

Guidelines on the Submission of Payment Claims Investment Measures Interventions (*non-IACS*)

Common Agricultural Policy Strategic Plan 2023-2027

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1. Introduction

These guidelines aim to provide general information and support to beneficiaries when implementing their projects and submitting reimbursement claims under the European Agricultural Fund for Rural Development (EAFRD). This falls within the framework of Malta's Common Agricultural Policy (CAP) Strategic Plan 2023–2027 and is aligned with the CAP Strategic Plan Regulations (EU) 2021/2115 and 2021/2116, along with their related delegated and implementing acts. Beneficiaries are also expected to comply with the relevant national and EU legislation, as well as any additional guidance issued by the Managing Authority (MA) and the Agriculture and Rural Paying Agency (ARPA).

When beneficiaries are granted funds to implement a project, such funds must be managed prudently, with utmost transparency, accountability, and efficiency in line with the principles of sound financial management and good governance.

The eligibility requirements applicable under each Intervention are set out in the specific guidelines issued by the Managing Authority with the respective Call for Applications, as well as the National Eligibility Rules Programming Period 2021-2027.¹

These guidelines may be reviewed from time to time by ARPA, and therefore, beneficiaries are to follow the latest guidelines being provided.

2. Approved Project

Once a beneficiary's project proposal is selected and awarded a grant, the beneficiary will be invited to enter into a formal agreement with the MA, hereinafter referred to as the Grant Agreement. The beneficiary shall implement the project on the terms and conditions set out in the Grant Agreement.

Following signature of the Grant Agreement by both parties, and subject to the eligibility rules of the specific guidelines issued with the Call for Application under which the project was selected, the beneficiary may submit its payment claim to ARPA for processing, verification, and, ultimately, payment authorisation.

It is important to note that the approved Application Form serves as the primary reference to determine the eligible actions and expenses that the beneficiary can undertake and incur, unless otherwise specified through written communication by the MA. Therefore, requests for reimbursement of payments that are not in line with these prerequisites shall not be processed ARPA.

3. Documents to be submitted to ARPA prior to submission of Payment Claims

3.1 Bank Payment Form

Following the signature of the Grant Agreement and prior to the submission of any claims for reimbursement, the beneficiary is to ensure that a duly filled-in Bank Payment Form is submitted to ARPA. This is required to create a beneficiary profile in ARPA's payment system; therefore, in the absence of a Bank Payment Form, funds cannot be paid to the beneficiary.

¹ Such documents can be accessed through Fondi.eu website.

In accordance with the Commission Delegated Regulation (EU) 2022/127, all payments due under the approved project must be made directly and exclusively in the beneficiary's bank account. Therefore, the bank account must be under the name of the person who applied for financial assistance, i.e., the beneficiary. Payments in joint accounts are only acceptable in cases where such an account belongs to married couples or couples joined by civil union.

The Bank Payment Forms include further explanatory notes which the beneficiary is obliged to follow accordingly.

Moreover, prior to the submission of a Bank Payment Form, beneficiaries are to refer to Section 4 – *Obligations to Maintain a Separate Accounting or Appropriate Coding for Transactions* of these guidelines.

3.2 SMS Notification

Beneficiaries may also opt to register for ARPA's SMS notification service, whereby notifications shall be sent by ARPA, indicating the amounts that have been deposited in the beneficiary's account, as well as informing registrants about various obligatory courses and any agriculture-related material.

Should the beneficiary opt to subscribe to this service, s/he is to complete the 'Application to Receive Information by Mobile Phone Message'.

3.3 BiedjaCam

BiedjaCam mobile application features for the uploading of real-time photographic evidence of machinery and/or equipment and structures based on geo-tagged photo technology.

The App also includes the following functionalities:

- Receive important reminders and notifications from ARPA,
- Reply to messages sent by ARPA,
- See all your registered parcels,
- Follow EU aid applications,
- See all payments received.

For further information on the BiedjaCam, beneficiaries are to access the following link: <https://arpa.gov.mt/en/mobile-app-information/>. The webpage includes video tutorials on how to activate and use the App.

3.4 Delegation of Authority

Should the beneficiary opt for a project manager, consultant, or representative with whom ARPA is to be in contact during project implementation and act on his/her behalf, the beneficiary must fill in the Delegation of Authority Form. If the beneficiary wishes to withdraw this delegation, s/he shall inform ARPA through written communication. ARPA shall not be held responsible for any damages sustained should the representative access any information after the beneficiary has informed him/her that s/he shall no longer act as a representative, but before the beneficiary has formally informed ARPA about the withdrawal of this delegation. Moreover, the beneficiary remains responsible for the implementation and good governance of the project.

This Form is to be submitted only if it has not been submitted at the application stage or if the beneficiary would like to withdraw a delegation and submit another.

4. Obligation to Maintain Separate Accounting or Appropriate Coding for Transactions

In line with Article 74(1)(a)(i) of Regulation (EU) 2021/1060, and Article 83(3)(c) and Article 123(2)(b)(i) of Regulation (EU) 2021/2115, beneficiaries are required to maintain either a separate accounting records or appropriate accounting codes for transactions related to EU-funded projects. This obligation is essential for ensuring transparency, accountability, and compliance with EU regulations regarding the use of public funds.

The obligations for different types of beneficiaries are set in Circular HR/OPM-EES/7/2024, which can be accessed through the following link: https://fondi.eu/wp-content/uploads/2024/10/Circular-HR_OPM-EES_7_2024.pdf.

5. Payment Claims and Accompanying Documents

5.1 Advance Payments

Should the guidelines issued with the Call for Applications, Letter of Award, or Grant Agreement, include the provision for an Advance Payment, the beneficiary may opt to claim up to 50% of the total grant amount upon signing the Grant Agreement.

The issuance of an Advance Payment is subject to the submission of a financial guarantee issued by a recognised financial institution, equivalent to 100% of the grant amount eligible as an Advance Payment. The financial guarantee shall remain valid for at least six (6) months beyond the expected expiration date of the Grant Agreement, and until all verification checks have been completed by ARPA.

In the case of public entities, once the beneficiary submits the request for an Advance Payment, ARPA shall request a Letter of Undertaking endorsed by the Ministry of Finance prior to the processing of the Advance Payment.

The beneficiary may then request further interim payments amounting to up to 30% of the eligible grant value, as explained in further detail in Section 5.2 of these Guidelines. The remaining 20% of the eligible grant value will be disbursed under the following conditions:

- (i) The beneficiary has presented sufficient expenditure (invoices and proof of payment) that cumulatively are equal to the value of the Advance Payment paid out,
- (ii) The beneficiary has submitted the Final Payment Claim, together with all the accompanying documentation, and this has been successfully verified by ARPA, and
- (iii) The project has been completed and is fully functioning in line with the terms and conditions stipulated in the Grant Agreement.

Once the beneficiary has adhered to the conditions set above, the financial guarantee/Letter of Undertaking shall be released accordingly. In the event that ARPA needs to recover funds issued, due to financial corrections or savings that do not cover the amount provided as an Advance Payment, and these are not settled by the beneficiary within the timeframes stipulated by ARPA, a forfeiture of the financial guarantee/Letter of Undertaking will be executed.

