

# Small Grant Scheme

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## GUIDELINES FOR APPLICANTS

### 2<sup>nd</sup> Call for Proposals

March 2021



*Supported by the people of Norway,  
through the Norway Grants*

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# 1. Executive Summary

## 1.1 General Information

In line with the EU 2020 target of reducing the number of people at risk of poverty or exclusion by at least 20 million in the EU, Malta is committed to contribute towards fighting this battle with the aim to lift around 6,560 people out of poverty by the target date. With a small territory of one geographical region at NUTS II level, split into two NUTS III regions, which are then subdivided into six districts (Local Administrative Units – LAU), in 2013, Malta had an estimated 99,000 people at risk-of-poverty or social exclusion across the island.

According to the statistics on income, social inclusion and living conditions in Malta, poverty is highly predominant among persons living in households with dependent children (with two adults and three or more dependent children), persons living in single parent households and unemployed people. Moreover, households with elderly people also present lower income levels. These categories bring together children, youths, elderly, women, people with disabilities, the working poor and the unemployed as the main target groups, which raise particular concerns when it comes to poverty and social exclusion related matters.

The Small Grant Scheme (SGS), which shall be supported through the Norwegian Financial Mechanism, shall aim towards this general objective. The main outcomes of the projects implemented under this scheme is to improve the quality of life of these deprived communities in urban localities. The Local Government Division (LGD) within the Ministry for National Heritage, the Arts and Local Government has been appointed as the Small Grant Scheme Operator (SGSO) and through these grants, intends to elaborate on a sustainable development strategy for urban localities.

Prospective applicants are obliged to attend training on the general objectives and management aspects of the SGS. Such training, which will be financed through Pre-defined Project (PDP) 3 “*Training of Local Council Staff in Principles of Good Governance, Transparency and Accountability*”, will enhance the capacity of the selected urban local councils and thereby increasing the knowledge of the local councils to successfully implement projects under the SGS.

## 1.2 Duration

The duration of selected projects shall not exceed 12 months. The project period shall commence from the date of signing of the project contract with the SGSO. Requests for extension over this 12-month period need to be done in writing to the SGSO at least one month before the expected end date of the project. The request may be approved depending on the reasons for such an extension request, depending on the budget available and in relation to the overall SGS project timeline.

### 1.3 Eligible applicants

The SGS is open to the following Local Councils, which are considered as Urban Local Councils<sup>1</sup>.

<ul style="list-style-type: none"> <li>• Birkirkara</li> <li>• Cospicua</li> <li>• Fgura</li> <li>• Floriana</li> <li>• Gżira</li> <li>• Ħal Lija</li> <li>• Ħamrun</li> </ul>	<ul style="list-style-type: none"> <li>• Marsa</li> <li>• Msida</li> <li>• Paola</li> <li>• Pembroke</li> <li>• San Ġiljan</li> <li>• Santa Venera</li> <li>• Senglea</li> </ul>	<ul style="list-style-type: none"> <li>• Tal-Pieta'</li> <li>• Tarxien</li> <li>• Tas-Sliema</li> <li>• Ta' Xbiex</li> <li>• Valletta</li> <li>• Vittoriosa</li> <li>• Xgħajra</li> </ul>
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Priority will be given to Local Councils in accordance with the following order:

- **First Priority:**

The most vulnerable Local Councils<sup>2</sup>, which were eligible to apply for the 1<sup>st</sup> SGS call, however either weren't successful in their application or else failed to apply for such funding opportunity. These Local Councils are the following:

<ul style="list-style-type: none"> <li>• Cospicua</li> <li>• Ħamrun</li> <li>• Marsa</li> </ul>	<ul style="list-style-type: none"> <li>• Paola</li> <li>• Valletta</li> <li>• Vittoriosa</li> </ul>	<ul style="list-style-type: none"> <li>• Senglea</li> </ul>
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- **Second Priority:**

The remaining Urban Local Councils, which were not eligible to apply for the 1<sup>st</sup> SGS call. These Local Councils are the following:

<ul style="list-style-type: none"> <li>• Birkirkara</li> <li>• Fgura</li> <li>• Gzira</li> </ul>	<ul style="list-style-type: none"> <li>• Ħal Lija</li> <li>• Msida</li> <li>• Pembroke</li> </ul>	<ul style="list-style-type: none"> <li>• San Ġiljan</li> <li>• Tas-Sliema</li> <li>• Xgħajra</li> </ul>
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- **Third Priority:**

The Local Councils which have already benefitted from the 1<sup>st</sup> SGS call. These Local Councils are the following:

