

## **Co-Financing Fund – Local Councils**

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### **1. Background**

Government has allocated a total of € 500,000 for 2010 to support the Local Councils' Association and Local Councils who apply for project grants under EU funding programmes and require a co-financing commitment. A vast array of EU Funding opportunities exist and it is vital for Malta to benefit and exploit fully such funding initiatives. Within this field, Government is seeking to establish co-financing funds having a clearly defined purpose, in that they may be utilised to provide assistance and facilitate project activities funded by the EU.

The purpose of this co-financing fund is to provide successful applicants with financial assistance towards their projects that are approved under any of the EU Funding Programmes and require a co-financing element. The co-financing fund will support and sustain the beneficiaries (Local Councils' Association and Local Councils) in long-term projects of greater financial altitude thus empowering the targeted beneficiaries to be more pro-active in terms of participating in EU Funding programmes.

The co-financing fund will enable funding resources to be made available more easily to the Local Councils' Association and Local Councils which are often well placed to respond to specific project development issues or project realisation but not necessarily well equipped to deal with the demands of the required financial element stipulated under the respective EU Funding Programme that the beneficiary is applying for. The co-financing fund is intended to create and provide an additional source of funding and shall not replace financial support from other sources. The co-financing fund should complement and must not replace existing activities supported by EU funding and other financial sources.

The co-financing fund is also intended to facilitate the development of promising project ideas and to support the preparation of applications that are to be submitted under an EU Funding Programme in particular to support innovative approaches, complex project themes and the establishment of new partnerships created for the purpose of designing new projects.

### **2. Eligible Applicants**

- Eligible Applicants include the Local Councils' Association and Local Councils (also referred to as 'beneficiaries');
- Beneficiaries that intend to submit a project under any of the EU Funding Programmes during 2010;
- Beneficiaries which have already submitted a project under any of the EU Funding Programmes and have acknowledgement that their project has been accepted and financed and for which the project commences at any stage as from the 1<sup>st</sup> of January 2010 are eligible to apply;
- Beneficiaries applying under the co-financing fund are to propose projects that specifically target localities;

- Applicants are to have a sound financial basis and the necessary administrative and technical capacity for implementing the project.

### 3. Co-financing Rate

The funds available under this policy will cover a percentage of the co-financing element that is not covered by the EU Funding Programme<sup>1</sup>. The selected applicant is expected to provide own resources and/or involve other donors to cover the additional percentage of the co-financing element. The co-financing rate will be determined by the Evaluation Committee and such decision shall be final.

***The applicant is to submit a copy of the complete project proposal (including any annexes and supporting documents) being presented to the managing authority of the EU Funding Programme being applied for.***

### 4. Evaluation and Selection of Applications

The application must be fully transparent in terms of the financing of the project; the applicant must also state the provenance of all sources of co-financing in the application and should attach a confirmation from the/these source/s regarding the availability of these funds. From the outset it is important to note that all applications will be reviewed independently. The co-financing rate offered will be set on a case-by-case basis by the Evaluation Committee and the latter can set a lower grant rate than that requested in the application. All applications will be assessed according to the following criteria:

#### *(1) Administrative Compliance*

Verification that the application is complete in accordance with the checklist (vide application form).

#### *(2) Eligibility of the applicants*

Verification that the applicant meets the requirements according to Section 2 - Eligible Applicants

#### *(3) Evaluation of the quality of the proposals and financial evaluation*

An evaluation of the quality of the proposal that is to be submitted to the respective EU Funding Programme and the project priorities that are being focused upon; the proposed budget will be carried out in accordance with the evaluation criteria set out in the Evaluation Grid set out in Annex 1. A selection criterion is intended to help the Evaluation Committee evaluate the applicants' financial and operational capacity to ensure that they have stable and sufficient sources of finance to maintain their activity throughout the period of the project that includes competencies required to successfully complete the proposed project. Award criteria will allow the quality of

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<sup>1</sup> The co-financing fund is applicable to the 'Europe for Citizens 2007-2013' programme. The latter's budget criteria differs to other EU funding programmes and is capped at a fixed amount. Eligible applicants applying for this funding programme are to submit a separate budget form within the application form indicating the overall expenses being borne from the beneficiary.

the proposal that will be submitted to be evaluated by the Evaluation Committee in relation to the objectives and priorities set and the consistency with the respective call for proposal that is being applied for under the EU Funding Programme together with the quality, expected impact, sustainability and cost-effectiveness.

## **5. Approval process**

The applicant may either submit an application for co-financing grant 20 working days prior to submitting the project application under one of the EU Funding Programmes (this is necessary in cases where proof of co-financing is being requested) or alternatively submit an application after the project is approved by the Managing Authority of the respective EU Funding Programme.

The co-financing rate grant given to the applicant shall be finally determined by the Evaluation Committee based upon a set of criteria as outlined in Annex 1.

Applicants will be notified of the co-financing rate being allotted to the beneficiary and a block-fund will be committed until receipt of acknowledgement that the project submitted under the specific EU Funding Programme has been accepted by the managing authority in charge of the respective EU Funding programme. Following this a memorandum of understanding (“**MOU**”) is signed by the relevant Government authority (this would entail the Dept of Local Government) and the respective beneficiary for the allocation of resources under the co-financing fund as established by the Evaluation Committee.

In the case of projects that have not been accepted by the managing authority of the respective EU Funding Programme, the funds allocated under the block-fund system are released.

Beneficiaries interested in applying for the co-financing fund for 2010 are required to submit their application form prior to the 10<sup>th</sup> December, 2010. Any applications received after that day shall not be processed.