5.2 Interim and Final Payments

The beneficiary may submit requests for interim payments in accordance with the signed Grant Agreement and respective Application Form. Payments processed in relation to interim payments shall not exceed 80% of the total eligible value of the grant allocated to the beneficiary and shall be paid upon presentation of relative invoices and valid proof of payment, as well as any necessary supporting documentation required for the verification of the payment claim, as may be applicable. The final payment, i.e., 20% of the total eligible value (or, should there be any savings, the remaining eligible value), shall be paid upon presentation of the Final Payment Claim and the completion

of all necessary verification checks by ARPA, which provide the required assurance that the project has been fully completed and functioning for its intended use.

ARPA will perform several administrative checks on the payment claims submitted by the beneficiary. Checks include but are not limited to:

- (i) Verification of the correctness and completeness of the information included in the Payment Claim Form by cross-checking the fields inserted therein with the actual documentation provided,
- (ii) Verification of compliance with the Public Procurement Regulations or the principles thereof,
- (iii) Checks on supporting documentation, including validation of invoices and proof of payments, validity of VAT numbers, etc.
- (iv) Checks on the eligibility of amounts claimed in line with any guidelines issued by the Managing Authority / ARPA, the Grant Agreement, and respective change request decisions,
- (v) Checks on conflict of interest between stakeholders, economic operators, and other involved persons,
- (vi) Checks on compliance of Voluntary Organisations. Voluntary Organisations need to ensure that they submit their Annual Returns and Annual Accounts to the Commissioner for Voluntary Organisations in accordance with Subsidiary Legislation 492.01. Payments will not be issued by ARPA to the Voluntary Organisations if they are found not to have a valid compliance with the Office of the Commissioner for Voluntary Organisations.

During the verification process, ARPA may request the beneficiary to submit clarifications on the payment claim and accompanying documentation or to present additional documentation. Failure by the beneficiary to submit the requested clarifications and/or additional documentation may lead to the rejection of the payment claim and/or penalties may apply. In this regard, the beneficiary will be notified through written communication that the payment claim is being rejected and of its shortcomings.

Inventory List

Beneficiaries are obliged to include all the fixed assets (including equipment, machinery and furniture) purchased through the funds allocated to their project in the Inventory List / Fixed Asset Registry. A copy of the template can be obtained from the MA's website www.fondi.eu. This should be updated by the beneficiary to always include the relevant details of the purchased assets, including their location. This list should be provided to the ARPA with the Final Payment Claim; however, it can be requested by ARPA at any point in time during the implementation and durability stage of the project.

When fixed assets are purchased through EU funds, it is imperative that they are kept in good working order throughout and after completion of the project, in line with the durability clause in the Grant Agreement. The beneficiary is also to ensure that the asset comes with the appropriate warranties, where applicable. If any of the assets have a fault and/or are damaged, all documentation in relation to the repair must be kept by the beneficiary. Should the asset need to be replaced, it is important that all documentation is kept at the beneficiary's end, and, importantly, the replacement must carry out the same function and be of the same or higher specifications as the asset being replaced. Moreover, both the old and new serial numbers must be retained. If the asset is moved, such shifts in the location need to be reflected in the Inventory List.

In case of private beneficiaries, the Inventory List/Fixed Asset Registry must be signed and certified by the beneficiary/project leader of the beneficiary.

In the case of Government departments or Ministries, the Inventory List / Fixed Asset Registry must be endorsed by the Director Corporate Services of the Ministry concerned, while in the case of Authorities, Commissions, Agencies, and other bodies within the public sector, the beneficiary's Financial Section/Unit should endorse the document. If the Beneficiary is a Local Council or a Voluntary Organisation, the Inventory List should be signed by the Executive

Secretary or the Treasurer, respectively. In the case of public entities and voluntary organisations compiling their own accounts, the equipment must also be accounted for according to established accounting standards.

In the case of beneficiaries that are either Government Departments or Ministries, the Inventory List / Fixed Asset Register should follow MF Circular No. 14/99 (or any subsequent amendments), which refers to the Revised Inventory Control Regulations. It is important to note that the above guidelines are not intended to substitute in any way the relevant regulations or guidance issued by the Government of Malta in terms of inventory.

Functionality of the Project

When submitting the **Final Payment Claim**, the beneficiary is declaring that:

- (i) The project has been completed in line with the terms and conditions of the Grant Agreement, approved Change Requests, and the related documentation, and
- (ii) Any structures built as part of the project are fully completed, i.e., in use or for the intended use as originally intended, as outlined in the beneficiary's Application Form and respective Letter of Award and Grant Agreement, and
- (iii) Any equipment procured as part of the project is installed, commissioned, fully functional for its use or intended use, and
- (iv) The beneficiary has not obtained, and will not seek, any other source of funding to procure the same works/supplies/services for which support was granted through the project.

Unless the project is functional and in regular use as stipulated in the Grant Agreement or any subsequent Change Request, as approved by the MA, ARPA cannot issue the Final Payment. Further documentation to provide sufficient evidence of the functionality and use of the project prior to issuing the final payment may be requested to ensure that all the objectives indicated in the Application Form, Award Letter, Grant Agreement, and any subsequent Change Requests have been fully achieved.

Failure to prove such functionality when requested by the ARPA, both during verification checks and during an on-the-spot check, will be deemed as a false declaration, which may, in turn, result in a full recovery of funds already issued in relation to the project, as well as rejection of any pending amounts due.

Definition of “Functional and in Regular Use”

A project is considered **functional and in regular use** when it is operational and being used for the purpose stated in the approved Application Form and the respective Change Requests. If certain project components (even if not selected for co-financing) are essential for the project to be functional, these must also be completed and in place within the stipulated timeframes of the Grant Agreement.

Submission of Documentation

All the documentation needs to be submitted either electronically through arpa-rdpinvestmentclaims@gov.mt, or copies thereof at one of ARPA's Offices listed in Section 14 – Contact Details of these Guidelines. It is important that the documentation is submitted in **full colour**.

5.3 Accompanying Documents

5.3.1 Intervention 70.1 – Conservation and sustainable use and Development of genetic resources

The following list of documentation applies to **public beneficiaries**; however, further documentation may be requested depending on the contractual obligations between the Contracting Authority and the Contractor / Supplier / Service Provider, as well as any other documentation that may be listed in the respective Guidelines as issued by the MA with the Call for Applications, Letter of Award, Grant Agreement, any Circulars and/or official communication issued by the MA and ARPA:

Type of Payment	Component	Documentation Required
<ul style="list-style-type: none"> ▪ Advance Payment 	<ul style="list-style-type: none"> ▪ Personnel engaged in the management and implementation of conservation projects ▪ Expert fees (including travelling and subsistence costs) ▪ Costs of training personnel ▪ Production of information/dissemination material, including databases and websites ▪ Equipment and/or Machinery ▪ Structural Works ▪ Overheads* 	<p>A duly filled-in and signed Advance Payment Claim Form. The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.</p> <p>N.B. ARPA shall only process the Advance Payment if the Ministry for Finance endorses a Letter of Undertaking, covering the entire Advance Payment grant amount.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Personnel engaged in the management and implementation of conservation projects ▪ Expert fees (including travelling and subsistence costs) ▪ Training personnel ▪ Production of information/dissemination material, including databases and websites ▪ Equipment and/or Machinery ▪ Structural Works ▪ Overheads* 	<p>A duly filled-in and signed Payment Claim Form. The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Personnel engaged in the management and implementation of conservation projects ▪ Expert fees (including travelling and subsistence costs) ▪ Training personnel ▪ Production of information/dissemination material, including databases and websites ▪ Equipment and/or Machinery ▪ Structural Works 	<p>Public Procurement documentation, depending on the threshold and type of procurement utilised.</p> <p>Requests and approvals for corrigenda, addenda, modifications, and extension to the contract are to be submitted with the relevant payment claim.</p> <p>Guarantees: Pre-Financing Guarantee, Performance Guarantee, Retention Guarantee (as applicable).</p> <p>Insurance policy (as applicable).</p>