<ul style="list-style-type: none"> <li>• Floriana</li> <li>• Pieta'</li> </ul>	<ul style="list-style-type: none"> <li>• Santa Venera</li> <li>• Tarxien</li> </ul>	<ul style="list-style-type: none"> <li>• Ta' Xbiex</li> </ul>
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<sup>1</sup> The Rural Development Programme for Malta 2014-2020 gives a definition of 'Rural Areas' and lists the locality considered as such. In the absence of any such definition for 'Urban Areas', any remaining locality in Malta, as established by the Local Councils Act: Chapter 363 of the Laws of Malta (Tenth Schedule – Article 72) is by elimination considered an 'urban locality'

<sup>2</sup> An analysis of social challenges at regional and local levels has been conducted using data from the NSO Report – Social Projection in Malta and the EU (2015). By making use of social security benefits expenditure per capita as a median, a list of urban localities, prone to severe social challenges, has been formulated.

#### **1.4 Submission deadline**

The deadline for the submission of applications is **Monday 31<sup>st</sup> May 2021 at 1200hrs (noon)**. **Late submission will not be accepted.**

#### **1.5 Budget**

The indicative total allocated budget for the scheme is that of €535,069<sup>3</sup>.

#### **1.6 Grant amount and co-financing**

The minimum grant amount applied for is 25,000 EUR and the maximum 100,000 EUR.

The maximum project grant rate is 85% of total eligible expenditure of the project selected.

The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. Any remaining costs of the project shall be provided or obtained by the Project Promoter.

#### **1.7 Application submission**

Participating Local Councils must submit the applications before the stipulated deadline in PDF format including all relevant stamps, signatures and supporting documentation via e-mail to [euaffairs.dlg@gov.mt](mailto:euaffairs.dlg@gov.mt)

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<sup>3</sup> 85% of which will be funded through the Norwegian Grants and 15% through national funds, while it excludes the 15% co-financing to be contributed by the Local Council.

## **2. General Information about the Small Grant Scheme**

The SGS is supported through the Norwegian Financial Mechanism. The main outcome of the projects implemented under this grant scheme is to improve the quality of life of deprived communities in the eligible urban localities. The Local Government Division (LGD), appointed as lead partner and SGSO of this scheme, is proposing to elaborate on a sustainable development strategy for urban localities by adopting a bottom-up approach, thus involving all the different stakeholders. In line with the guiding principle of the Strategic Plan for the Environment and Development, the objective of the strategy will be the continued enhancement of urban areas to improve the quality of life and sustainable living standards of deprived communities.

In line with the overall objectives of the EEA and Norwegian Financial Mechanism 2014 – 2021, the SGS shall contribute to the reduction of economic and social disparities in the European Economic Area and strengthen bilateral relations between the Donor States and the Beneficiary States.

For further information, refer to the *Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2014 – 2021*<sup>4</sup>.

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<sup>4</sup> <https://eeagrants.org/Results-data/Documents/Legal-documents/Regulations-with-annexes/EEA-Grants-2014-2021>

### **3. Objectives and Areas of Support**

The SGS will support projects satisfying the following criteria:

#### **OUTCOME: Poverty Reduction and Local Development**

**The main outcome of the projects implemented under this scheme is to improve the quality of life of these deprived communities in urban localities.**

There are four objectives under the SGS which include:

- a) Supporting physical, economic and social regeneration of deprived communities in these urban areas.
- b) The regeneration of public open spaces and public social housing within deprived neighbourhoods.
- c) The revitalisation of urban towns and cities ensuring better infrastructure to address the social and educational needs of the citizens.
- d) Enhancing the environmental aspects of these deprived localities.

## **4. Eligible Activities**

The SGS Programme shall aim to strengthen local development in urban areas and to reduce poverty, amongst the most vulnerable groups in the Locality<sup>5</sup>.

**A non-exhaustive list of eligible activities include:**

- Training in personal and professional development held within and for the community;
- Training held for the local council's staff, on the premise that the acquired skills are instrumental in implementing quality projects within and for the community;
- Educational Courses held within and for the community;
- Social activities held within and for the community;
- Creating safe places for vulnerable groups and deprived communities within the community; and
- Renovating public areas for the benefit of the community or vulnerable groups thereof.

**A non-exhaustive list of ineligible activities:**

- Training held for the local council's staff members for its own sake, without any long-term planning of related initiatives within and for the community; and
- Local Council's staff attending training abroad without any planned implementation within the community.
- Upgrading, renovating or refurbishing premises for its own sake, without any activities envisaged for its use targeting vulnerable groups.

The above-mentioned are only a few examples of eligible and non-eligible activities.

The Local Councils are required to outline the training programme and/or educational courses and/or initiatives, and/or other activities beneficial to the community, with particular emphasis on the most vulnerable and the projected outcomes. If there are instances where the training is held for the Local Council's staff members, then the Local Councils are required to describe how the tools and knowledge acquired through the said training will be beneficial for the community.

