



Cohesion Policy 2007-2013 Operational Programme I - Investing in Competitiveness for a Better Quality of Life

FREQUENTLY ASKED QUESTIONS

THE PROJECT SELECTION PROCESS

1. Q: How long does the Project Selection Process usually take?

This depends on the number of projects received, however the length of the Project Selection Process usually takes approximately three and a half months from the closing date of a Call. The duration could be affected by the quality of the application forms submitted, especially where there is need for clarifications or supporting documentation from applicants.

A press release is usually issued by the Managing Authority (MA) to inform applicants of the expected duration of the Project Selection Process. The press release issued by the MA in relation to the assessment of applications received following the latest Calls for Project Proposals (closing at noon on 22nd February 2008) can be downloaded from:

www.ppcd.gov.mt/english/downloads/callOP08.zip.

2. Q: What is the difference between eligibility criteria and selection criteria for projects?

All applications are individually assessed by the MA and selected by the Project Selection Committee (PSC) against a set of eligibility and selection criteria. These criteria are approved by the Monitoring Committee of the Programme.

Eligibility criteria are those criteria which are gateway criteria – that is all applications must meet these criteria fully. Projects which do not comply with the gateway eligibility criteria cannot proceed to full appraisal and scoring. The list of Eligibility Criteria can be found in Section 1.2.1 and Annex I of the Guidance Notes to the Application Form.

Once a project has passed the eligibility test, it proceeds to the project scoring system which is based on a set of Selection Criteria. Selection Criteria are basically those criteria which are used during the full appraisal and scoring of a project. A project must score 50% or more to be

considered for selection or reserve list. The full list of Project Selection Criteria can be found in Section 1.2.2 and Annex I of the Guidance Notes to the Application Form.

3. Q: Does the Project Selection Committee issue a report or explanation when project applications are rejected?

Yes, all Applicants whose application is not accepted for funding will receive a letter explaining the main reasons for rejection or low ranking.

4. Q: Will all projects which obtain a ranking higher than 50% be selected for funding?

Not all projects which obtain a 50% ranking will be selected for funding, since the number of selected projects depends on the financial allocation available under the Call in question. If the value of the highest-ranking projects exceeds the amount available, then all other projects will be placed on the reserve list. The reserve list remains valid until another call is issued under the same focus area. Once another call is issued under the same focus area, projects on the reserve list need to be re-submitted if the applicant is still interested in implementing the said project.

5. Q: How much importance is given to sustainability during the selection of projects?

A total of 10 % of the total marks are allocated to Project Sustainability, hence all applicants are advised to give it due importance. Further information on the Selection Criteria for projects can be obtained with reference to the Grid for ERDF Projects Eligibility and Selection Criteria in Annex I to the Guidance Notes.

6. Q: Can campaigns or environmental impact awareness measures help increase a project's ranking in relation to carbon impact?

No. The applicant must seek to incorporate measures into the project that will contribute to the low in carbon/ carbon neutrality impact indicator, such as measures related to energy efficiency, renewable energy and water collection / reuse.

THE APPLICANT AND PARTNERS

7. Q: Can an entity submit more than one application form citing the same Project Leader?

It is not recommended to submit many applications citing the same project leader. Applicants should recall that there are 10 marks awarded for organizational capacity. Having the same project leader for a number of projects can impact negatively on this indicator.

Moreover, structural fund projects require a constant input from the beneficiary organisation, and hence it is important that Project Leaders have real time to dedicate to the project Even where the project foresees the employment / contracting of a project manager, the Project Leader still retains full legal responsibility for implementation of the project and the organisation must show how the Beneficiary will retain full control of the project.

8. Q: What is the difference between a Project Leader and Project Manager?

The Project Leader is the person responsible for the implementation of the project and has the authority to take decisions during the course of implementation. The Project Leader must be employed by the Beneficiary organization, since s/he carries the direct legal responsibility for the implementation of the project.

To facilitate the day-to-day management of a project, it is possible to finance project management costs as part of a project. Therefore, a project manager may be contracted to implement the various components of the project, where necessary. Further detail on the recruitment or contracting of project managers can be obtained from Section 7.1.1 of the Guidance Notes to the Application Form.

Note that even where a project manager is recruited, the Project Leader still retains full legal responsibility for the implementation of the project.

9. Q: If a project includes the involvement of another local organization (Section 1.5 of the Application Form), should the partner organization be selected following a call for tenders? If an applicant issues a tender to seek for a partner, would it obtain a better ranking during the project selection process?

It is important to distinguish between Partner Organizations and organizations which are providing a service, works or supply following a call for tenders. First of all, Partner Organizations must conform to the same eligibility criteria as applicants. The definition of eligible applicants can be found in Section 1.1.1 of the Guidance Notes to the Application Form. Partner organizations do not need to be recruited following a call for tenders.

Secondly, Partner Organisations cannot be given any fees or payments for services, works or supplies. All services, works or supplies under Operational Programme I must be procured transparently and through an open call for tenders where necessary, in line with Public Procurement Regulations and the principles of good governance.