		<p>Invoice.</p> <p>Proof of payment, i.e., remittance advice, fiscal receipt, or bank transfer.</p> <p>Photographic evidence:</p> <p>In case of machinery and/or equipment, photographic evidence of the equipment and/or machinery procured as part of the project, together with the serial numbers.</p> <p>In case of structural works, photographic evidence of the structural works being carried out. The beneficiary is to submit photographic evidence of ongoing works, as well as the structure being fully completed and operational.</p> <p>In case of supplies, photographic evidence of the supplies purchased as part of the project, including screenshots of websites, databases, etc.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery 	<p>Product guarantees (where applicable and in case an additional warrant document has been provided by the supplier).</p>
<ul style="list-style-type: none"> ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery 	<p>Inventory List.</p>
<ul style="list-style-type: none"> ▪ Interim Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	<p>Planning Authority Permit and/or Environment Permit or a confirmation from a warranted Architect that no Planning and/or Environment Permit is required (unless already provided at application stage).</p> <p>Interim Bill of Quantities signed and dated by a warranted Architect, covering the invoiced amount.</p>
<ul style="list-style-type: none"> ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	<p>Final Bill of Quantities certified and dated by a warranted Architect, including a confirmation that the investment carried out is completed and functional and in line with all applicable Planning Authority permits and other applicable Regulations.</p> <p>Provisional Acceptance Certificate (if applicable).</p>
<ul style="list-style-type: none"> ▪ Interim Payment 		<p>Reports (if applicable).</p>

<ul style="list-style-type: none"> ▪ Final Payment Claim 	<ul style="list-style-type: none"> ▪ Personnel engaged in the management and implementation of conservation projects ▪ Expert fees 	
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment Claim 	<ul style="list-style-type: none"> ▪ Training Personnel 	<p>Timesheets, co-signed and certified correct by the Project Leader (if applicable).</p> <hr/> <p>Attendance sheets, co-signed and certified correct by the Project Leader.</p> <hr/> <p>Certificate of Attendance.</p>

*In the case of the 'Overheads' component, beneficiaries do not need to provide any documentation for this component. ARPA will work the percentage based on the eligible claims and documentation submitted. Should the beneficiary fail to carry out a part of the investment that was approved in the Grant Agreement, the Overheads component will be recalculated and paid at 7% of the eligible investment that was found to be in place and operational.

5.3.2 Intervention 73.2 – Off-Farm Non-Productive Investments and Afforestation

The following list of documentation applies to **public beneficiaries**; however, further documentation may be requested depending on the contractual obligations between the Contracting Authority and the Contractor / Supplier / Service Provider, as well as any other documentation that may be listed in the respective Guidelines as issued by the MA with the Call for Applications, Letter of Award, Grant Agreement, any Circulars and/or official communication issued by the MA and ARPA:

Type of Payment	Component	Documentation Required
<ul style="list-style-type: none"> ▪ Advance Payment 	<ul style="list-style-type: none"> ▪ Construction and/or Restoration Works ▪ Materials and/or Services (forest propagation material and the related plant prevention, removal of trees, thinning, and pruning, etc.) ▪ General Costs² ▪ Overheads* 	<p>A duly filled-in and signed Advance Payment Claim Form. The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.</p> <p>N.B. ARPA shall only process the Advance Payment if the Ministry for Finance endorses a Letter of Undertaking, covering the entire Advance Payment grant amount.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Construction and/or Restoration Works ▪ Materials and/or Services (forest propagation material and the related plant prevention, removal of trees, thinning, and pruning, etc.) ▪ General Costs ▪ Overheads 	<p>A duly filled-in and signed Payment Claim Form. The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Construction and/or Restoration Works ▪ Materials and/or Services (forest propagation material and the related plant prevention, removal of trees, thinning, and pruning, etc.) ▪ General Costs 	<p>Public Procurement documentation, depending on the threshold and type of procurement utilised.</p> <p>Requests and approvals for corrigenda, addenda, modifications, and extensions to the contract are to be submitted with the relevant payment claim.</p> <p>Guarantees: Pre-Financing Guarantee, Performance Guarantee, Retention Guarantee (as applicable).</p> <p>Insurance policy (as applicable).</p> <p>Invoice.</p> <p>Proof of payment, i.e., remittance advice, fiscal receipt, or bank transfer.</p>

² General costs such as architects, engineers, consultation fees, feasibility studies, the acquisition of patent rights and licences, shall not exceed 15% of the total eligible project cost.

		<p>Planning Authority Permit, Development Notification Order (DNO), Environmental Permit, or a confirmation from a warranted Architect that no Environmental/Planning Permit is required (unless already provided at application stage).</p>
		<p>Interim Bill of Quantities signed and dated by a warranted Architect, in case of measured works.</p>
		<p>List of trees planted and/or removed.</p>
		<p>Photographic evidence of the structural works being carried out, supplies/materials purchased, and any services undertaken as part of this project. The beneficiary is to submit photographic evidence of ongoing works, as well as the structure being fully completed and in operation.</p>
<ul style="list-style-type: none"> ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Construction and/or Restoration Works ▪ Materials and/or Services (forest propagation material and the related plant prevention, removal of trees, thinning, and pruning, etc.) ▪ General Costs³ ▪ Overheads* 	<p>Final Bill of Quantities certified and dated by a warranted Architect, including a confirmation that the investment carried out is completed and functional and in line with all applicable Planning Authority permits and other applicable Regulations.</p>
		<p>Provisional Acceptance Certificate (if applicable).</p>
		<p>Inventory List</p>
		<p>Final Site Plan, signed and dated by a warranted Architect and clearly indicating the area of intervention and its total square metres. The trees should also be marked on the Site Plan, including a clear legend of the type of trees and whether they were planted or removed.</p>

*In the case of the 'Overheads' component, beneficiaries do not need to provide any documentation for this component. ARPA will work the percentage based on the eligible claims and documentation submitted. Should the beneficiary fail to carry out a part of the investment that was approved in the Grant Agreement, the Overheads component will be recalculated and paid at 7% of the eligible investment that was found to be in place and operational.

³ General costs such as architects, engineers, consultation fees, feasibility studies, the acquisition of patent rights and licences, shall not exceed 15% of the total eligible project cost.