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<sup>5</sup> Refer to Regional Economic Social and Cultural Community Plans.

## **5. Cross Cutting Issues and Horizontal Concerns**

The following cross cutting issues are a major concern in the SGS Programme:

- Equal Opportunities & non-discrimination
- Sustainable Development
- Good Governance
- Economic, Social & Political Sustainability

These four cross-cutting issues must be reflected in the general approach and everyday operation of the local councils and shall be applied in all implementation phases of the projects. Therefore, no local council, whose mode of operation contradicts the above cross-cutting issues, can be supported through these grants, emphasising that only those local councils, which incorporate and promote the realization of these principles in their everyday practice, shall be upheld. It should be made clear and demonstrated in the application that these principles are inherent in the activity of the organization and the project – as appropriate according to its type and nature. During the evaluation phase, these concerns will play an important role.

Applicants are required to provide details in Section 4 in the Application form, on how they will ensure that the above concerns will be implemented within the project.

## **6. Expected Programme Outcomes**

All projects funded by the SGS are expected to contribute to the achievement of the programme outcomes, indicated in the table below. The application should clearly illustrate how the proposed project/s will address these outcomes:

<b>EEA Programme Expected Outcome</b>	<b>Standard Programme Outcome Indicators</b>	<b>Related Initiative of the Project</b>	<b>Target Audience</b>
1. Improved quality of life to deprived communities in urban localities	1.1 Number of vulnerable individuals benefitting from services provided through the SGS segregated by gender and age)  1.2 Percentage of residents 'very satisfied' or 'satisfied' with their local council's performance in targeted localities.	Poverty Reduction and Local Development	Vulnerable communities aggregated by Gender and age

Within this section, applicants must identify the target audience and give an indication of the target group by gender and age (disaggregation of the vulnerable). Please note that if the project is awarded a Grant, the Project Promoter should strive to achieve these results and also the indicative number of beneficiaries (disaggregated by gender and age). Hence these targets should be realistic and achievable.

**N.B. In case of serious underachievement of the target value of the indicators, the Project Promoter will be requested to provide detailed justifications and reasons.**

## 7. Eligible Applicants

### Urban Local Councils<sup>6</sup>

<ul style="list-style-type: none"><li>• Birkirkara</li><li>• Cospicua</li><li>• Fgura</li><li>• Floriana</li><li>• Gżira</li><li>• Ħal Lija</li><li>• Ħamrun</li></ul>	<ul style="list-style-type: none"><li>• Marsa</li><li>• Msida</li><li>• Paola</li><li>• Pembroke</li><li>• San Ġiljan</li><li>• Santa Venera</li><li>• Senglea</li></ul>	<ul style="list-style-type: none"><li>• Tal-Pieta'</li><li>• Tarxien</li><li>• Tas-Sliema</li><li>• Ta' Xbiex</li><li>• Valletta</li><li>• Vittoriosa</li><li>• Xgħajra</li></ul>
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<sup>6</sup> The Rural Development Programme for Malta 2014-2020 gives a definition of 'Rural Areas' and lists the locality considered as such. In the absence of any such definition for 'Urban Areas', any remaining locality in Malta, as established by the Local Councils Act: Chapter 363 of the Laws of Malta (Tenth Schedule – Article 72) is by elimination considered an 'urban locality'

## **8. Project Partnership**

The SGS promotes the formation of partnerships to enhance project applications. Partners shall have as their aim, the will to contribute to the outcome/s of the project, whose participation in the project is needed for reaching aims of the project and which is actively involved in the preparation, implementation and evaluation phases of the project.

Article 3.3 of the Programme Agreement<sup>7</sup> lays down the requirements related to project partners and partnership agreements.

Any public or private entity, commercial or non-commercial, as well as non-governmental organisation established as a legal person in Malta shall be eligible as project partners.

Project partnership shall conform to national legislation on public procurement<sup>8</sup> and state aid.

In case the project is selected for award a Partnership Agreement will be signed between the Project Promoter and the project partner pursuant to Article 7.7 of the Regulation containing the following:

- a) provisions on the roles and responsibilities of the parties;
- b) provisions on the financial arrangements between the parties, including, but not limited to, which expenditure the project partners can get reimbursed from the project budget;
- c) provisions on the method of calculating indirect costs and their maximum amount;
- d) currency exchange rules for such expenditure and its reimbursement;
- e) provisions on audits on the project partners;
- f) a detailed budget;
- g) provisions on dispute resolution;
- h) and other provisions relating to the implementation and administration of the project, including the condition of archiving accounting documents.

