permits.

## **7. Eligible Applicants**

The eligible applicants for this particular call for funding under Measure 125 consist of Local Councils, legally constituted farmers' groups and associations (such as Producer Organisations, Cooperatives, Associations and ad hoc farmer groupings legally formed for the purposes of the project), and non-governmental organisations (NGOs).

Applicants who have benefitted from the 1<sup>st</sup> Call for proposals under Measure 125 are not eligible for support under this Call.

## 8. Eligibility Criteria

The eligibility criteria exist to ensure that an application is in line with the Measure's objectives. It is important that the proposed projects meet the following criteria. Failure to meet these criteria will lead to rejection of the application.

The proposed project must:

- be carried out within the territory of the Republic of Malta;
- be carried out by a Local Council which is a member of the LAG (in cases where the applicant is a Local Council);
- comprise of an eligible action (mentioned above in Section 4) for Measure 125;
- not be carried out on agricultural holdings;
- be in line with all necessary MEPA requirements;
- be carried out in the territory of the LAG.

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

| <b>Rural Localities within the Majjistral Action Group Foundation territory</b> |                |           |
|---|----------------|-----------|
| Mellieha  | St. Paul's Bay | Mgarr     |
| Naxxar  | Iklin          | Lija      |
| Gharghur  | Mosta          | Zebbug    |
| Siggiewi  | Dingli         | Mdina     |
| Mtarfa  | Rabat          | San Gwann |
| Attard  |                |           |

### ***Description of the requirements and targets***

In order to be eligible for support under Measure 125, applicants must demonstrate how the proposed project will enable, facilitate and increase accessibility for farmers to agricultural holdings. More specifically, applicants must state how many farmers will benefit from the intervention(s) carried out and the area of agricultural land that will be impacted positively by the project.

## **9. Process**

### Submission of Application for funding under M125

**Only applicants who have not benefitted from funding under previous calls of Measure 125 are eligible to apply.**

- After the selection process, the chosen projects will be contracted;
- All works must be certified by the appointed architect.

Applicants may list all roads eligible for funding in the Application. Should the amount of funds disbursed be lower than that projected by the appointed architect, works can then be carried out on the next road as per priority list.

Applications are to be delivered by hand at the offices of Majjistral Action Group Foundation at the following address: 12, Triq it-Tullier, Attard, ATD1631.

### Administrative checks

All administrative checks will be carried out by the LAG in question. It is important that the submitted application form is filled-in correctly and completely. In case an application is submitted with missing information, a notification letter will be sent to the applicant allowing a period of 10 calendar days from receipt of this letter to submit the missing documentation and/or information.

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

The LAG 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 the evaluation of the project proposal will be based solely on the content of the application and the supporting documentation submitted.

No further additional information will be accepted after the closing date for applications unless it is requested by the LAG or by the Agriculture and Rural Payments Agency. In this regard, it is the applicant's sole responsibility to ensure that the application is complete in the best possible way before submission.

Any false or misleading information will lead to the immediate rejection of the application. Failure to comply with any of the eligibility requirements will lead to the rejection of the proposal. A notification letter providing reasons for such a decision will be sent to the applicant.

### Selection Process

#### Evaluation:

The LAG's Decision Committee will take the role of the Selection Committee responsible for ranking and selection of applicants. The Managing Authority and Agriculture and Rural Payments Agency will monitor the selection process, and confirm ranking. Technical experts may be invited to provide their input if required. The Selection Committee reserves the right to request additional information and further clarifications on the project as part of the evaluation process.

#### Ranking of Projects and Selection Process:

The Selection Committee will proceed to award marks to each proposal based on the information submitted in the applications and provided through clarifications (where applicable). A preliminary list of the proposals containing selected, on the reserve and failed applicants together with their respective score shall be drawn up.

Furthermore, the Selection Committee reserves the right to request project re-dimensioning in special circumstances.

The preliminary result shall be published on the LAG's official website, as well as on the Agriculture and Rural Payments Agency's website. In addition, a notification letter shall be sent to applicants informing them of their right of appeal.