In line with the Principles of Good Governance, Partner Organizations cannot tender for services, supplies or works required as part of a project, since they would have an unfair advantage over other potential bidders.

Further information on partner organizations can be obtained from Section 1.5 of the Guidance Notes to the Application Form.

10. Q: Can Parish Churches or Church organisations apply for funding under OPI?

Organizations which form part of the Church are considered to be equivalent to Voluntary Organisations for the purpose of the Call, as long as they conform to the definition of eligible applicants in Section 1.1.1 of the Guidance Notes. All voluntary organisations must provide proof of co-financing.

11. Q: Is it acceptable to set up a new Foundation in order to apply for funding under OPI?

There is as yet no specific rule specifying when a Foundation or Voluntary Organisation (VO) should have been set up in order to qualify for funding. However, the VOs / foundation's track record and experience will be taken into consideration during the Project Selection Process and is likely to affect its ranking in relation to the following Selection Criteria: Project Sustainability, Readiness and Capacity of Organisation. As can be seen from the Guidance Notes to the Application Form, Annex I, these three criteria account for 35% of all marks.

12. Q: What sort of organizational chart should be provided for the purposes of the application?

The organizational chart should only indicate the staff selected by the organization to deal with all aspects of the implementation of the project and not the chart of the overall organization, unless the latter is relevant.

13. Q: Is it possible for an organization to apply for funds for a project involving property which does not belong to the organization?

No, it is important for all applicants to be aware that projects can only be accepted for funding if the asset/s which are involved in the operation in question belong to the applicant (Government in case of public entities / Commissions). Also note that the project remit must be within the mandate of the Applicant organization.

PROJECT DURATION AND IMPLEMENTATION SCHEDULE**14. Q: What is the permitted duration of a project?**

A project should ideally not have a longer duration than three years, unless a suitable justification is provided in the Application Form (Breakdown and Description of Activities, Section 6.6).

15. Q. How can you calculate how long the tendering process will take with regard to Department of Contract tenders?

In the best case scenario, the entire tendering process (from launching date) lasts between 4 and 6 months. In the case of works, the average can be closer to 9 months. One should factor in the time that is required for vetting of the dossier by the Department of Contracts prior to launch.

16. Q: What happens if the Project Implementation Schedule begins later than expected because the Applicant had failed to anticipate the duration of the project selection process?

Applicants will not be penalized if the Project Implementation Schedule must be revised to take into account any delays arising from the project selection process.

ELIGIBLE EXPENDITURE AND PROCUREMENT ISSUES
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17. Q: If an application form has been filled in with the support of a consultancy firm, can the relevant cost be charged to the project?

If a consultancy firm is recruited to assist the Beneficiary with any part of the project planning, research or application process, then this cost can be charged to the project as a preparatory cost on condition that:

- a. The recruitment / contracting of the consultancy firm is transparent and in line with relevant Public Procurement Regulations are respected.
- b. All adverts, including the call for tenders and the contract itself are all in line with the Cohesion Policy 2007-2013 publicity requirements, as per Regulation 1828/2006, Articles 8 and 9.
- c. According to the principles of good governance, a consultancy firm which has assisted with the planning or preparation of a project application form should not be allowed to tender for services, works or supplies foreseen as part of the project. Such consultancy firms would have an unfair advantage over others.

18. Q: How should an applicant calculate project expenditure and costs?

By going through the project objectives, conducting research and feasibility studies if necessary, the applicant can draw up an estimate of the expenses required to run the project in order to achieve the proposed results. It is important to ensure that such research is conducted before submission of an application form.

The budget should be presented in breakdown form, and supported by workings which could be annexed to the application form. As indicated in the Guidance Notes to the Application Form, Section 7, it is essential to include all costs in the budget breakdown.

19. Q: Is it acceptable for a Beneficiary organization to buy the same type of equipment it has already bought during the implementation of a previous ERDF project?

No. The applicant would not be given funds to purchase the same type of equipment if it had previously bought the same equipment through a previous project. The MA will assume that the applicant would continue to use the same equipment for future project purposes.

20. Q: How should an Applicant ensure that a project does not involve double-funding when the same project is part of a series of ongoing projects? Section 6.8

In such circumstances, sufficient justification must be given to justify the continuation of activities from one project to another. Furthermore, operational costs are not eligible.

21. Q: Which procurement procedures should be followed during the planning and implementation of projects?

Beneficiaries must ensure compliance with the Public Contract Regulations and good practice in procurement, particularly in setting maximum budgets. Applicants are to ensure that procurement is made in line with regulations in force at the time of implementation. Further information can be obtained from Section 8.1 in the Guidance Notes to the Application form and from the Department of Contracts or its website: <http://www.contracts.gov.mt>.

22. Q: Do the Public Procurement requirements also apply to non-public organizations?

Beneficiaries which are not covered by the Public Contracts Regulations, but which are eligible for projects under this call are required to comply with the principles and spirit of the Public Contracts Regulations and to follow the same instructions for the different thresholds of contracts. Further information can be obtained from Section 8.1 in the Guidance Notes to the Application form.