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<sup>7</sup> <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bilateral%20Programmes/Documents/EEA%20Norway%202014-2021/Legal%20documents/Signed%20PA.pdf>

<sup>8</sup> <https://contracts.gov.mt/en/Resources/Documents/Manual%20of%20Procedures%20-%20PPRs%202016%20-%20v1%201.pdf>

## ***9. Duration of Projects***

The duration of the project shall commence from the date of signing of the project contract with the SGSO and shall not be more than 12 months. Requests for extension over this 12-month period need to be done in writing to the SGSO at least one month before the expected end date of the project. The request may be approved depending on the reasons for such an extension request, depending on the budget available and in relation to the overall SGS project timeline.

The outcome of each project must be carried out within the territory of Malta for the specific urban localities.

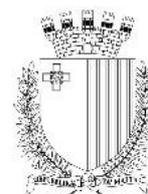
## 10. Publicity Requirements

The project promoters must communicate the achievements of their project and must acknowledge the support received from the Norway Grants, from the Local Government Division and from the Small Grants Scheme to the relevant audiences at local, national and regional levels. Thus, the following steps should be followed, as appropriate:

- Develop a publicity plan as part of the project application including details of the communication activities, target groups, methods and timescales.
- Carry out a minimum of two information activities, such as an event or a press conference, on progress achievements and results (one of these should be a launch or closing activity for the project).
- Produce information about the project available on a dedicated website or a webpage on an existing website in both Maltese and English Language.
- Put up necessary signage at the site of the project portraying the nature and scope of the said project.
- Replace signage with a commemorative plaque upon completion.

The following, not necessarily exhaustive list of logos, shall be presented on all printed material giving credit to funding authorities. Project applicants are requested to access the following link: <https://eeagrants.org/Results-data/Toolbox-for-programmes/Communications> in order to make sure to abide to the requested criteria and standards. Should the SGSO opt to add one or more logos with these included hereunder, the applicants will be informed accordingly.

Publicity Cost should be in proportion to the project cost.



LOCAL GOVERNMENT DIVISION  
MINISTRY FOR NATIONAL HERITAGE, ARTS AND LOCAL GOVERNMENT



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**GOVERNMENT OF MALTA**  
PARLIAMENTARY SECRETARIAT  
FOR EUROPEAN FUNDS

## 11. Maximum budget, grant value and co-financing

The indicative total available funds to be distributed in terms of grants are €535,069<sup>9</sup>. Awarded projects will receive up to 85% financing of the eligible project costs from Norwegian and National Funds. The remaining 15% plus any ineligible costs that may be incurred by the Local Council during the implementation of the project, are to be financed from the Local Council's own budget.

Projects will be awarded funding, if they are ranked at a score of over 60% as per the Evaluation and Selection Procedure outlined in Section 17 of these Guidelines. Financing will be distributed among the highest scoring projects until the financing available is exhausted.

Should the scheme's financing not be exhausted through sufficient quality projects achieving the points necessary to merit award, the SGSO will issue a 3<sup>rd</sup> Call for applications to commit the remaining funding.

~~VAT is not eligible for funding.~~

### SIZE OF GRANTS SPECIFIED BELOW<sup>10</sup>:

#### PROJECT BUDGET ALLOCATION

- Minimum Grant per Proposal  
**€25,000**
- Maximum Grant per Proposal  
**€100,000**

<sup>9</sup> 85% of which will be funded through the Norwegian Grants and 15% through national funds, while it excludes the 15% co-financing to be contributed by the Local Council

<sup>10</sup> Excluding the 15% co financing to be contributed by the Local Council.

## **12. Source of Funding**

The Project being proposed for funding shall not be funded from other sources, both on national and international level, other than the SGS under the Norway Funding Mechanism. Double-funding of projects and projects having state aid implications are not permissible. Thus, proposals must be referred to the State Aid Monitoring Board (SAMB) to ensure that there are no state aid implications for activities proposed. A declaration to this effect from the SAMB needs to be presented together with the application form. Contact details of the SAMB are as follows:

Contact Details:

Dr. Yana Haber Executive Secretary

**State Aid Monitoring Board**

Tel: (356) 21 252 757

E-mail: yana.haber@gov.mt

## **13. Payments to Projects**

Upon receiving invoices for eligible, awarded expenses, Local Councils (referred to as project promoters once awarded funds) will forward the documents<sup>11</sup> within a reasonable time, to the Local Government Division.

Together with the above-mentioned documents, the Local Council is to provide the Local Government Division with proof that it has deposited in a purposely opened bank account, its co-financing element, that is the 15% of the total eligible amount of the invoice/s plus any further ineligible costs, such as the VAT portion of the said invoice/s. Details on the the bank account will be provided by the SGSO to the project promoter once the project is selected for funding.

**N.B. - The 15% co-financing element that the Local Council is requested to contribute from its own funds, together with the VAT element of the project, even if the VAT element is considered as ineligible for the project purposes, could be co-funded through the Co-financing Fund<sup>12</sup> established by the Government of Malta.**

Payments will be made directly to the contractors after the necessary vetting process is carried out by the SGSO.