#### 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 within 10 calendar days from receipt of the notification letter. The appeal is to be addressed to the LAG who will then forward it to the Agriculture and Rural Payments Agency, which will be required to set up an Appeals Committee. The appellant is required to sustain the clarifications provided by including

justified reasons backed by any necessary supporting documentation.

The appointed Chairperson of the Appeals Committee shall review and assess the validity of all the appeals submitted within the stipulated timeframe. Valid appeals will be presented to the Appeals Committee for re-assessment.

### Right of Appeal

No additional information other than that originally submitted at application stage will be considered during the review. The application stage also includes the period of 10 calendar days allowed for applications submitted with incomplete information and/or missing documentation. The relevant documentation shall be provided for the sole purpose of supporting the basis of the information provided in the appeal letter. An appeal that does not provide sufficient detailed reasons may be refused at the preliminary stage as unjustified.

The Appeals Committee will be set up by the Agriculture and Rural Payments Agency to assess the appeals that are submitted. Its members will be independent from the Selection Committee. It is important to note that the decision of the Appeals Committee is final and that the applicant cannot contest this decision.

### Publication of Final Result

Upon completion of the appeals process, the LAG shall publish the final result of the projects eligible for financial support on its website.

### Public Procurement

Where the applicant is a Local Council, Public Procurement Regulations must be adhered to. Therefore, a call for tenders / quotes must be issued for the purchase of all required services and supplies.

In the case where the applicant is a legally constituted farmers' group, association (such as Producer Organisations, Cooperatives, Associations and ad hoc farmer groupings legally formed for the purposes of the project), or a non-governmental organisation, the BOQ prepared by the appointed architect will be part of the application submitted.

### Payment



The facility of an advance payment and interim payments may be provided by the Agriculture and Rural Payments Agency, within the Ministry for Sustainable Development, the Environment and Climate Change. The payments will be carried out as follows:

- An advance payment amounting to 20% of the total eligible value of the claim will be paid once a bank guarantee or a letter of undertaking is provided to the Agriculture and Rural Payments Agency by the beneficiary following the signing of the contract;
- Interim payments (of up to 60% of the total eligible value of the claim where an advance payment is made, or 80% of the total eligible value of the claim where no advance payment is made) following the submission of a request for reimbursement and financial documentation (including invoices and receipts, provisional certificate of works prepared by an engineer/architect and all necessary receipts);

Final payment (i.e. the remaining 20% of the total eligible cost of the project) will be made following the completion of the project 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 an architect).

Official certification by the appointed architect is required for settlement of final payment.

**The project is to be completed by not later than 30<sup>th</sup> September, 2014.**

If the project is selected for funding, all the funds allocated to the project must be disbursed by not later than 30<sup>th</sup> September, 2014.

**Final payments shall also be subject to controls and verifications carried out by the Control Unit within the Agriculture and Rural Payments Agency.**

#### Extension to Contract timeframes

Should the beneficiary require an extension to the timeframe stipulated in the application form and contract, a written request is to be submitted to the LAG. The LAG will then be required to forward this to the Agriculture and Rural Payment Agency for approval.

A request for approval of an extension of the time required in order to terminate the project is to be backed by written justified reasons. Cases related to negligence or improper timing of the project will not be accepted. Following review of the request, the final decision will be sent to the beneficiary in writing.

Should an extension be approved, the period of extension shall be determined by the Agriculture and Rural Payments Agency.

**It is important to note that despite the facility of requesting a contract extension, the closing date for completion of projects by 30<sup>th</sup> September, 2014 cannot be exceeded.**

#### Changes to the contract

In cases where amendments to the contract are required, the beneficiary must submit a written request to the LAG prior to the changes being actually implemented (a priori). The LAG will then forward this request to the Agriculture and Rural Payments Agency for approval.

If a request for changes to the contract is submitted after these changes have actually taken place (ex-post), the changes will not be eligible for funding and, depending on the extent of the changes, this may lead to the whole project being considered ineligible.

The written request for changes must indicate the changes required, the necessary justification and supporting relevant documentation. Beneficiaries need to notify the LAG even where the agreed interventions will be carried out by a different service provider. Such requests need to be backed up by a valid justification together with a new quotation for works to be carried out.