5.3.3 Intervention 73.3 - Off-Farm Investments Infrastructure (Rural Roads for Competitiveness)

The following list of documentation applies to **public beneficiaries**; however, further documentation may be requested depending on the contractual obligations between the Contracting Authority and the Contractor / Supplier / Service Provider, as well as any other documentation that may be listed in the respective Guidelines as issued by the MA with the Call for Applications, Letter of Award, Grant Agreement, any Circulars and/or official communication issued by the MA and ARPA:

Type of Payment	Component	Documentation Required
<ul style="list-style-type: none"> ▪ Advance Payment 	<ul style="list-style-type: none"> ▪ Structural Works ▪ General Costs⁴ ▪ Overheads* 	<p>A duly filled-in and signed Advance Payment Claim Form. The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.</p> <p>N.B. ARPA shall only process the Advance Payment if the Ministry for Finance endorses a Letter of Undertaking, covering the entire Advance Payment grant amount.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Structural Works ▪ General Costs ▪ Overheads 	<p>A duly filled-in and signed Payment Claim Form. The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Structural Works ▪ General Costs 	<p>Public Procurement documentation, depending on the threshold and type of procurement utilised.</p> <p>Requests and approvals for corrigenda, addenda, modifications, and extensions to the contract are to be submitted with the relevant payment claim.</p> <p>Guarantees: Pre-Financing Guarantee, Performance Guarantee, Retention Guarantee (as applicable).</p> <p>Insurance policy (as applicable).</p> <p>Invoice.</p> <p>Proof of payment, i.e., remittance advice, fiscal receipt, or bank transfer.</p>

⁴ General costs such as architects, engineers, consultation fees, feasibility studies, the acquisition of patent rights and licences, shall not exceed 15% of the total eligible project cost.

<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	<p>Planning Authority Permit, Development Notification Order (DNO) or a confirmation from a warranted Architect that no Planning Permit is required (unless already provided at application stage).</p> <p>Road Work Procedure.</p> <p>Interim Bill of Quantities signed and dated by a warranted Architect, in case of measured works.</p> <p>Photographic evidence of the structural works being carried out. The beneficiary is to submit photographic evidence of ongoing works, as well as the structure being fully completed and in operation.</p>
<ul style="list-style-type: none"> ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	<p>Final Bill of Quantities certified and dated by a warranted Architect, including a confirmation that the investment carried out is completed and functional and in line with all applicable Planning Authority permits and other applicable Regulations.</p> <p>Provisional Acceptance Certificate (if applicable).</p> <p>Final Site Plan, signed and dated by a warranted Architect and clearly indicating the area of intervention as well as the linear metres of the different segments of intervention.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ General Costs 	<p>Reports (if applicable).</p> <p>Timesheets, co-signed and certified correct by the Project Leader (if applicable).</p>

*In the case of the 'Overheads' component, beneficiaries do not need to provide any documentation for this component. ARPA will work the percentage based on the eligible claims and documentation submitted. Should the beneficiary fail to carry out a part of the investment that was approved in the Grant Agreement, the Overheads component will be recalculated and paid at 7% of the eligible investment that was found to be in place and operational.

5.3.4 Intervention 73.4 – Off-Farm Productive Investments (including Processing)

The following list of documentation applies to **private beneficiaries**; however, further documentation may be requested depending on the contractual obligations between the Contracting Authority and the Contractor / Supplier / Service Provider, as well as any other documentation that may be listed in the respective Guidelines as issued by the MA with the Call for Applications, Letter of Award, Grant Agreement, any Circulars and/or official communication issued by the MA and ARPA:

Type of Payment	Component	Documentation Required
<ul style="list-style-type: none"> ▪ Advance Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ General Costs⁵ and other Services ▪ Overheads* 	A duly filled-in signed Advance Payment Claim Form . The Form is to be signed in blue pen by the beneficiary or Project Leader thereof.
		Guarantee from a recognised financial institution covering the entire Advance Payment amount.
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ General Costs and other Services ▪ Overheads* 	A duly filled-in and signed Payment Claim Form . The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ General Costs, and other Services 	Request for Quotations.
		A minimum of three (3) comparable and independent quotations .
		Invoice.
		Proof of payment , i.e., encashed cheque image, fiscal receipt, or bank transfer.
		<p>Photographic evidence:</p> <p>In the case of machinery and/or equipment, photographic evidence of the equipment and/or machinery procured as part of the project, together with the serial numbers.</p> <p>In the case of structural works, photographic evidence of the structural works being carried out. The beneficiary is to submit photographic evidence of ongoing works, as well as the structure being fully completed and in operation.</p>

⁵ General costs such as architects, engineers, consultation fees, feasibility studies, the acquisition of patent rights and licences, shall not exceed 15% of the total eligible project cost.

<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery 	Product guarantees (where applicable and in case an additional warrant document has been provided by the supplier).
<ul style="list-style-type: none"> ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery 	Inventory List
<ul style="list-style-type: none"> ▪ Interim Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	<p>Planning Authority permit or a confirmation from a warranted Architect that no Planning Permit is required (unless already provided at application stage).</p> <p>Interim Bill of Quantities dated and certified by a warranted Architect, covering the invoiced amount.</p>
<ul style="list-style-type: none"> ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	Final Bill of Quantities dated and certified by a warranted Architect, and including a confirmation that the investment carried out is completed and functional and in line with all applicable Planning Authority permits and other applicable Regulations.

The following list of documentation applies to **public beneficiaries**; however, further documentation may be requested depending on the contractual obligations between the Contracting Authority and the Contractor / Supplier / Service Provider, as well as any other documentation that may be listed in the respective Guidelines as issued by the MA with the Call for Applications, Letter of Award, Grant Agreement, any Circulars and/or official communication issued by the MA and ARPA:

Type of Payment	Component	Documentation Required
<ul style="list-style-type: none"> ▪ Advance Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ General Costs⁶ and other Services ▪ Overheads* 	<p>A duly filled-in and signed Advance Payment Claim Form. The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.</p> <p>N.B. ARPA shall only process the Advance Payment if the Ministry for Finance endorses a Letter of Undertaking, covering the entire Advance Payment grant amount.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ General Costs and other Services ▪ Overheads* 	A duly filled-in and signed Payment Claim Form . The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.

⁶ General costs such as architects, engineers, consultation fees, feasibility studies, the acquisition of patent rights and licences, shall not exceed 15% of the total eligible project cost.

<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ General Costs and other Services 	<p>Public Procurement documentation, depending on the threshold and type of procurement utilised.</p> <p>Requests and approvals for corrigenda, addenda, modifications, and extension to the contract are to be submitted with the relevant payment claim.</p> <p>Guarantees: Pre-Financing Guarantee, Performance Guarantee, Retention Guarantee (as applicable).</p> <p>Insurance policy (as applicable).</p> <p>Invoice.</p> <p>Proof of payment, i.e., remittance advice, fiscal receipt, or bank transfer.</p> <p>Photographic evidence:</p> <p>In the case of machinery and/or equipment, photographic evidence of the equipment and/or machinery procured as part of the project, together with the serial numbers.</p> <p>In the case of structural works, photographic evidence of the structural works being carried out. The beneficiary is to submit photographic evidence of ongoing works, as well as the structure being fully completed and in operation.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery 	<p>Product guarantees (where applicable and in case an additional warrant document has been provided by the supplier).</p>
<ul style="list-style-type: none"> ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery 	<p>Inventory List</p>
<ul style="list-style-type: none"> ▪ Interim Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	<p>Planning Authority permit or a confirmation from a warranted Architect that no Planning Permit is required (unless already provided at application stage).</p> <p>Interim Bill of Quantities signed and dated by a warranted Architect, covering the invoiced amount.</p>

<ul style="list-style-type: none"> ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	<p>Final Bill of Quantities certified and dated by a warranted Architect, including a confirmation that the investment carried out is completed and functional and in line with all applicable Planning Authority permits and other applicable Regulations.</p>
		<p>Provisional Acceptance Certificate (if applicable).</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment Claim 	<ul style="list-style-type: none"> ▪ General Costs, and other Services 	<p>Reports (if applicable).</p>
		<p>Timesheets, co-signed and certified correct by the Project Leader (if applicable).</p>

*In the case of the 'Overheads' component, beneficiaries do not need to provide any documentation for this component. ARPA will work the percentage based on the eligible claims and documentation submitted. Should the beneficiary fail to carry out a part of the investment that was approved in the Grant Agreement, the Overheads component will be recalculated and paid at 7% of the eligible investment that was found to be in place and operational.