Upon payment, in order to ensure both objectives of fiscal validity and payment confirmation, a fiscal receipt will then have to be provided for the corresponding payment. The project promoter should ensure that these receipts:

- Contain reference to the invoice in question (invoice number). Payments on account, without the relevant invoice number, are not acceptable;
- Are dated after the payment date; and
- Include the name of the Beneficiary as the addressee of receipt.
- Are received in good time and filed in the payments section of the project file - it is the responsibility of the project promoters to ensure this for every invoice and fiscal receipt (where applicable).

### **Project progress reporting (including financial and technical matters):**

Project Progress reports shall be submitted by applicant to the SGSO on a quarterly basis (every 3 months), that is January, April, July and October, of each year. The first Project Progress report will be submitted in the quarter following the signature date of the project's Grant Agreement.

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<sup>11</sup> The list of documents to be presented by the LC are defined in the Manual of Procedures.

<sup>12</sup> <https://localgovernment.gov.mt/en/DLG/Pages/Co-Financing%20Fund.aspx>

## **14. Eligible Expenditure**

Eligible expenditure refers to the expenditure incurred by the beneficiary when implementing the actions of the projects and that can be charged to the project budget. Expenditure cannot be considered eligible under a project if it has not been approved by the SGSO. The final date of the project eligibility of expenditure on a programme level is April 2024.

Expenditure shall be eligible only if it falls within the timeframe of the Project and within the descriptions of eligible costs outlined below. Eligible expenditure shall result in payments justified by receipted invoices and other accounting documents of equivalent value.

The inclusion of an expenditure item in a project budget approved by the Programme Operator cannot be considered as a prerequisite of its eligibility.

General Principles on the eligibility of costs in projects:

1. Eligible expenditures of projects are those actually incurred by the project promoter or the project partner, which meet the following criteria:
  - a. They are incurred between the first and the final dates of eligibility of a project as specified in the project contract;
  - b. They are connected with the subject of the project contract and they are indicated in the estimated overall budget of the project;
  - c. They are proportionate and necessary for the implementation of the project;
  - d. They must be used for the sole purpose of achieving the objective(s) of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
  - e. They are identifiable and verifiable, in particular through being recorded in the accounting records of the project promoter and determined according to the applicable accounting standards and generally accepted accounting principles; and
  - f. They are incurred by a project promoter or a project partner duly authorised to operate by the appropriate authorities in Malta.
2. Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Overheads and depreciation of equipment are considered to have been incurred when they are recorded in the accounts of the project promoter.
3. The project promoter's internal accounting and auditing procedure must permit direct reconciliation of the expenditures and revenue declared in respect to the project with the corresponding accounting statements and supporting documents. The project promoter is to set up separate bank account or use a separate accounting code specifically dedicated to the initiative, together with a record showing full details of expenditure paid and funds received related to the operation must be kept.

## **Direct Expenditures:**

The eligible direct expenditure for a project are those expenditures, which are identified by the project applicant or the project partner, in accordance with their accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project in line with the fund's priorities and requested outcomes and which can therefore be charged directly to the project. All related expenses to the project must be directly used for the community. In particular, the following direct expenditures may be eligible:

### **1. Travel and Subsistence Allowances**

- For staff taking part in the project, provided that they are in line with the project promoter's and the project partner's usual practices on travel costs. For ease of reference, please refer to page 20 of the 'Manual on Transport and Travel Policies and Procedures' issued by the Ministry of Finance which defines salary scale eligibility and to the Per Diem rates applicable in accordance with circular MF 201/92/B issued by the Ministry of Finance dated 18<sup>th</sup> October 2017.

### **2. Equipment**

- Equipment needs to be new and needs to be directly essential for the implementation of the action. A non exhaustive list of examples include:
  - Computers
  - Laptops
  - CCTV cameras and related equipment
  - Moveable / loose furniture
  - Projectors and projection screens
  - TVs and/or monitors
  - Utensils
  - Interactive displays and screens
  - Printers
- An inventory list must be kept and available for analysis by the SGSO.

### **3. Construction & renovation works**

- Costs of works considered as directly essential for the implementation of the project related to construction and renovations works of a real estate shall not exceed 50% of the total eligible direct costs of the project.
- Projects, where renovation works will be carried out on properties considered of historical and architectural value will be eligible to 75% of the total eligible direct cost of the project<sup>13</sup>. This proviso will only be considered on the premise that the 50% allocation to hard measures at scheme level is not exceeded.
- A non exhaustive list of examples of eligible works are as follows:
  - Construction, reconstruction, alterations, renovations, restoration of building/s and/or room/s;
  - Material cleaning and ground works;
  - Mechanical and electrical works, fittings and other finishing works, including tile laying, wall painting, gypsum works etc; and
  - Elevator/s installation/renovation.

