

## Business Enhance ERDF Grant Schemes SME Diversification and Innovation Grant Scheme

Date: 10/10/2017



Operational Programme I - European Structural and Investment Funds 2014-2020  
"Fostering a competitive and sustainable economy to meet our challenges"  
Aid Schemes part-financed by the European Regional Development Fund  
Co-financing rate: 80% European Union; 20% National Funds



## Introduction

- The SME Diversification and Innovation Grant Scheme is one of the measures under the Business Enhance ERDF Grant Schemes initiative launched in 2016.
- The initiative has an allocation of €51M and is part-financed through the European Regional Development Fund under Operational Programme I 2014 – 2020 *‘Fostering a competitive and sustainable economy to meet our challenges’*.
- This SME Diversification and Innovation Grant Scheme addresses Priority Axis 3 *‘Enhancing Malta’s competitiveness through investment in SMEs’*.

## Identified Challenges

- SMEs operate in a highly volatile environment.
- Need to adapt rapidly to market requirements.
- Diversification and innovation are key to the survival of enterprises.
- Timely access to finance is a determining factor.

## Scheme Details

## **Scheme assistance**

Maximum Grant capped at €200,000, part-financing eligible expenditure up to 50%.

## **Eligible Undertakings**

Micro, Small and Medium-sized Enterprises

## Eligible Actions

Investment in Tangible and Intangible assets related to the implementation of focused strategies resulting in:

- the diversification of the output of an existing establishment into products or services not previously produced by the establishment;
- the implementation of a fundamental change in the overall production process of an existing establishment;
- a new economic activity related to the diversification of the activity of the establishment, under the condition that the new activity performed is not the same or a similar activity to the activity previously performed in the establishment;
- the adoption of solutions that lead to the development of a significantly improved product or service;
- the acquisition and integration into the business operation of solutions that are new or significantly advanced than those currently in use by the undertaking.

## Eligible Costs

- Leasing/rental of private operational premises;
- Construction/up-grading costs;
- Purchasing of new equipment, machinery and plant;
- Patents and licenses;
- Wage costs – Change Manager to drive the necessary change within the enterprise through the diversification or a fundamental change initiative.

## Implementation timeline

- Maximum of 24 months

## Overview of Additional Provisions

The Grant Amount will depend on the receipt of de minimis aid.

Equipment, Plant and Machinery procured must be new.

Durability obligation of 3 years after implementation.

The project has to have an incentive effect and start of works may only be initiated after the date of the granting of the aid.

Capability of private match financing.

All funding is based on reimbursement of eligible costs.

Approved projects shall be based and operational in Malta.



## **Assessment, Evaluation and Selection**

## Gateway Criteria

All applications are required to meet the minimum eligibility requirements set out under the Gateway Criteria to be considered for assessment and appraisal for selection for funding support.

This stage will involve an assessment and a Due Diligence process to establish that these minimum requirements are met.

**Complete application form:** an Undertaking must submit a fully compiled online application together with all the requested supporting documentation, by the indicated deadline.

**Eligibility of Undertaking:** the Undertaking is an eligible Undertaking, in line with the respective guidelines and within the state aid parameters.

**Eligibility of action and activities:** the action for which the applicant is asking for support is eligible and includes eligible activity/activities in line with the incentive guidelines.

**Match Financing:** the applicant has submitted evidence as to its capacity to match finance the project.

## Selection Criteria

The Project Selection Committee will score each application against the set Selection Criteria. Applications will be assessed and evaluated against the selection criteria outlined hereunder, with a total Score of **120 points**.

**Risk assessment**

**Excellence**

**Impact and Sustainability**

**Quality and Efficiency of implementation**

Applications attaining 50% of the total score or higher will be ranked, and funding approval will be issued to applicants in accordance with the ranking order and subject to the budget availability under the respective call.

Applications are to be filled in and submitted online through the link [www.sfd.gov.mt/application](http://www.sfd.gov.mt/application).

**Next cut-off dates: noon of Tuesday, 31<sup>st</sup> October 2017;  
noon of Wednesday, 31<sup>st</sup> January 2018;  
noon of Monday, 30<sup>th</sup> April 2018.**

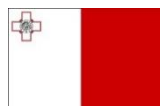
**Documents to be uploaded with the application form –**

- Business Plan
- Compliance Certificates
- Financial Statements (where necessary)
- Permits (as applicable)
- Proof of Private Match Financing
- Supporting Documentation



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