

Guidance Notes for submission of:

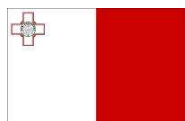
Applications for funding under LEADER

Action 413.4 Support for the development and marketing of 3 distinctive products for the  
Majjistral territory

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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).

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



## **Rationale for intervention**

### *Action 413.4*

Innovation is of particular importance for the MAGF and this is in fact reflected in the MAGF Strategy. The centrality of innovation is in line with the expectations of the Lisbon Agenda, which identifies rural innovation and diversification as important elements to reinforcing a solid rural economy.

The drive for innovation is echoed through this particular action. This priority action seeks to research, design, develop/regenerate, brand and market 3 distinctive products for the territory. These products will continue the process and work already undertaken by MAGF to create and foster its regional identity holistically.

The aim of this action is to encourage the primary producers of the region and the final users such as retailers to form partnerships in order to design/invent/regenerate and market a product (or a range of similar products) symbolic of the Majjistr al region through this collective action. Examples of possible projects may be the invention or the reinvention of a recipe using the region's produce, the development of an agro-alimentary product utilising only produce from the territory or the development of a craft product which is symbolic for the territory. Examples of how such products may be put in the market can be by utilising the recipe or agro alimentary product in specific catering establishments etc. or using the product as a decor element in important accommodation establishments in the region.

This action will be the prelude for the Majjistr al territory to get recognised certification or equivalent for these products and possibly even act as a catalyst for the marketing of these products on an international scale.

This action will also provide an opportunity for the different stakeholders to interact, network and come up with end results that are tangible and beneficial to the territory in that the products will be part of the Majjistr al identity from then on. Also, through this action, the creation of synergies between different sectors in its territory that MAGF is promoting will be further reinforced.

## **Scope and Objectives of this Measure**

The scope of Action 413.4 is to develop or reinvent and market 3 distinctive products (or range of products)\_ for the Majjistr al territory. Through these products, the concept of regional identity and regional cohesion will be further reinforced.

This action will offer also the opportunity to the different stakeholders within the territory to come together, interact and develop partnerships. The result of these new relationships will be tangible in that a product will be created that apart from symbolising the Majjistral identity, will also develop new income earning opportunities for the stakeholders in the project.

Innovation is a key element of this action.

### **Eligibility Actions**

Operations supported through the EAFRD shall be consistent with the strategic objectives of the National policies and with the Majjistral Local Development Strategy, and shall be limited to support for the development and marketing of three (3) distinctive products for the Majjistral Action Group Foundation territory. The parties involved in the project must be operating within the MAGF's territory.

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

<b>Rural Localities within the Majjistral Action Group Foundation territory</b>		
Il-Mellieħa	San Pawl il-Baħar	L-Imġarr
In-Naxxar	L-Iklin	Hal-Lija
Hal Ġhargħur	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 stakeholders involved in each project must operate from the Majjistral Action Group Foundation territory;
- the proposed project must develop a product (or range of products) that is symbolic of the Majjistral and has specific links to the Majjistral territory;
- the proposed project must be the result of collaboration between different stages of the production chain;
- 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 project is innovative in that the product developed will be branded, of high quality and identifiable with the Majjistral territory and will thus further enhance and promote the creation of the MAGF's regional identity. Also the parties must demonstrate that this product is the result of a collaboration between two or more different operators working in the different stages of the production chain in the territory. 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 413.4 are as follows:

- Research fees on product development;
- Product design costs;
- Product development costs;
- Recognised certification fees;
- Marketing and promotion of the products:
  - participation at trade fairs and marketing events;
  - advertising;
  - development, production and distribution of marketing material, online marketing and social media tools and specific promotional campaigns.

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

## **Non Eligible Investments under Action 413.4**

The following is an indicative list of non-eligible investment under Action 413.4

- 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 18th March 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.
- Recoverable 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 413.4 are private legal entities (including self-employed individuals), NGO's and legally constituted farmers' groups and associations (such as Producer Organisations, Cooperatives and Associations).

In the case of private legal entities, only small and micro enterprises within the meaning of Commission Recommendation 2003/361/EC are eligible for funding.<sup>1</sup>

### **Aid intensities**

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<sup>1</sup> 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.

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 €109,100 is allocated to Action 413.4 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 each application is capped up to a maximum of €36,367.00 excluding VAT for each proposed product. Applicants may not propose more than one product or one range of products.

The VAT component must be borne by the applicant.

### **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 (with particular reference to the location whereby the product is produced) 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. 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 Majjistral Region, the applicant shall be asked to refund the funds received back and pay a penalty as requested.
- Ownership or title to 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, all the funds allocated to the project must be disbursed within 12 months of the publication of the final list of the results. Failure to do so will result in the reimbursement of any funds received from the applicant and other penalties may be applied.

- 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 selected beneficiaries must ensure that any labelling and marketing related to the product selected for funding makes reference that the Product is From and Made in the Majjistral territory. It is to be noted that if and when MAGF creates the brand for the territory, the selected products must bear the Majjistral branding if the standard requested by MAGF for the product is attained and maintained.
- 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 **18th March 2013**. **MAGF** will accept applications under this Action as from the **18th March 2013** and the deadline for submission of applications is the **17th May,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 413.4:** Support for the development and marketing of 3 distinctive products for the Majjstral territory

	<b>CRITERIA</b>	<b>POINTS</b>
1	Quality of the business plan presented for the proposed project	10 points
2	Increase in the awareness about the territory as a result of the project;	14 points
3	Proposed project contributes to the implementation of the Majjstral Local Development Strategy	10 points
4	Sustainability of the project	20 points
5	Overall quality of the submitted application	10 points
6	Qualification/s of individual within the organization proposing the project	5 points
7	Number of different operators working in the different stages of the production chain in the territory and involved in the project proposed	2 points for every operator involved. Max 6 points
8	Innovation of the project within the region	10 points
9	Number of distinct marketing activities being proposed by the applicant	1 points for every activity. Maximum 5 points
10	Readiness of the proposed project <sup>2</sup>	10 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.

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<sup>2</sup> If the proposed project can be implemented immediately, more points will be awarded.