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<sup>13</sup> Kindly refer to the scheduling property register (<https://www.pa.org.mt/scheduled>), falling underneath the category 'Architecture', listed as Grade 1.

- Apertures

#### **4. Consumables/ Supplies**

- Costs related to the purchasing of consumables / supplies, that need to be directly related to the implementation of the project. A non exhaustive list of examples of eligible consumables / supplies are as follows:
  - Stationery
  - Toner and ink cartridges
  - Paper and file folders

A record list is to be kept on how these consumables/supplies were used.

#### **5. Sub-Contracting/ Expert Fees**

- Costs entailed on other sub-contracts awarded by a project promoter for the purposes of carrying out specific tasks of the project, provided that the awarding complies with the applicable rules on public procurement to ensure principles of transparency, competition and good governance. A non exhaustive list of examples of eligible sub-contracting / expert fees are as follow:
  - Website design and/or creation;
  - Event organisation;
  - Professional services (engineering, architectural etc...);
  - Training ;
  - Preparatory studies; and
  - Project management.
  - Studies / research

#### **6. Publicity Costs**

- Costs related to promotion and visibility of project (please refer to Section 10 of these Guidelines). A non-exhaustive list of examples of publicity related costs include:
  - Billboard;
  - Online/digital media;
  - Video production;
  - Publications;
  - Newspaper adverts; and
  - Stickers.

#### **EXCLUDED COSTS:**

The following costs shall not be considered eligible:

- a) Interest on debt, debt service charges and late payment charges;
- b) Charges for financial transactions and other purely financial costs, except costs related to accounts required by the NMFA, the National Focal Point or the applicable law and costs of financial services imposed by the project contract;
- c) Provisions for losses or potential future liabilities;
- d) Exchange losses;
- e) Recoverable VAT;

- f) Costs that are covered by other sources;
- g) Fines, penalties and costs of litigation;
- h) Excessive or reckless expenditure.

The items in the list hereunder are considered non eligible costs, for the purpose of this call:

- i) Costs related to purchase of land and real estate;
- j) Replacement of assets
- k) Second-hand items/equipment;

## 15. Application Process

A local council can submit an application under one or several objectives. However, only one application per local council is permissible. Applicants are also allowed to submit an application through a partnership or consortium, presenting projects leading towards the same common or final objective. In case of collaborating Local Councils, two separate applications should be submitted.

An application must be filled in the form provided by the Programme Operator. The application shall be in the English language.

The Local Council should submit the application via email. Applicants are to ensure that applications are submitted to the Programme Operator in advance of the deadline. The Programme Operator is not responsible for late submissions. Should the applicant want to submit the application via another tool/method, it is critical to discuss this in advance with the Programme Operator.

The Application Form should include a scanned copy of any supporting documentation. The following attachments are to be annexed to the application:

DETAILS	Yes	No	N/A
<b>One (1) soft copy of this application signed and stamped in PDF Format submitted by E-mail to euaffairs.dlg@gov.mt (including a copy of any supporting documentation listed below) [obligatory]</b>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Lease/ rent agreement (required if applicable)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Planning Authority permits<sup>14</sup> (obligatory if applicable)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Declaration by Partner Organisation/s [obligatory in case of Partnership]</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Budget Breakdown [obligatory]</b>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>CVs of Staff Contribution to Project Proposed where staff are already engaged within the organisation (required) [required also for Co-Partners in case of Partnership and where the latter will provide human resources]</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>14</sup> Where applicable, for applicants to be eligible for the 75% hard measures exceptional rule, the property in question must fit the requirements within the “scheduling property register” underneath the category ‘Architecture’, listed as Grade 1.

Site plans of area of intervention, including technical designs, maps, diagrams and drawings, in case of physical works [required if applicable]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audited Financial Statements and/or the Management Accounts for the years 2018 and 2019 in relation to the applicant and partnered local councils (if any) [obligatory]	<input type="checkbox"/>	<input type="checkbox"/>	
Proof of match financing - Joint Declaration by Mayor and Executive Secretary of the local council, stating that the local council commits to its co-financing obligations; Moreover, following the submission of a project proposal, the SGSO retains the right to consult with the Director of Local Government to check that the co-financing as declared by Local Council is available/likely to be met. This assessment by the Director of Local Government will be made on the basis of the information provided by the Applicant [obligatory]	<input type="checkbox"/>	<input type="checkbox"/>	
Bill of quantities (obligatory for infrastructural works)	<input type="checkbox"/>	<input type="checkbox"/>	
Gantt Chart, which should reflect and include all the project phases (required)	<input type="checkbox"/>	<input type="checkbox"/>	
Annex 1 - Declaration by partner organisation (obligatory if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annex 2 - Should the works proposed not need a Planning Authority Permit, a copy of official correspondence with the Planning Authority (obligatory if applicable); OR Copy of an architect declaration stating that the works to be conducted, do not require a planning permit needs to be provided. (obligatory if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	
Annex 3 - Copy of official correspondence with SAMB15 [required]	<input type="checkbox"/>	<input type="checkbox"/>	
Annex 4 - Copy of baseline survey results together with the details of the method used [obligatory]	<input type="checkbox"/>	<input type="checkbox"/>	

