

## RURAL DEVELOPMENT PROGRAMME 2014-2020

### TECHNICAL ASSISTANCE ELIGIBILITY RULES

Version 8 – 27/11/2020

***Eligibility rules laid down by Malta and applicable to the Rural Development Programme 2014-2020 funded by European Agricultural Fund for Rural Development.***

#### ***APPLICABLE REGULATIONS OF THE EUROPEAN UNION***

The following Regulations are used as the basis for rules on eligibility of expenditure for the implementation of activities under the Rural Development Programme (RDP) Technical Assistance funded through the European Agricultural Funds for Rural Development (EAFRD):

In accordance with Article 59 *Technical assistance at the initiative of the Member States* of the Common Provisions Regulation (EU) 1303/2013 of 17 December 2013 laying down common provisions of the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down, general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

#### ***INTRODUCTION***

In general, for expenditure to be eligible it has to be in line with the afore-mentioned Regulations. The expenditure must also be in accordance with the National Technical Assistance Eligibility Rules which have been laid down by the Managing Authority (MA) in accordance with Article 65(2) of Regulation (EU) 1303/2013 for the programming period 2014-2020 as well as within the parameters of the EC Regulations. Stakeholders should also note that the MA may issue revisions to these rules from time to time.

Technical Assistance supports anything in relation to the implementation of the Rural Development Programme and anything as deemed eligible and/or approved by the MA. Technical Assistance accompanies any actions utilised by the MA and all relevant stakeholders involved in the implementation of structural funds. Technical Assistance finances activities in relation to implementation, monitoring and evaluation, information and publicity actions, capacity building measures, the supply of furniture and equipment, as well as preparatory and closure related activities.

## **ELIGIBILITY CRITERIA**

In terms of Technical Assistance the eligibility of expenditure will be assessed against the following main criteria:

1. *Approval of Activity* – For expenditure to be eligible it must be in line with the priorities of the RDP 2014-2020. In this regard, a completed *Technical Assistance Form A- Request for Approval* must be filled in with all relevant details and presented with required documentation. Expenditure can only be considered eligible for those cost items that have been agreed upon with the MA. For expenditure to be eligible it must also be in line with the principles of sound financial management. The principles of non-discrimination, equality of treatment, transparency, mutual recognition, proportionality and good governance shall apply in all procurement (public and non-public) and recruitment and selection procedures.
2. *Eligibility period*- Expenditure is eligible if it is incurred and paid between 1 January 2014 and 31 December 2023. Invoices paid and services provided after the aforementioned dates are not eligible.

Costs incurred in preparation for the 2021-2027 programming period may also be co-financed by the TA budgets of the 2014-2020 programmes.

3. *Location* – As a general rule, activities financed by Technical Assistance shall be implemented within/for the direct benefit of the eligible territory. The eligible territory for the financing of Technical Assistance is the whole territory of the Republic of Malta.
4. *Proof of Expenditure* – Eligible Expenditure must reflect the goods/services/works procured (as per contract) and delivered to the Beneficiary's satisfaction through the presentation of invoices (certified correct) and relevant supporting documentation.

Documents regarding expenditure need to be kept available for the Commission, the Court of Auditors and the Audit Authority in line with Article 140 of Council Regulation (EU) 1303/2013.

5. *Type of expenditure* – Expenditure that contributes towards the overall implementation of the implementation of the Programmes. This includes :
  - Expenditure relating to the preparation of the programme, selection, appraisal, management and monitoring of actions;
  - Expenditure related to audits and on the spot checks of actions or projects;
  - Expenditure relating to evaluations of actions or projects;
  - Expenditure relating to information, dissemination and transparency in relation to actions;
  - Expenditure on the acquisition, installation and maintenance of computerised systems for the management, monitoring and evaluation of the Funds;
  - Expenditure on meetings of monitoring committees and sub-committees relating to the implementation of actions.
    - This expenditure may also include the costs of experts and other participants in these committees, where their presence is essential to the effective implementation of actions;
  - Expenditure for the reinforcement of the administrative capacity for the implementation of the Fund.

## **ELIGIBILITY RULES**

Activities which address the implementation of one or more aspects of the Rural Development Programme are considered to be eligible. The term Rural Development Programme includes amongst others, activities relating to the 2014-2020 programming period including preparation for the subsequent programme. Requests are considered eligible if they contribute to the achievement of the concerned priority objectives of the Rural Development Programme (in terms of capacity, regulatory issues, timely implementation and /or regularity of operations).

It is important to note that the list is not an exhaustive of the types of expenditure to be financed under Technical Assistance. Clarification on any item not listed should be sought from the MA. Amendments to these rules may be issued from time-to-time.

