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European Agriculture Funds for Rural Development (EAFRD)

Rural Development Programme for Malta 2007 – 2013 LEADER

Guidance Notes for submission of:

Application for funding under Measure 125:
Infrastructure related to the development and adaptation of
agriculture



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, Environment and Climate Change (MSDEC)

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.

Only applicants who have **already applied under the Expression of Interest** will be eligible to apply. The application shall include only roads which have already been listed in the Expression of Interest.

5. Eligible investments

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

- i. Existing access passageways to agricultural holdings located within the territory of MAGF (Majjstral Action Group Foundation).
- ii. Access passageways to agricultural holdings that have been surfaced before and require resurfacing.
- iii. Access passageway to agricultural holdings that lack a continuous concrete surface and do not fall under Non-eligible investments as per section 6.

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);
- simple replacement operations;
- 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;
- new roads or road widening;
- 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) who have already applied under the Expression of Interest issued by the LAG between 17th October and 2nd December 2011.

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);
- comply with the description of an eligible action for Measure 125 (mentioned above in Section 4) for Measure 125;
- not be carried out on agricultural holdings;
- be submitted by an applicant which is not an individual;
- be in line with all necessary MEPA requirements;
- be of direct benefit to the farming community;
- not benefit from more than the capping size of €30,000 excluding VAT for each applicant.
- be limited to rural areas and carried out within the territory of the LAG;
- have been deemed as eligible by the architect appointed by MA, following assessment of Expression of Interest issued.

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

Rural Localities within the Majjistral Local Action Group Foundation territory		
Mellieħa	St. Paul's Bay	Mġarr
Naxxar	Iklin	Lija
Għargħur	Mosta	Żebbuġ
Sigġiewi	Dingli	Mdina
Mtarfa	Rabat	San Ġwann
Attard		

Description of the requirements and targets

The project must have measurable targets that contribute towards the achievement of the RDP's specific indicators 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

1st stage - Expression of interest

Following the applications received under the Expression of Interest for funds under M125 to improve access to their agricultural holdings by MAGF, prospective beneficiaries already provided a site plan of the road, together with photographs of the area, indicating exactly the location and the area of the road which needs to be resurfaced.

All Expressions of Interest were reviewed by an architect appointed by the MA.

This call will co-finance eligible projects up to a maximum of €30,000 (Vat Excluded) for each Expression of Interest. In the Expression of Interest, each applicant submitted a number of roads whose value exceeded the €30,000 capping. These roads were listed in order of merit and preference in Section 1.4 of the Expression of Interest. The architect visited these sites and compiled a BOQ of works and costs required. Projects which were deemed ineligible by the MA architect or projects requiring a MEPA permit, were disqualified. Funding shall be available for roads which have been deemed eligible by the MA Architect. Should the first road in the order of merit be classified as ineligible, works can be carried out on the second road and so on and so forth, until the capping of €30,000 is reached.

Applicants have been informed of the sites eligible for funding, for which a formal application (2nd stage) is to be submitted. **Only those who have responded to the call for Expression of Interest will be eligible to submit a formal Application.**

2nd stage – Formal Application for funding under M125

Only applicants who had responded to the call for the Expression of Interest can apply at the 2nd stage In the formal application form, applicants will apply **only for the projects that had been classified as eligible** during the 1st stage (Expression of Interest). The Managing Authority will be referring to the BOQ drawn by the architect appointed by the MA.

- After the selection process, the chosen projects will be contracted;
- An MA architect will constantly monitor the works being done;
- The works must also be certified by the MA architect.

The applicant **cannot** change the priority of the roads submitted in the Expression of Interest. Also, **no new roads can be submitted** and the total amount of funding which each applicant can benefit from is still capped at €30,000.

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

10. Aid intensities

If selected, a beneficiary will be granted 90% of the total eligible expenditure. Therefore, the beneficiary will have to provide 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 € 204,000 of 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 up to €30,000.

12. 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 MA architect in the 1st stage, will be part of the application in the 2nd stage.

13. Payment

The facility of an advance payment and interim payments will be provided by the Paying Agency, within the Ministry for Sustainable Development, the Environment and Climate Change. The payments will be made 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 Paying 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 MA architect is needed for settlement of final payment. **The project is to be completed within 12 months from the signing of the contract.** However, more points will be given to projects which will be completed within 6 months.

If the project is selected for funding, all the funds allocated to the project must be disbursed within 12 months of the date of the signing of the contract with Ministry for Sustainable Development, the Environment and Climate Change.. Failure to do so may result in the reimbursement of any funds received by the applicant and other penalties may be applied.

Final payments shall be also subject to controls and verifications carried out by the Control Unit within the Paying Agency.

14. 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

Selection Criteria Grid	Score
Number of farmers that will benefit from the proposed project (Section 3.1): <ul style="list-style-type: none"> - Between 5 – 10 farmers: 5 points - Between 11 – 20 farmers: 15 points - 21 farmers and over – 20 points 	Max 20 Points
Number of Full Time Farmers benefitting from the proposed project (Annexe 1): <ul style="list-style-type: none"> - 2 points for every Full Time Farmer 	Max 20 Points
Surface area of access road covered by the project (Section 3.2): <ul style="list-style-type: none"> - less than 100 square metres : 0 points - between 101 - 200 square metres : 5points - between 201 – 400 square metres: 10 points - over 401 square metres: 15 points 	Max 15 Points
Project Duration. Project is completed in (Section 3.4): Between 6 months - 1 year: 10 points Less than 6 months: 20 points	Max 20 Points
Financial Capacity of the entity (or entities) involved to implement the project (Section 6):	Max 10 Points
Utilisable agricultural land that will benefit from the proposed project (Section 3.2): Between 1ha – 10ha : 5 points Over 10ha : 15 points	Max15 Points
Maximum	100 Points

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 5 points in each of the Selection Criteria and a minimum of 55 points out of the total marks allocated to the Selection Criteria.

15. 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