5.3.5 Intervention 73.5 – On-Farm Productive Investments (Simplified Scheme under €15,000 Grant)

A separate Payment Guidelines is available for the Simplified Scheme. Kindly refer to 'IMU Payment Guidelines_I73.5_Under Eur15000_Final'.

5.3.6 Intervention 73.5.1 – On-Farm Productive Investments (Over €15,000 Grant)

The following list of documentation applies to **private beneficiaries**; however, further documentation may be requested depending on the contractual obligations between the Contracting Authority and the Contractor / Supplier / Service Provider, as well as any other documentation that may be listed in the respective Guidelines as issued by the MA with the Call for Applications, Letter of Award, Grant Agreement, any Circulars and/or official communication issued by the MA and ARPA:

Type of Payment	Component	Documentation Required
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ Expert/Professional Fees ▪ Overheads* 	A duly filled-in and signed Payment Claim Form . The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.
		Proof of payment , i.e., encashed cheque image, fiscal receipt, or bank transfer.
		<p>Photographic evidence:</p> <p>In the case of machinery and/or equipment, photographic evidence of the equipment and/or machinery procured as part of the project, together with the serial numbers.</p> <p>In the case of structural works, photographic evidence of the structural works being carried out. The beneficiary is to submit photographic evidence of ongoing works, as well as the structure being fully completed and in operation.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	Planning Authority Permit or a confirmation from a warranted Architect that no Planning Permit is required (unless already provided at application stage). This is to be provided with the submission of the first payment claim covering the structural works.
		Request for Quotations.
		A minimum of three (3) comparable and independent quotations .

		Interim Bill of Quantities signed and dated by a warranted Architect, covering the invoiced amount.
▪ Final Payment	▪ Structural Works	Final Bill of Quantities certified and dated by a warranted Architect, including a declaration that the investment carried out is completed and functional and in line with all applicable Planning Authority permits and other applicable Regulations.
▪ Interim Payment ▪ Final Payment	▪ Equipment and/or Machinery	Product guarantees , if applicable.
▪ Final Payment	▪ Equipment and/or Machinery	Inventory List.
▪ Interim Payment ▪ Final Payment	▪ Expert/Professional Fees	Requests for Quotations.
		A minimum of three (3) comparable and independent quotations.
		Invoice.

In case of Equipment and Machinery:

- Procurement Requirement: Applicants must purchase the equipment or machinery from one of the three suppliers originally submitted at application stage.
- Pricing Method: The average price of the three valid and comparable quotations will be applied to the specific item purchased. At payment stage, this amount will be paid upon confirmation of the deliverable, along with the above-mentioned documentation requirements.
- Documentation: Copies of the product guarantee must be provided to ARPA together with the Payment Claim to ensure compliance and warranty coverage.

In case of construction process which requires RFQ and Quotation see section 6 below.

*In the case of the 'Overheads' component, beneficiaries do not need to provide any documentation for this component. ARPA will work the percentage based on the eligible claims and documentation submitted. Should the beneficiary fail to carry out a part of the investment that was approved in the Grant Agreement, the Overheads component will be recalculated and paid at 7% of the eligible investment that was found to be in place and operational

5.3.7 Intervention 73.5.2 – Antimicrobial

The following list of documentation applies to **public beneficiaries**; however, further documentation may be requested depending on the contractual obligations between the Contracting Authority and the Contractor / Supplier / Service Provider, as well as any other documentation that may be listed in the respective Guidelines as issued by the MA with the Call for Applications, Letter of Award, Grant Agreement, any Circulars and/or official communication issued by the MA and ARPA:

Type of Payment	Component	Documentation Required
<ul style="list-style-type: none"> ▪ Advance Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ Personnel ▪ Expert Fees (including travelling and subsistence costs) ▪ Training ▪ Production of information/ dissemination material ▪ Intangible investments ▪ General Costs⁷ and other Services ▪ Overheads* 	<p>A duly filled-in and signed Advance Payment Claim Form. The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.</p> <p>N.B. ARPA shall only process the Advance Payment if the Ministry for Finance endorses a Letter of Undertaking, covering the entire Advance Payment grant amount.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ Personnel ▪ Expert Fees (including travelling and subsistence costs) ▪ Training ▪ Production of information/ dissemination material ▪ Intangible investments ▪ General Costs and other Services ▪ Overheads* 	<p>A duly filled-in and signed Payment Claim Form. The Payment Claim Form is to be signed in blue pen by the beneficiary or Project Leader thereof.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works ▪ Personnel ▪ Expert Fees (including travelling and subsistence costs) ▪ Training ▪ Production of information/ dissemination material ▪ Intangible investments ▪ General Costs and other Services 	<p>Public Procurement documentation, depending on the threshold and type of procurement utilised.</p> <p>Requests and approvals for corrigenda, addenda, modifications, and extension to the contract are to be submitted with the relevant payment claim.</p> <p>Guarantees: Pre-Financing Guarantee, Performance Guarantee, Retention Guarantee (as applicable).</p> <p>Insurance policy (as applicable).</p> <p>Leasing Agreement (as applicable).</p>

⁷ General costs such as architects, engineers, consultation fees, feasibility studies, the acquisition of patent rights and licences, shall not exceed 15% of the total eligible project cost.

		<p>Invoice.</p> <p>Proof of payment, i.e., remittance advice, fiscal receipt, or bank transfer.</p> <p>Photographic evidence:</p> <p>In the case of machinery and/or equipment, photographic evidence of the equipment and/or machinery procured as part of the project, together with the serial numbers.</p> <p>In the case of structural works, photographic evidence of the structural works being carried out. The beneficiary is to submit photographic evidence of ongoing works, as well as the structure being fully completed and in operation.</p> <p>In case of the production of information/dissemination material, photographic evidence, and/or screenshots of websites, databases, etc.</p>
<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery 	<p>Product guarantees (where applicable and in case an additional warranty document has been provided by the supplier).</p>
<ul style="list-style-type: none"> ▪ Final Payment ▪ Interim Payment 	<ul style="list-style-type: none"> ▪ Equipment and/or Machinery ▪ Structural Works 	<p>Inventory List</p> <p>Planning Authority Permit or a confirmation from a warranted Architect that no Planning Permit is required (unless already provided at application stage).</p> <p>Interim Bill of Quantities signed and dated by a warranted Architect, covering the invoiced amount.</p>
<ul style="list-style-type: none"> ▪ Final Payment 	<ul style="list-style-type: none"> ▪ Structural Works 	<p>Final Bill of Quantities certified and dated by a warranted Architect, including a confirmation that the investment carried out is completed and functional and in line with all applicable Planning Authority permits and other applicable Regulations.</p> <p>Provisional Acceptance Certificate (if applicable).</p>