### **Article no. 1: Definitions**

1. **Activity-** An initiative addressing the implementation of the Rural Development Programme which has been approved by the MA to be financed under Technical Assistance;
2. **Activity incurred-** This refers to an activity which has been carried out and paid within the stipulated timeframes in line with the eligibility criteria;
3. **Beneficiary-** The beneficiaries are the organisations responsible for the management and implementation of the Programme, as well as any entity involved in the preparation of the new Strategic Plan 2021-2027<sup>1</sup>;
4. **Assignee –** Assignees are competent authorities, service providers or suppliers who would be benefitting from Technical Assistance.
5. **Technical Assistance-** Technical Assistance supports and accompanies the programme implementation in accordance with the relevant Regulations. Under the 2014-2020 Rural Development Programme Measure 20 provide for the provision of Technical Assistance.

### **Article No. 2: Salaries**

1. Expenditure of officers involved in the implementation of the Rural Development Programme are eligible. Aforementioned officers fall under the following departments/authorities
  - Managing Authority
  - Paying Agency
  - Other Bodies relevant to Malta's implementation system working under EAFRD
2. The payment of overtime may also be considered eligible if pre- approved by the MA and the following conditions are met:
  - a. For employees engaged by stakeholders within the public service – the overtime work performed is approved in accordance with and follows all applicable criteria set in section 3.2 of the Public Service Management code

### **Article No. 3: Social Security Contributions, Tax, Qualification allowance, Tax, Bonuses, and Disturbance Allowance**

In principle, Social Security Contributions and related costs linked to the employee can be considered eligible expenditure where these are genuinely and definitely borne by the Beneficiary<sup>2</sup>. The employer's social security contributions are also considered eligible as long as proof of payment can

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<sup>1</sup> The Certifying body is excluded in line with Reg 1305/2013 Art 51(2).

<sup>2</sup> Pay slip and payroll (as applicable) need to be made available as proof of payment.

be provided<sup>3</sup>. The following costs may also be considered eligible: tax and statutory bonuses, fuel allowance and communication allowance. Qualification allowance and disturbance allowance and any other allowances as per collective/ sectoral agreement may be considered eligible subject to approval by the MA. Performance Bonus is not eligible.

#### **Article No. 4: Training costs**

Training delivery and the receiving of training may be considered eligible for co-financing under Technical Assistance, as long as there is a justified link between the officer attending / delivering the training and the nature of the duties carried out by the officer.

#### **Article No. 5: Costs relating to meetings**

The Expenditure related to the organisation of events including but not limited to meetings, team-building activities etc related to the implementation and monitoring of the Rural Development Programme is eligible. Expenditure related to the Informal directors meeting for Rural Development that the Maltese MA would be required to host are also eligible. This expenditure includes but is not limited to; costs of events and management services, catering services, hiring of venue as well as experts and other participants involved in these meetings.

#### **Article No. 6: Travel and Subsistence Allowance**

1. Costs related to travel subsistence allowance (Inc. utilised contingencies) are considered eligible.
2. Unless otherwise approved by the MA, travel (economy)<sup>4</sup> and subsistence allowance (including utilised contingencies) shall be considered eligible in line with the provisions provided in the Overseas Travel MFIN Circular No. 1/2008 (as amended by MFEI Circular No. 12/2010 and subsequent amendments) and supported by the relevant documentation.
3. In the case of experts coming to Malta, the subsistence allowance established by the European Commission within the Europe Aid Framework<sup>5</sup> is the maximum that can be claimed from the Funds. Fees may also be payable to the expert over and above the subsistence allowance, provided that these are justified and reasonable.
4. Costs are considered eligible when the event to be attended is clearly linked to his/her role in the implementation of the Rural Development Programme where applicable.
5. Transnational and interregional actions may be eligible to be financed through Technical Assistance.

#### **Article No. 7: Research/Studies and Consultancy Fees**

1. Research/studies conducted in areas identified within the Programme are considered eligible as long as the research/study contributes towards the effective and efficient implementation of the current and subsequent Rural Development Programme.
2. Consultancy including but not limited to, project selection committee members, cost-benefit analysis, financial expertise, accountancy expertise or audit services may be considered eligible provided that the expenditure is directly linked to the activity and is necessary for its implementation
3. With regards to EAFRD Technical Assistance in the case of construction and infrastructural operations, apart from the project management staff, the Beneficiary may engage a (technical)

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<sup>3</sup> FS5 (or equivalent) for the relevant month/s, receipt from inland revenue covering the same period/s (or equivalent) and declaration from the financial controller of the Beneficiary that for the employers' share for the NI for the persons claimed is included in the FS5. Other proofs of payment may also be considered as long as they provide sufficient evidence.