For the application to be considered complete all attachments marked as **obligatory** need to be submitted at Application Stage. Applications that do not have the obligatory attachments will be immediately rejected. Those documents marked as **required** should also be submitted at Application Stage. However, if not so submitted, the SGSO will take note and allow the applicant one week (or as specified by the SGSO) from request by the

<sup>15</sup> The Project Promoter should ideally include the SAMB position with the application. In any case, the Project Promoter must submit the state aid position within four (4) weeks from the closing date of the submission of this form.

same SGSO to submit the said documents. Only complete applications with all the documents listed above can be reviewed by the Project Selection Committee.

Participating Local Councils must electronically submit the applications before the stipulated deadline in PDF format including all relevant stamps, signatures and supporting documentation via e-mail to [euaffairs.dlg@gov.mt](mailto:euaffairs.dlg@gov.mt)

Any **clarification requests** should reach the SGSO electronically on [euaffairs.dlg@gov.mt](mailto:euaffairs.dlg@gov.mt) by not later than **Monday 3<sup>rd</sup> May 2021**. Replies to clarifications will be shared with all prospective applicants.

**All applications have to be submitted as indicated above by not later than 1200hrs (noon) of Monday 31<sup>st</sup> May 2021.**

## ***16. Retention of Documents & Assets***

The Beneficiary has the obligation to retain all related documents and assets for control and audit purposes, for 5 years following the approval of the program final report.

In respect to audits and other controls, the Beneficiary must also cooperate with any intermediary body and other monitoring and audit bodies entrusted with such functions with respect to the granting of aid under this scheme, for the duration of 5 years.

## **17. Evaluation and Selection Procedure**

All submitted applications are reviewed for compliance with administrative and eligibility criteria.

Administrative and eligibility compliance check will be made by administrative staff selected by the Local Government Division. This includes:- eligibility of the applicant, the application and eligible costs. If an application does not include all required information in the application form or has a miscalculation in its budget, the applicant shall be given seven (7) working days for completing the proposal. Applications that do not have the obligatory attachments will be immediately rejected.

If an application's activities or costs planned for the project do not fall under the eligibility criteria, or if an applicant fails to provide missing information in a given time, the application will be subject to rejection. Rejected applicants will be informed in writing and have the right to appeal that decision within seven (7) working days after being notified. They may file an appeal by means of an objection before the *Small Grants Scheme Appeals Committee*, indicating in a very clear manner the reasons for their complaints. The Small Grants Scheme Appeals Committee is fully independent from the SGSO.

Projects, which are in compliance with administrative and eligibility criteria, are then subject to an assessment, which is undertaken by independent experts (each application shall be reviewed independently by at least two experts).

The Local Government Division, as the SGSO, shall appoint external experts, who are impartial and independent of the SGSO itself, its partners, of the applicants, and their partners, to rank projects according to the selection criteria.

Applicants will be awarded on two fronts. The first, is related to their level of vulnerability, as listed in section 1.3 of the Guidelines for Applicants. Applicants will be scored as outlined below:

- First priority group: 10 marks;
- Second priority group: 5 marks; and
- Third priority group: 0 marks.

The second front is where projects will be scored according to the following selection criteria. Successful projects will only be awarded if they are ranked at a score of over 60% and must pass all four of the following:

- Readiness of the project execution;
- Relevance of the project;
- Quality of the project, design and implementation; and
- Impact and dissemination.

The experts shall justify in writing the scores for each criterion they evaluate. The average of the scores awarded by the experts shall be used for the purposes of ranking the projects.

If the difference between the scores given by the two experts is more than 30% of the higher score, a third expert shall be commissioned by the SGSO to rank the project independently from the previous two experts. In such cases, the average score of the two closest scores shall be used for the ranking of the projects.

Following the scoring given by the external evaluators, the Project Stakeholders Committee (PSC) set up to provide oversight and direction to the SGSO, shall review the ranked list of projects. It may modify the ranking of the projects in justified cases and will clearly document such decision. The PSC will consist of persons possessing the relevant expertise and experience. Such experts shall have no direct or indirect interests that are or appear to be incompatible with the impartial exercise of their function.