<ul style="list-style-type: none"> ▪ Interim Payment ▪ Final Payment Claim 	<ul style="list-style-type: none"> ▪ General Costs, and other Services 	<p>Reports (if applicable).</p> <hr/> <p>Timesheets, co-signed and certified correct by the Project Leader (if applicable).</p>
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*In the case of the 'Overheads' component, beneficiaries do not need to provide any documentation for this component. ARPA will work the percentage based on the eligible claims and documentation submitted. Should the beneficiary fail to carry out a part of the investment that was approved in the Grant Agreement, the Overheads component will be recalculated and paid at 7% of the eligible investment that was found to be in place and operational

6. Procurement

Beneficiaries are bound by the principles of good governance, sound financial management and any relevant EU or national legislation. Therefore, any procurement procedures followed as part of the implementation of projects, including procedures followed by private entities and NGOs, are to respect and be in accordance with the principles and application of the Public Procurement Regulations (Subsidiary Legislation 601/03).

Government entities, including Local Councils, are to strictly adhere to the Public Procurement Regulations, as well as any Procurement Policy Notes, Circulars and Guidelines issued by the Department of Contracts and/or Local Government Division, as well as any other Circulars and Directives issued by the Ministry for Finance. Failure to do so at any time of the procurement process and the subsequent contract implementation stage may result in financial corrections.

Even though public beneficiaries are obliged to follow Public Procurement Regulations irrespective of the form of financing agreed to with the Managing Authority, depending on the form of financing agreed upon with the Managing Authority, and in cases where simplified cost options are applied, the mode of reimbursement as well as applicable verifications shall be in line with the details outlined by the Managing Authority in its call for applications, Award Letter and/or Grant Agreement.

Moreover, all public beneficiaries are required to adhere to MEFL/EF Circular No. 01/2023 'Conflict of Interest and Action against Fraud and Corruption'⁸

6.1 Procurement Procedure for Private Beneficiaries and Public Beneficiaries for procurement under the €5,000.00 threshold

6.1.1 Request for Quotations

A Request for Quotation is to be submitted by the beneficiary to potential suppliers / contractors through an e-mail or letter. Such requests shall include:

- (i) Name and address of the supplier / contractor and that of the beneficiary,
- (ii) The minimum acceptable specifications in compliance with the Grant Agreement to make a like-with-like comparison of offers,
- (iii) The validity period of quotations received in connection with this request, being not less than six (6) months from date of quotation,
- (iv) A deadline for the submission of quotations, which shall be the same for all contractors/suppliers/service providers.

6.1.2 Quotations

A minimum of three quotes from three independent/unrelated suppliers are to be obtained.

In the event that, due to exceptional circumstances, private beneficiaries are unable to obtain a minimum of three (3) quotations, the beneficiary must provide a detailed justification which is to include a summary of the market testing carried out. The decision to accept or reject such a justification shall be at the sole discretion of ARPA.

Moreover, beneficiaries shall ensure that there are no potential conflicts of interest between suppliers/contractors; ARPA shall verify this through crosschecks with, but not limited to, Malta Business Registry. Moreover, quotations obtained are to be comparable in model specifications, works to be performed or service to be provided, in line with the Request for Quotations.

⁸ MEFL/EF Circular No. 01/2023 can be accessed through the following link: <https://fondi.eu/important-documentation/reference-documents/circulars/2021-2027-programming-period/general-circulars/>.

Quotations should also bear all the fiscal details necessary to be able to verify the details of the contractors or suppliers. These include:

- (i) Name and address of the supplier / contractor and that of the beneficiary,
- (ii) VAT number of the supplier / contractor and that of the beneficiary,
- (iii) Date,
- (iv) A clear description of the equipment and/or machinery or works to be provided, with all the necessary specifications and quantities of the items, price per item and net amount, and
- (v) A breakdown of items being quoted, a net amount, the relevant applicable VAT rate, the VAT amount and the gross amount inclusive of VAT. If a quotation does not specify whether the total price includes VAT or not, it is understood that the quotation is inclusive of VAT. Only in cases where the quotations explicitly indicate that the contractor or supplier is VAT exempt will ARPA not deduct the VAT component from the total amount quoted.

Quotations with amendments/corrections in pen, pencil or correctional fluid/eraser will not be accepted unless the amendments carry an accompanying signature.

All contractors, suppliers or service providers are to be in possession of a valid VAT registration number with the respective VAT Department, which can be verified through the European Commission's VIES VAT number validation website. If any of the bidders are found to have an invalid VAT registration number or are found to be related to each other or with the beneficiary, financial corrections may apply.

If the cheapest quotation is not chosen by the private beneficiary, the Grant amount to be processed by ARPA can only be based on the cheapest quotation obtained.

In cases where any of the quotations submitted to ARPA do not meet the above criteria, ARPA may request further quotations which were obtained during the same period as the quotations submitted originally. If the beneficiary is not able to provide such quotations, ARPA reserves the right to apply financial corrections of up to 100% of the related expenditure, in line with the applicable guidelines issued by the European Commission.

6.2 Procurement Procedure for Public Beneficiaries for procurement above the €5,000.00 threshold

The below set of procurement need to be made available to ARPA to carry out the necessary verification stage:

Tender Drafting Stage:

- a. Approval to publish a Call for Tenders:
 - (i) For Calls for Tenders on ePPS by Permanent Secretary or Head of Contracting Authority as applicable
 - (ii) For Calls for Quotations on ePPS by the Head of Contracting Authority
- b. Preliminary Market Consultation (if applicable)
- c. Approval from Green Public Procurement to proceed with the publication of the tender
- d. Signed Procurement Originator Form
- e. Signed EU Commitment Form or B2 Forms (as applicable)
- f. Approval to opt for the Accelerated Procedure (if applicable)
- g. In case of BPQR criteria, approval from the Department of Contracts prior to publication
- h. Government Gazette advert (in the case of Local Councils only)
- i. Opening Staff and Tender Evaluation Committee Approval (Minutes of Local Council Meetings in case of Local Councils) in line with the Standard Operating Procedures titled 'Guidelines for Tender Evaluation Committees (TEC)' as published by the Department of Contracts
- j. CVs and Conflict of Interest declarations of the tender drafters and Evaluation Committee members

- k. Tender document and any other related forms, as published on ePPS
- l. Contract Notice as published through ePPS

Publication Stage:

- a. Clarifications (requests and replies) and/or corrigenda published on ePPS at tendering stage (if applicable)
- b. Minutes of Clarification Meeting / Site Visit (if applicable)

Evaluation Stage:

- a. Opened Tender Details / Opening Schedule
- b. All the bids submitted by the economic operators
- c. Audit report extracted from ePPS showing the 'Declaration of Impartiality and Confidentiality' of the Tender Evaluation Committee
- d. Clarifications/Rectifications and approvals to publish such clarifications at evaluation stage, and their respective replies from the economic operators (if applicable)
- e. In case the recommended bid is substantially lower than the Estimated Procurement value:
 - (i) Submit proof that a justification for recommending a bid that is substantially lower than the Estimated Procurement Value has been included in the Restricted area of the ePPS
- f. In case the recommended bid exceeds the Estimated Procurement Value:
 - (i) Revised Procurement Originator Form
 - (ii) Revised EU Commitment Form or B2 Form (as applicable)
 - (iii) Approval from the Budget Office or Financial Controller (as applicable)
- g. Extension of Bid Validity through proof of correspondence between the Tender Evaluation Committee and the bidder(s) which is duly uploaded in the Restricted Area on ePPS (if applicable)
- h. Technical Expert (Non-Voting) Report including the 'Signed Declaration of Impartiality and Confidentiality' (if applicable)
- i. Evaluation Report as generated through ePPS
- j. Approval of Evaluation Report by the Head of Contracting Authority, Departmental Contracts Committee or General Contracts Committee as applicable including the Schedule of Award, and in the case of Local Councils, the respective Minute
- k. Letters to Successful and Unsuccessful economic operators including automated emails as generated from the ePPS
- l. Confirmation that no objections have been received

Contract Award Stage:

- a. Tender Guarantee (Bid-Bond) and proof that original Tender Guarantee (Bid-Bond) of each bidder is correct, dated and time stamped by the Department of Contracts
- b. Contract Award Notice as generated through ePPS, following the appeals period (as applicable)

Contract Implementation Stage:

- a. Signed Contract Agreement
- b. Ultimate Beneficial Ownership (if applicable)
- c. Order to Start Works (if applicable)
- d. Contract Modification requests and approvals (if applicable)
- e. Contract Addenda and/or Corrigenda (if applicable)
- f. Pre-financing Guarantee (if applicable)
- g. Performance Guarantee (if applicable)
- h. Any other Guarantees which may be stipulated in the tender document (if applicable)
- i. Insurance Policies as stipulated in the tender document (if applicable)

7. Invoices and Proof of Payments

7.1 Invoices

Invoices are to be clear and valid as per the twelfth schedule of the Value Added Tax Act (Chapter 406 of the Laws of Malta), which stipulates what a tax invoice should include. In general, a tax invoice should contain the following particulars:

- (i) Date of issue,
- (ii) A sequential number which uniquely identifies the invoice,
- (iii) Name, address and VAT number of the supplier,
- (iv) Name, address and VAT number of the customer,
- (v) Description sufficient to identify the quantity and nature of the goods or the extent and nature of the goods or the extent and nature of the services applied,
- (vi) Breakdown of price in case of multiple items or services in a single invoice and breakdown of price with clear distinction of the amounts excluding VAT, the VAT element and the gross total of the invoice,
- (vii) The date on which the supply was made or completed or the date on which a payment on account of a supplier was made,
- (viii) The taxable value per rate or exemption, the unit price exclusive of tax and any discounts or rebates if they are not included in the unit price,
- (ix) The amount of tax chargeable, if any, at each rate so chargeable,
- (x) The total amount of tax chargeable, if any.

Hand-written invoices are also accepted provided that such documents are signed by the contractor, supplier or service provider, and bears all the details included above.

Statements cannot be considered as replacements of invoices and thus are not considered valid. However, Requests for Payment are equivalent to an invoice provided that the following details are included:

- (i) Date of issue,
- (ii) Request number,
- (iii) Name, address and VAT number of the contractor, supplier or service provider,
- (iv) Name, address and VAT number of the beneficiary (the client),
- (v) Description of works/supplies/service provided.

Furthermore, in case of a Request for Payment, a VAT receipt should be submitted. If this document is computer-generated then this must bear an EXO number. In which case no additional proof of payment shall be required.

Invoices / Request for Payments / Cash Sales should always be issued in the name of the beneficiary as the client.

There should not be any form of amendment / correction carried out in pen or by correction tape or fluid on the invoice since this will render the invoice ineligible, unless effected in blue ink and duly endorsed (signed) by the contractor / supplier / service provider.

7.2 Proof of Payment

The Payment Claim should be accompanied by valid proof of payment to demonstrate that the relevant payment transaction between the beneficiary and the contractor, supplier or service provider has been affected in the timeframes stipulated in the Intervention Guidelines, Award Letter or Grant Agreement. Therefore, all proof of payments must be dated prior to the expiry date of the Grant Agreement and after the start of the eligibility period as indicated in relevant Intervention Guidelines.

The beneficiary is therefore to present at least one of the following documents:

- (i) Fiscal VAT receipt, cash register receipt or cash receipt issued through a computerised system that has been authorised by the VAT Department and includes an EXO number. Receipts are to include the VAT number of the beneficiary, or
- (ii) Bank statement / transaction report, or
- (iii) Encashed cheque image.

There should not be any form of amendment/correction carried out in pen or by correction tape or fluid on the proof of payment. Any amendments in the receipts are to be affected in blue ink and duly endorsed (signed) by the contractor / supplier / service provider. It is advisable that fiscal receipts issued through cash registers are photocopied (upon being issued) as these will eventually fade rendering the print illegible and subsequently unverifiable.

8. Irregularities

8.1 Detection of Irregularities

Beneficiaries should note that EU funds are public funds and EU funded operations are subject to audits by various national and EU auditing bodies. Therefore, by signing the Grant Agreement, the beneficiary is also undertaking an obligation for the below-mentioned checks that may be undertaken by the following competent authorities:

- (i) The Agriculture and Rural Payments Agency (ARPA) as the body responsible for the management and control of expenditure,
- (ii) The Managing Authority (MA) as the authority responsible for managing and implementing the programme in an efficient, effective and correct way,
- (iii) The Internal Audit and Investigations Directorate (IAID) as the Certifying Body (CB),
- (iv) The National Audit Office (NAO) as the external auditor of the Government given that public funds are being utilised for the implementation of the investment,
- (v) The audit services of the European Commission (EC) and the European Court of Auditors (ECA) in view that the investment is benefitting from EU funds,
- (vi) The State Aid Monitoring Board (SAMB) to ensure that the project is/has been implemented in accordance with State Aid Regulations,
- (vii) The VAT Department to ensure that VAT regulations have been respected.

Beneficiaries shall grant the above-mentioned entities full access to the documentation tied to the investment and verification of expenditure, if so required.

Failure to comply with the applicable EU and national Regulations may lead to recovery of funds. Therefore, if irregularities are detected from one of the competent authorities, a financial correction, which could reach up to 100% of the contract value, may be applied accordingly.

Financial corrections may apply in the following situations, however the below list is non-exhaustive:

- (i) Conflict of interest which may arise due to Related economic operators, economic operators who hold a direct relationship with the beneficiary, and companies in which the beneficiary or a representative of the beneficiary have direct control or shareholding,
- (ii) Lack of observance with the principles of Public Procurement Regulations,
- (iii) Lack of observance of any national and EU laws and Regulations,
- (iv) Lack of compliance with approvals/permits from the relevant Competent Authorities,
- (v) Non-compliance to the Grant Agreement and Change Request Decision,
- (vi) Failure to complete the project by the final approved project end date.

Determination of the applicable financial corrections are at the discretion of ARPA, however they will be carried out in line with the European Commission's Guidelines for determining financial corrections to be made to expenditure financed by the Union under shared management, for non-compliance with the rules on public procurement, as may be the case.

The beneficiary will be notified through written communication, indicating the reason why such financial correction(s) took place.

8.2 Debt Recovery

Should ARPA identify any undue payments issued to a beneficiary or note that irregularities have been made by a beneficiary, ARPA will initiate debt recovery procedures.