<sup>4</sup> In the case where tickets are not economy class, the Beneficiary may only claim the equivalent of the costs of an economy ticket from Technical Assistance.

<sup>5</sup> [https://ec.europa.eu/international-partnerships/system/files/per-diem-rates-20200201\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/per-diem-rates-20200201_en.pdf)

supervisor/ supervisory team. The engagement of a supervisor/ supervisory team is eligible subject to the relevant procurement / employment procedures having been used.

#### **Article No. 8: Publicity Costs**

1. Publicity costs are eligible for funding under Technical Assistance provided that any publicity measures undertaken are related to the implementation of the Rural Development Programme and are in line with Annex III the Commission Implementing Regulation (EU) No. 808/2014 (and subsequent amendments) and Article 115-117 Council regulation (EU) No. 1303/2013 as well as the relevant Visual Identity Guidelines governing the 2014-2020 programming period.
2. Publication, translation and distribution costs resulting from published and audio-visual material required for the implementation of the activity are also eligible. The MA will retain full rights over publicity measures/ actions and published /audio visual material, however any responsibility for the material produced/ published shall result solely with the body issuing that material. The aforementioned can be used by the MA for further EAFRD publicity at no cost.

#### **Article No. 9: Consumables and Operational costs**

1. Consumables are defined as tangible items that may be depleted or worn out by use, that have a life expectancy that is shorter than the duration of the Programme and are not deemed to be fixed assets in accordance with the accounting principles and rules. Where consumables include the need for technical installation/expertise, these costs are eligible.
2. Consumables required for the implementation of the Programme are eligible for co-financing subject to the following conditions:
  - a. It must be procured specifically and used solely for the implementation of the programme;
  - b. It must not be apportioned between those that are used by the Beneficiary in carrying out its normal or other business (not eligible) and those that are related to the implementation of the Programme.
3. Eligible consumables include amongst others:
  - a. Printing of documents necessary for the implementation of the operation;
  - b. Stationery necessary for the implementation of the operation;
  - c. Course material required for delivery of training; and
  - d. Postage and mail (with supporting documentation);
  - e. Toner cartridge and any consumables necessary for commissioning of equipment procured by the funds is eligible
4. Maintenance/repair costs shall not be considered eligible other than those identified for the maintenance for the Management Information System and 2014-2020 as well as the maintenance costs arising from equipment financed/ leased needed for the implementation of the Rural Development Programme.

#### **Article No. 10: Management Information System and other Software**

The development/procurement of Management Information System and other software is considered eligible. Costs related to the maintenance/ upgrading of the relevant software is also eligible.

#### **Article No. 11: Contributions in kind**

Contributions in kind are not eligible to be financed under Technical Assistance.

#### **Article No. 12: VAT and other taxes**

Taxes and related charges which arise from activities financed through Technical Assistance are eligible where they are genuinely and definitively borne by the beneficiary.

Beneficiaries are not eligible for VAT reimbursement.

#### **Article no 13: Renting and Leasing**

1. Expenditure incurred in relation to renting is eligible under Technical Assistance as long as the activity in question is necessary for the implementation of the Rural Development Programme in Malta.
2. Expenditure related to leasing is eligible as long as it is in line with government policy and/or in cases where leasing is a more cost-effective option rather than purchasing.

#### **Article No. 14: Furniture and Equipment**

1. The purchase of furniture and equipment and the adaptation of premises are considered eligible provided that they are directly linked to the overall implementation of the programme.
2. Fixed assets financed under Technical Assistance that are damaged or stolen must be replaced by the Beneficiary organisation out of its own funds.
3. Purchase of second hand equipment is not considered eligible unless it is duly justified and required for the implementation of the Rural Development Programme.

#### **Article No. 15: Transport Costs and Mobile Assets**

1. Transport costs related to the implementation of one of more aspects of the Rural Development Programme are considered eligible.
2. The purchase of mobile assets such as cars may be eligible as long as they are adequately justified and specifically approved by the MA.

#### **Article no. 16: Financing**

1. The Co-financing rate of the technical assistance is that of 75:25
2. When the cost is apportioned amongst all ESIF funds or other funding instruments which Malta benefits from, the cost is apportioned on the basis of the EU allocation/donor allocation of the funds concerned.
3. Subrogation requests, namely payments to assignees, can be made by all beneficiaries, where approved by the Paying Agency. The beneficiary must include such terms in the call for offers issued for the selection of an assignee. In case where the agreement with the assignee is already in place and such terms were not included in the call for offers, then, consent by the assignee agreeing to subrogation will be required.



#### **Rural Development Programme for Malta 2014-2020**

Part financed by the European Union  
Co-financing Rate:  
75% European Union; 25% Government of Malta



***The European Agricultural Fund for Rural Development:  
Europe investing in rural areas***