## **6. Disbursements**

**After signing of the ‘MOU’ and submitting the letter of approval and grant agreement of the project as approved by the managing authority, the beneficiary shall receive 50% of the grant. The remaining amount will be disbursed upon submission of the final report and the financial report accompanied by verified copies of fiscal receipts.**

The beneficiary will be responsible for the correct use of these funds and guarantee the authenticity of proof of expenditure within the financial report that is to be submitted to the Administrative Board. Should for any reason the managing Authority of the EU Funding Programme withdraw or terminate funding for the applicant beneficiary, the Administrative Board will act accordingly with the agreement set out by the managing authority responsible for the programme and, consequently, withdraw or terminate the co-financing accordingly. Once the project has been terminated, under no circumstances may the applicant beneficiary generate profit or have excess funding. Should such a case arise, the Administrative Board will

automatically withdraw and/or terminate the co-financing rate allocated to the applicant beneficiary from the allocation given by the Department of Local Government every three months so as to use them for other projects.

## **7. Submission of applications**

The applicants shall fill in the Application Form which is available on MEUSAC's website: [www.meusac.gov.mt](http://www.meusac.gov.mt). Supporting documents are to be attached to the application where applicable. The application (including any annexes and supporting documents) are to be submitted in 2 hard copies (1 original and 1 copy). The applicant is to submit one copy in electronic format (CDs) of all the documents submitted in hard copy.

The envelope containing the application shall be marked "Co-Financing Fund – Local Councils". Applications are to be submitted in a sealed, intact envelope by registered mail or in person and addressed to : The Co-Financing Fund Committee, Office of the Prime Minister, Parliamentary Secretariat for Public Dialogue and Information, *Auberge de Castille*, Valletta.

Applications sent by any other means (e.g. by fax or by e-mail) or delivered at other addresses will not be accepted or deemed eligible. Upon receipt of an application a letter of acknowledgment will be sent to the applicant beneficiary within 5 working days.

Applicants should keep strictly to the format of the application and are to complete the application form carefully and as clearly as possible.

## **8. The Evaluation Committee ("EC") and the Administrative Board (AB)**

An independent Evaluation Committee (EC) will evaluate applications and will allocate a co-financing fund rate according to the established criteria. The EC shall ensure that decisions are taken in a transparent manner.

An Administrative Board (AB) will also be set up and will receive and process application forms, ensure reporting from the selected applicants, and oversee the monitoring and evaluation process of the selected applicants. The AB will verify the management of funds, including financial accounting, verification of financial documents and payment requests as well as on-the-spot-checks. The AB shall ensure collection and review of project completion reports and the archiving of all documents relevant to the Co-Financing Fund. The Board shall also be responsible in defining disbursement and accounting arrangements, including advance payments where necessary.

## **9. Monitoring and evaluation**

The monitoring arrangement for a block-grant shall be stipulated within the MOU. The AB shall ensure that these arrangements are implemented in a satisfactory manner and, if needed, take steps to strengthen them. Selected applicants that have qualified and have secured funds for their projects are to provide the AB with a progress report that is to include monitoring and sustainable development factors.

The AB may draw upon the services of a monitoring agent to undertake external monitoring of the projects as well as on-the-spot checks. Upon completion of the project the applicant is to provide the final and financial/technical report approved by the managing authority of the EU Funding Programme together with any other supporting document related to the project to the Administrative Board.

## Annex 1 - EVALUATION GRID

	<b>Maximum Score</b>
<b>Financial and Operational Capacity</b>	
Does the applicant have sufficient experience at project management?	5
Does the applicant have sufficient technical expertise? (knowledge of the issues to be addressed)	5
Does the applicant have sufficient management capacity? (including staff, equipment and ability to handle the budget for the project)	5
Does the applicant have stable and sufficient sources of finance?	5
Is the applicant in a state of readiness to implement the project?	5
<i>Sub Total</i>	<i>25 points</i>
<b>Relevance</b>	
How relevant is the proposal to the objectives and priorities of the call for proposals?	10
How clearly described and coherent is the applicant's development objectives?	5
How coherent is the overall design of the proposed project?	5
How relevant is the project to the National Priorities and to the target groups that are being proposed?	10
What impact does the project have on the target groups?	5
Does the proposal contain specific elements of added value, such as innovative approaches, models for good practice, promotion of gender equality and equal opportunities, environmental protection?	10
<i>Sub Total</i>	<i>45 points</i>

<b>Methodology</b>	
Are the activities proposed in the project consistent with the objectives and expected results of the EU Funding Programme being applied for?	5
What is the level of international partnership?	5
Is the project clear and feasible?	5
<i>Sub Total</i>	<i>15 points</i>
<b>Sustainability</b>	
Results achieved by the project have multiplier effects? (outcome of the project and sustainability)	5
<i>Sub Total</i>	<i>5 points</i>
<b>Budget</b>	
Is the ratio between the estimated costs and the expected results satisfactory?	5
Other co-financing resources	5
<b>TOTAL SCORE</b>	<b>100</b>

## Annex 2 - Exclusion Criteria

Potential applicants may not participate in call for proposals or be awarded funds if:

- (a) they are bankrupt or being wound up, or are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they have been convicted of an offence concerning professional conduct by a judgement which is *res judicata* (i.e. against which no appeal is possible);
- (c) they are guilty of grave professional misconduct proven by any means which the European Commission can justify;
- (d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the Maltese Law.
- (e) they have been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to Malta's or to the Communities' financial interests;
- (f) they have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection with a procurement or other grant award procedure financed by the Community budget;
- (g) entities are presenting an application for funding not related to EU Funding Programmes.