The Agriculture and Rural Payments Agency will review the request and if the proposal does not affect the nature of the project and remains in line with the objectives of the Measure financing the project, the changes will be approved. Once approved, a notification letter will be sent to the beneficiary in writing and an addendum to the contract shall be carried out.

If the request for changes is not approved by the Agriculture and Rural Payments Agency, the beneficiary will receive a notification and will be requested to confirm whether the project as stipulated in the contract will be completed or withdrawn.

**It is important to note that if a request is accepted, the grant allocated to that contract will not be increased, and the stipulated timeframes are to be adhered to.** Only the financial components of the contract will be revised to reflect the approved changes.

#### Failure to comply with the contract

Failure to meet the commitments stipulated in the contract shall result in sanctions applied to the amounts committed. The Agriculture and Rural Payments Agency reserves the right to recover any funds from the beneficiary by withholding the bank guarantee in case of advanced

payments. In cases where interim payments are affected, the applicant must reimburse in full the payments affected to date including the applicable interest rates in accordance with the European Council Regulation 1290/2005.

## **10. Aid intensities**

**If selected, a beneficiary will be granted 90% of the total eligible expenditure. Therefore, the beneficiary will be required to cover the remaining 10% of the eligible investment, as part of the co-financing of the project.**

## **11. Financing – Budget**

The total budget allocation under this call is capped at €73,223.23 which 75% will be financed through the EAFRD whilst the remaining 25% will be financed by the Maltese Government. The maximum grant allowed for each applicant is not more than €30,000 excluding VAT.

## 12. Selection Criteria

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

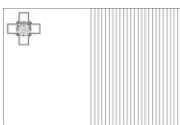
### Selection Grid – Measure 125 Infrastructure related to the development and adaptation of agriculture

| <b>Selection Criteria Grid</b>   | <b>Score</b>      |
|--|-------------------|
| Number of farmers that will benefit from the proposed project (Section 3.1.1): <ul style="list-style-type: none"> <li>- Between 5 – 10 farmers: 5 points</li> <li>- Between 11 – 20 farmers: 15 points</li> <li>- 21 farmers and over – 20 points</li> </ul>   | Max 20<br>Points  |
| Number of Full Time Farmers benefitting from the proposed project (Annexe 1): <ul style="list-style-type: none"> <li>- 2 points for every Full Time Farmer</li> </ul>  | Max 10<br>Points  |
| Surface area of access road covered by the project (Section 3.1.3): <ul style="list-style-type: none"> <li>- less than 100 square metres : 0 points</li> <li>- between 101 - 200 square metres : 5points</li> <li>- between 201 – 400 square metres: 10 points</li> <li>- over 401 square metres: 15 points</li> </ul> | Max 15<br>Points  |
| Project Duration. Project is completed in (Section 3.4):<br><br>Between 6 months - 1 year: 10 points<br>Less than 6 months: 20 points  | Max 20<br>Points  |
| Financial Capacity of the entity (or entities) involved to implement the Project:  | Max 10<br>Points  |
| Utilisable agricultural land that will benefit from the proposed project (Section 3.1.2):<br><br>Between 1ha – 10ha : 5 points<br>Over 10ha : 15 points  | Max15<br>Points   |
| Applicants who submitted proposals under the Expression of Interest for funds under Measure 125 will be given preference over new applicants.<br><br>Yes: 10 points  | Max 10<br>points  |
| <b>Maximum</b>   | <b>100 Points</b> |

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

### **13. Project Sustainability**

Kindly note that in accordance with Article 72 of Council Regulation (EC) No. 1698/2005 an operation will retain the contribution of the funds only if that operation does not (within five years from the completion of the operation) undergo a substantial modification (ownership, cessation or relocation constituting such a change). The applicant must undertake a commitment to carry out the necessary operational works/maintenance required following the completion of the project.



Managing Authority  
Rural Development Programme for Malta 2007 – 2013  
Axis 1: Improving the Competitiveness of the Agricultural Sector  
Measure part-financed by the European Union  
European Agricultural Fund for Rural Development  
Co-financing Rate:  
75% European Union, 25% Government of Malta



***Europe Investing in Rural Areas***