The PSC shall operate in an open, transparent and accountable manner, and its composition will ensure that due attention is paid to possible areas of conflict of interest. The selection procedure must provide equal treatment of all applicants. The PSC, under the headship of the Local Government Division as SGSO will take the final decision on the projects to be supported, based on the independent experts' recommendations and ranking. Modifications to the recommendations of the experts' recommendations shall be justified. The Local Government Division shall keep a record of the selection process and decisions taken.

Projects are evaluated according to the selection criteria below:

Relevant Application Section	Section	Maximum Score
	1. Level of vulnerability	10
Refer to section 1.3	<ul style="list-style-type: none"> <li>- First priority group; or</li> <li>- Second priority group; or</li> <li>- Third priority group</li> </ul>	10 5 0
	2. Readiness of project execution and cooperation arrangements	15
	2.1:	
Refer to: <ul style="list-style-type: none"> <li>• The documentation checklist relating to permits and architect declaration; and</li> <li>• Section 2.6 relating to tender implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• Within one month from the date of the signing of grant agreement. Depends on: <ul style="list-style-type: none"> <li>○ Tenders implementation (1 mark) and</li> <li>○ planning permit/ or architect declaration (2 marks).</li> </ul> </li> </ul>	3
	<ul style="list-style-type: none"> <li>• More than one month for the date of the signing of grant agreement Depends on: <ul style="list-style-type: none"> <li>○ Tenders implementation (1 mark) and</li> </ul> </li> <li>• planning permit/ or architect declaration (1 mark).</li> </ul>	2
Refer to the documentation checklist relating to	2.1.1 Planning Authority Permits <sup>16</sup> : <ul style="list-style-type: none"> <li>• Correspondence with PA (1 mark); and</li> </ul>	3

<sup>16</sup> In the case where no Planning Authority permits are required, the application will be automatically rewarded the maximum points (3 in this case) for this sub-criterion.



	<ul style="list-style-type: none"> <li>• More than 16% (5 marks);</li> </ul>	
	4. Quality of the project design and implementation	25
3.1.3 & 3.2	4.1 Are the activities proposed appropriate, practical, and consistent with the expected results?	5
2.8 & 3.1.2	4.2 How coherent is the overall design of the action? (is the project logical and consistent throughout?)	6
Section 2 (overall)	4.3 Is the description of project clear and feasible?	7
Section 3 (overall)	3.4 Does the proposal contain quality, objective, verifiable indicators for the outcome of the action?	7
	5. Impact and dissemination	25
4.1.1 & 4.1.4	5.1 How are dissemination strategies, linked to the action, likely to have a tangible positive impact on the target groups, in relation to equal opportunities and gender equality?	7
4.1.3	5.2 Is the proposal likely to have multiplier effects (including scope for replication, extension of the outcome of the action and dissemination of information including good governance)?	7
4.1.2	<p>5.3 Are the expected results of the proposed action sustainable:</p> <ul style="list-style-type: none"> <li>- Financially (how will the activities be financed after the funding ends?)</li> <li>- Institutionally (will local councils allow the activities to be continued in place at the end of the action? Will there be local “ownership” of the results of the action?)</li> </ul> <p>At policy level (what will be the strategic impact of the action— e.g. will it lead to improved legislation, codes of conduct, methods, etc?)</p>	7
1.2	<p>5.4 Is the project part of a larger undertaking, envisaged to be achieved also by other eligible local councils?</p> <ul style="list-style-type: none"> <li>• Yes (4 marks)</li> <li>• No (0 marks)</li> </ul>	4
	Maximum total score	100

## **18. Notification and Grant Awarding**

Successful applicants will be informed in writing of their award and asked to sign a grant agreement with the SGSO. The grant agreement will highlight the obligations to be followed during project implementation and post implementation. Unsuccessful applicants will also be informed in writing, including feedback, regarding the proposal and suggestions for improvements for future proposals. If requested, a meeting may be held between the SGSO and the unsuccessful applicant to discuss in more detail the proposal and the reason why it was not selected. They will still have the right to lodge an appeal before the *Small Grants Scheme Appeals Committee*, indicating in a very clear manner the reasons for their complaint.

The main terms of reference Documentation for the present Call for Proposals is the Guidelines for Applicants and the Application Form, which can be found on a dedicated page on the following site: <https://www.localgovernment.gov.mt>

Any **clarification requests** may be submitted by e-mail to [euaffairs.dlg@gov.mt](mailto:euaffairs.dlg@gov.mt) by not later than **the Monday 3<sup>rd</sup> May 2021** and the replies will be communicated to all eligible local councils at the earliest possible. Clarification requests and their replies will also be published on a dedicated page on the following site: <https://www.localgovernment.gov.mt>