23. Is it possible to apply for funding for an activity which forms part of an existing or finalised project?

No. ERDF cannot be used to fund parts of projects. For instance, it is not acceptable to submit an application form for an incomplete activity. Each project proposed for funding must be complete in its own right. It is essential to take a comprehensive and holistic approach.

24. Can the cost of telephone calls be included as an eligible cost under ERDF?

No, telephone costs and other overheads cannot be considered an eligible cost under ERDF.

25. With reference to cross financing, is 10% cost which can be used for ESF-type expenditure calculated per single item or on the total expenditure?

ERDF projects may finance, in a complementary manner and subject to a limit of 10% of Community Funding (EU Funds), ESF-related expenditure provided that this is necessary for the satisfactory implementation of the ERDF operation and is directly linked to it. The 10% is calculated on the 85% grant given through EU funds. Training on equipment offered by the supplier is not an ESF cost but is included as part of a supply tender.

RECRUITMENT AND STAFF COSTS

26. Q: Are own staff costs and overheads eligible under ERDF?

No. The staff costs of an entity's existing employees and overhead costs are not eligible for funding under ERDF. Further guidance on eligible and ineligible costs can be obtained with reference to Section 7 of the Guidance Notes to the Application. The cost of Project Management and a Supervisory Team is eligible, subject to the conditions outlined in Section 7.

27. If it is necessary to recruit an accountant, would such a cost be eligible for funds?

Financial expertise, accountancy and audit costs are eligible if they are directly linked to the operation and are necessary for its preparation or implementation or, in the case of accounting or audit costs, if they relate to requirements by the Managing Authority. Fees related to potential litigation are not eligible.

28. Q: What percentage of a project can be utilized for the funding of project management?

These should be kept to a minimum. In general between 6-10 percent is acceptable, depending on the size and complexity of the project. Exceptions must be justified.

PROJECT INTERVENTION CODE

29. Q: How do you choose the right Project Intervention Code for the project, as per Section 2.2 of the Application Form?

It is necessary to categorise the project's areas of intervention by priority theme, selecting only those themes which are most relevant to the project. The list of Priority Themes is provided in the Guidance Notes, Section 2.2.1.

If a project falls under more than one intervention code, then each relevant code should be ranked in order of priority and a percentage allocation must be provided for each, together with a clarification, explaining which components of the project relate to each code. This percentage must be based on the budget being allocated to each component and not on the areas which the project is likely to benefit.

Note that no additional points are provided for projects which fall under more than one intervention code. If a project does not fall under any of the intervention codes, then it is likely to be considered ineligible under the Call.

30. Q: What happens if a project falls under many Project Intervention Codes?

As stated above, the project's intervention code should be based on the project's budgetary allocations and on the broad sector within which the project's main activities fall.

The Project Intervention Code should not be based on all the anticipated benefits of the project. No additional points are given to projects which fall under more than one intervention code.

INDICATORS

31. Q: How are indicators chosen? How are output, result and impact indicators quantified?

Applicants must select output and result indicators by referring to the Priority Axis and focus area relevant to their project within Operational Programme I. Further information on the relevant output,

result and impact indicators can be found in Section 4.6 of the Operational Programme. A project that does not contribute to at least one indicator (whether output, result or impact) is not eligible.

32. Q: What happens if none of the output / result indicators are relevant to a project?

If none of the output and result indicators under a Priority Axis are relevant to a project, then the applicant should seek to address the impact indicator. If none of the indicators (output, result, impact) are valid for the project, the project is not eligible for funding under the Operational Programme.

PUBLICITY

33. Q: What is the difference between marketing and publicity?

Applicants are required to distinguish between publicity and marketing for the purposes of Structural Funds. Beneficiaries are required to carry out publicity measures which create visibility and awareness of the project and its source of funding, as required by Commission Regulation (EC) 1828/2006. Such publicity costs are eligible for ERDF co-financing, as long as the publicity is directly linked to the project and its target groups.

However, the promotion of the Beneficiary's organization, products or services is considered to be marketing. Certain marketing exercises can be considered eligible under ERDF, if they are justified and approved by the Managing Authority. They must also be placed under a separate budget item, distinct from publicity.

REVENUE GENERATION

34. Q: Can participants be charged an attendance fee for training courses?

If projects generate revenue, the information on revenue must be adjusted as outlined in Section 7.2 of the Guidance Notes to the Application Form.

STATE AID

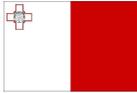
35. Q: How should one ensure that a project complies with State Aid rules?

All Applicants must ensure compliance with State Aid rules. If it transpires that these rules have been breached, even after the project ends, then all grants would have to be recovered, even if they have already been paid.

To ensure compliance, all Applicants are encouraged to consult the State Aid Committee well before the deadline for the submission of applications. Note that the State Aid Committee cannot

be consulted at the last minute. Further information can be obtained from Section 9 of the Guidance Notes to the Application Form.

For further information, please contact our Email Helpdesk: Info.ppcd@gov.mt



Operational Programme II – Cohesion Policy 2007-2013
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