

Frequently Asked Questions (FAQs)

I73.4 Off-Farm Investments (Processing/Development)

INVESTMENTS

Q1: How do we know whether a product classifies as an Annex I agricultural product?

Annex I products are listed [here](#) (Pgs 287-289). Further classifications of the Annex I products can be found [here](#) (Pgs 133-156).

Q2: Is wine an Annex I product?

Wine generally falls in Chapter 22 under the Annex I - *22.05 Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol.*

Q3: Can the input product be imported? What if the processor processes both import and local products?

This intervention should result in demonstrable benefits to Maltese agricultural producers; thus, investments should be primarily aimed at Maltese produce. The PSC will take into consideration the evidence provided regarding the impact on local agricultural producers vis-à-vis the investment being made.

Q4: Are cold rooms eligible if they are going to be used as a storage?

Cold rooms will be considered as an eligible expenditure if it forms part of a project which includes processing and/or developing of an agricultural project. Stand-alone cold rooms to be used for storage only will not be considered eligible under this call.

Q5: Are there any rules on the location of the investment? Does it have to be ODZ, can it be moveable? Can I have a project spread over more than one location?

Investments are not bound by specific locations and can be introduced and/or supported regardless of the location of the plant (for example, it could be in the proximity/adjacent/abutting on an agricultural holding but could equally be located in a non-agricultural zone as well as in a non-rural locality).

Q6: If a shop is part of the project, does the shop need to sell to consumers directly or it can sell to suppliers or end users?

Sales from shops that are part and parcel of the processing and/or development plant should be aimed at direct selling to the final consumer.

Q7: What can shops sell?

Shops should sell Annex I products only, which are intrinsically linked to the supported processing and/or development plant.

Q8: Can I sell my product outside Malta? Is there an obligation to sell in Malta?

There are no obligations that products processed and/or developed should be sold solely in Malta, however the intervention should result in demonstrable benefits to Maltese agricultural producers.

Q9: How much can one spend on acquisition and purchasing of immovable property?

The cost of acquisition and purchase of immovable property should **be up to 10%** of the total eligible expenditure of the project. This is stipulated in the National Eligibility Guidelines Rule No. 2 under Purchase of Land which refers to Article 64 of the CPR.

Q10: Are PVs an eligible expenditure?

Renewable energy sources like PVs will NOT be financed under this call. However, machinery and equipment related to energy efficiency is an eligible expenditure.

COSTS

Q11: Can a beneficiary have an advance payment?

Under this intervention, an advance payment of 50% can be requested by not later than 4 months from the date of the signing of the Grant Agreement.

Q12: Referring to the 7% indirect costs, are these on the eligible cost or grant amount?

Overhead costs are the ongoing expenses incurred by an organisation that are not directly attributable to a specific project but without which a project cannot be implemented. The 7% flat rate is based on the eligible direct cost.

Q13: Is renting of premises an eligible cost?

Rent is not an eligible cost, unless it is leasing leading to a purchase obligation. Other costs connected with the leasing contract is not eligible.

ELIGIBILITY

Q14: Is a minimum turnover a requirement to be able to apply under this intervention?

No, the measure is open for all businesses (as well as farmers, group of farmers and public entities) active in the sectors of agricultural or rural business processing/marketing/development of Annex I products as an input, irrespective of their size and/or annual turnover.

GENERAL

Q15: What is the deadline for submitting the application form?

The deadline for the submission of application form is now the 31st May 2024.

Q16: What are the main State Aid implications?

State Aid implications apply only when there is processing of Annex I products (input) into non-Annex I products (output).

- In cases where the applicant is a farmer and the investment results in a non-Annex I product (output), the Agricultural De Minimis Regulation applies.
- In case of investments resulting in non-Annex I products (output), the General de Minimis Regulation applies.

Q17: Is the threshold for change requests on ‘grant value’ or ‘project value’?

It is on grant value.

Q18: Is durability linked to the amount of funding?

Yes, regardless of the size of the beneficiary, the durability period would be:

- 3 years from the final payment to the beneficiary for interventions with a grant of up to €200,000
- 5 years from the final payment to the beneficiary for interventions with a grant of over €200,000

Q19: Do I get more points in ranking if obtained permits and/or other necessary clearance from relevant authorities such as Planning Authority, Health Department, etc.?

Although not obliged to submit such documents with the application form and this is not linked to eligibility, preparedness helps for the readiness section of the selection criteria.

INFO ON THE APPLICATION PORTAL

Q20: What is the email address of the Front Office?

Front Office’s email address is arpa.mafa@gov.mt

Q21: In the case of an application by a company, do I need to register the company or my ID?

The profile should be open on the applicant, so in this case the company.

Q22: Should I need to upload further information and there is no space in the application form, what shall I do?

One can upload an Annex entitled Additional Information in the Supporting Documents’ section.