A beneficiary will be notified of a debt through written communication. Such a letter will include the amount to be recovered and the reason for recovering these amounts. On receiving a debt notification, the beneficiary is required to either accept the debt or object to it.

8.3 Objection

If the beneficiary does not agree with the debt / financial correction, and if the debt/reduction amount falls between €50.00 and €5,000.00, then the Objection Form is to be completed and submitted together with any supporting documentation or evidence to ARPA within 60 working days from the date of the debt notification letter. Objections to reductions or penalties imposed will be reviewed by ARPA's Objection Board. Beneficiaries are to note that the primary findings of ARPA's own verifications and controls form the basis of the decisions taken which may be contested, and that for successful outcomes the Board requires compelling evidence to be provided which rebuts or sheds new light upon such findings. Decisions which are contested and shown to have been based on mistaken, erroneous or incomplete information or data, will be redressed by the Board. The beneficiary will be notified in writing of the Board's decision to accept or refuse such an Objection.

Once the Board's decision is issued, ARPA will no longer be able to consider any further representations by the beneficiary or his/her legal representatives. Other remedies at law remain available to a beneficiary who feels aggrieved by the decision, as outlined in Subsidiary Legislation 146.03. This also applies for beneficiary's whose debt and/or financial correction exceeds the €5,000.00 threshold.

If the beneficiary has any pending debts after the elapse of 60 calendar days from the date of debt notification and has neither submitted a Debt Acceptance Form nor an Objection Form, interest at a rate of 8% will be applied in line with Regulation (EU) No. 2021/2116 of the European Parliament and of the Council, Commission Implementing Regulations (EU) No. 2022/128, and Article 1852 of Chapter 16 of the Laws of Malta.

9. Controls

9.1 Controls prior to the Processing of Payment

Verifications on the realization of the investment will be performed by ARPA on all projects to verify that the project is functional and in line with the approved application, Grant Agreement and any subsequent addenda or Change Requests approved by the Managing Authority. These may be carried out through geo-tagged photographic evidence or through physical checks, at the discretion of ARPA.

Reimbursement of payment claims may also be verified through an on-the-spot check prior to the issuance of the payment. The control verifies the compliance of the beneficiary to the engagements.

9.2 Controls after Termination of the Project (Durability Period)

The reimbursement for payment claims may be verified through *ex post* checks after the project is completed and the final payment is issued by ARPA, for three (3) or five (5) years as indicated in the Grant Agreement under the durability period. Beneficiaries are to refer to their respective Grant Agreement to confirm the duration and obligations they need to abide to.

Such a control verifies and confirms that the beneficiary has abided by the conditions stipulated in the respective Grant Agreement which are namely:

- (i) Investments outlined in the project have been retained for three (3) or five (5) year (as indicated in the Grant Agreement) following the issue of the final payment,
- (ii) The project has not undergone a cessation or a relocation of a productive activity outside the programme area,
- (iii) There was no change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage, and
- (iv) There were no substantial changes affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

This means that the beneficiary must maintain ownership of all the assets purchased/supported through the EAFRD and the beneficiary has to ensure that the acquired assets are kept in good condition during and after implementation of the project for at least the period indicated in the Grant Agreement.

Besides the above, all supporting documents regarding the project and expenditure supported by the Fund on approved operations are to be retained by the beneficiary and made available to ARPA or any other stakeholder indicated in these Guidelines, for at least a 2-year or 5-year period from 31 December of the year following the submission of the accounts in which the last expenditure of the project is included, as indicated in the applicable Intervention Guidelines issued by the Managing Authority.

9.3 Setting of appointments for On-the-Spot Check

If, after multiple attempts at communicating by phone the beneficiary still does not respond to ARPA's request to carry out an on-the-spot check, a registered letter is sent out to the beneficiary providing a deadline by when contact is to be made with ARPA. Following expiry of the stated deadline, if no response is received from the beneficiary, this will be considered a refused inspection, and may lead to full recovery of funds. Failure to accept the registered letter shall also be construed as no response and hence the aforementioned applies.

10. EU Publicity Obligations

Publicity is an integral part of the project. The beneficiary must be aware of the source of funding through which he/she is given the grant. In addition, upon completion of the project, the beneficiary must ensure that the necessary EU publicity requirements are adhered to.

The beneficiaries are to refer to the 'Visual Identity Guidelines' for more information: <https://fondi.eu/wp-content/uploads/2024/08/Communication-and-Visibility-Requirements-Malta-1-2.pdf>.

11. Force Majeure

Force majeure is generally considered to imply an abnormal or unforeseeable circumstance beyond the beneficiary's control; the consequences of which could not be avoided by reasonable action. In cases of force majeure or exceptional circumstances a beneficiary is to notify ARPA in writing, including any relevant supporting documentation within fifteen (15) working days from the date on which the beneficiary or the person entitled through him, is in a position to do so. Such requests will be reviewed by ARPA's Force Majeure Board and the beneficiary will be notified in writing of the Board's decision whether his/her request has been accepted or refused.

12. Data Protection

Any information will be processed in accordance with the GDPR and Data Protection Act. By submitting the payment claim, the beneficiary is giving his/her consent to have its details and that of the project published in line with the obligations in the relevant EU Regulations. Moreover, this information may be used for monitoring and evaluation purposes.

13. Amendment to Payment Guidelines

These guidelines may be amended as necessary by the ARPA to ensure harmonisation with EU and national legislation as well as to ensure the effective implementation of Malta's Common Agricultural Policy Strategic Plan 2023-2027.

14. Contact Details

Downloading and Submitting the Forms

The Forms listed in these Guidelines can be downloaded from ARPA's website (www.arpa.gov.mt). The original duly filled in documents are to be submitted to one of the Offices listed hereunder.

Only the Payment Claim Form and its applicable documentation, such as invoices, proof of payments, product guarantees, declarations from warranted architects, and procurement documentation, as may be necessary, is to be submitted either electronically through arpa-rdpinvestmentclaims@gov.mt, or copies thereof at one of the ARPA's Offices listed hereunder. It is nonetheless important that the documentation is submitted in **full colour**.

Agriculture and Rural Payments Agency's Offices

Main Offices	
Address	Ministry for Agriculture, Fisheries and Animal Rights (MAFA), Agriculture and Rural Payments Agency (ARPA), Luqa Road, Qormi, QRM9075.
E-Mail Address	arpa-rdpinvestmentclaims@gov.mt
Contact Numbers	2339 7142 / 2339 7114 / 2292 4306
Opening Hours	
1 October – 15 June	
Tuesday	07:00 – 12:00
Wednesday	13:00 – 15:00
16 June – 30 September	
Tuesday	07:00 – 11:00
Wednesday	07:00 – 11:00

Malta Front Office	
Address	Malta Front Office, Agriculture and Rural Payments Agency (ARPA), Pitkali Markets, Ta` Qali L/O Attard, Malta.
Opening Hours	
1 October – 15 June	
Monday - Thursday	07:00 – 12:30
Friday	11:00 – 15:00
16 June – 30 September	
Monday - Friday	07:30 – 11:30

Gozo Front Office	
Address	Gozo Front Office, Government Experimental Farm, Mgarr Road, Xewkija, Gozo.
Opening Hours	
Monday - Friday	07:30 – 12:30