



MALTA ENTERPRISE

INCENTIVE GUIDELINES

Eco-friendly Retail Investment Grant

Support the reduction of packaging and single use plastic through bulk dispensers and reusable containers

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<https://www.maltaenterprise.com/support>

1. Overview

- 1.1 Various products that are purchased regularly can be stored and bought in bulk thus reducing packaging which may at times include single use plastics. One alternative to this approach is that of providing bulk-buying dispensaries and weighing scales that allow customers to purchase the quantities they need. Customers can dispense products into reusable containers brought from home or supplied by the store. Apart from reducing the use of packaging, implementing such solutions helps reduce transportation and packaging costs, which in turn reduces costs for the retailer.
- 1.2 In addition to the above, many retailers package food items like delicatessens, meat and other such products in single use plastic packaging. Such plastic packaging only serves a temporary purpose and ends directly in the waste stream after a few days. Retailers can invest in returnable containers, that the same customer can use for future purchases or return them for cleaning, sanitisation and reuse.
- 1.3 This Eco-friendly Retail Grant shall support retail outlets and other undertakings in the retail value chain to invest in in-store solutions that allow for the sale of items through reusable containers and in related investments required to implement and facilitate the use of these solutions.
- 1.4 Supported investments must be implemented within twelve (12) months from the date when funding is approved and the beneficiary must commit to maintain the investment for a minimum of three (3) years.

2. Am I eligible?

- 2.1 You are eligible to apply for Eco-Friendly Retail Grant if you are registered as a limited liability company with the Malta Business Register, partnership or self-employed and are engaged in the wholesale or retail of groceries, detergents, toiletries and other goods that may be sold in bulk to the final consumer. To be considered for support you must meet all the criteria established below:
- a) The applicant must not have any dues related to VAT, Income Tax, and Social Security which are older than twelve (12) months.
 - b) The applicant must not be engaged in activities specifically excluded under the *de minimis* Regulation (vide Section 8).
 - c) The applicant must have at least one full time employee registered with Jobsplus (a full time self-employed person is considered to meet this criterion).

3. What is the maximum support?

- 3.1 The maximum grant that can be awarded to support an eligible investment shall cover 50% of the eligible expenditure up to a maximum grant of €20,000 per project. Applications will be considered on a case-by-case basis and the level of funding will be determined following an assessment of the proposed investment and implementation plan.
- 3.2 The Eco-friendly Retail Grant is a *de minimis* measure. The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 (or €100,000 in the case of single undertakings performing road freight transport for hire or reward) over any period of three consecutive fiscal years.

4. What costs are eligible?

4.1 The Eco-friendly Retail Grant may support investments in solutions that allow the sale of items to the end consumer in bulk and/or through re-usable containers. The proposed investment must be linked with a plan to promote the use of such solutions with customers and a strategy to reduce the use of single use plastic and packaging.

4.2 Any costs incurred before the approval of the Corporation will not be considered as eligible.

4.3 The below table provides details of eligible expenditure and related conditions.

Eligible Expenditure	Maximum Limits and Notes
Dispensing Equipment	Retailers, wholesalers and manufacturers can collaborate to develop effective refillery systems that are implemented across the supply chain. Such investments shall be considered eligible and should result in manually operated or automated dispensing solutions that will allow end customers to purchase items in bulk in re-usable containers.
Rental of Retail Space	<p>Large retailers might adopt business models where the wholesaler or manufacturer purchase prominent spaces for the retail of their products. Considering that bulk dispensing solutions typically require that the wholesaler or manufacturer acquire the use of a larger space, costs paid for the space hosting the dispensing solution shall be considered as eligible for a period not exceeding one (1) year.</p> <p>Such costs shall only be considered if the dispensing solution is located in a store owned and operated by a third party not related to the applicant.</p> <p>Only costs covering a specific time span shall be considered eligible (example a monthly fee) and any one off costs (example a setting up fee charged by the lessor) shall not be considered as eligible.</p>
Reusable Containers	<p>While customers may be given the option to use their own containers, it is also possible that retailers, wholesalers and manufacturers provide reusable containers to their customers.</p> <p>Such costs shall be considered if they are linked to a return to base scheme through which they are prepared for reuse or when such containers are specific to the dispensing machine providing a particular product.</p>
Reusable Container, collection points, cleaning and sanitisation facilities.	Retailers should develop protocols and policies to ensure reusable containers are fit and clean for reuse. In order to support this process, the costs of equipment to be used for the collection, cleaning and sanitisation of reusable containers shall be an eligible costs as long as this is incurred in line with clear policies and procedures that ensure quality and cleanliness.

Procurement and development of Software Systems.

Customers should be encouraged to repeat their purchase by bringing the original containers back for reuse. This may be achieved through reward schemes that encourage customers to reuse the containers. Software development costs to implement such solutions shall be considered as eligible cost in relation to the project

The funding for these costs shall not exceed 10% of the total funding.

5. How do I apply?

- 5.1 Prior to applying you should contact Business First to discuss your application. Following the first contact, you may be assigned a relationship manager from Malta Enterprise to discuss your project in further details.
- 5.2 When submitting an application, the applicant will be required to provide full details and costs to be incurred. It is recommended that such costs are substantiated by market research and possibly by quotations.
- 5.3 The application form which may be downloaded from the Corporation's website and any other additional documentation should be submitted through the Corporation's client portal. First time applicants will be required to register on the client portal before they can submit their application.

6. By when can I submit an application?

- 6.1 The applications may be submitted from the 1st June until 30th November, 2021.

7. What happens after I apply?

- 7.1 Once Malta Enterprise receives an application it will be evaluated in terms of these Incentive Guidelines. The evaluation will take into consideration the objectives of the scheme and how the applicant will be achieving such objectives. The Corporation has full discretion on the approval of projects.
- 7.2 Malta Enterprise shall make the utmost to process applications in the shortest time possible and may in the process request further clarifications to the applicant.
- 7.3 If a project is approved the Corporation will issue a letter of approval specifying the terms and conditions of the Grant. The letter will include details on implementation and monitoring.

8. State Aid Rules and Obligations

8.1 Applicable State Aid

8.1.1 If the submitted application is approved, the beneficiary will benefit from *de minimis* State Aid in line with *Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation), as amended by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments.

8.1.2 *Commission Regulation (EU) No 1407/2013* allows a 'single undertaking' to receive an aggregate maximum amount of *de minimis* aid of €200,000 under all *de minimis* aid measures, over a period of three consecutive fiscal years. This aggregate maximum amount threshold applies in principle to all economic sectors with the exception of a 'single undertaking' performing road freight transport for hire and reward for which a lower *de minimis* threshold of €100,000 over any period of three fiscal years applies. The agriculture and fisheries sectors are subject to different thresholds and criteria. For the purposes of this scheme, the term 'single undertaking' shall be defined as per the *de minimis* Regulation (see below). This period covers the fiscal year concerned as well as the previous two fiscal years. 'Fiscal year' means the fiscal year as used for tax purposes by the undertaking concerned.

8.1.3 This maximum threshold would include all State aid granted under this scheme and any other State aid measure granted under the *de minimis* rule including that received from any entity other than Malta Enterprise Corporation. Any *de minimis* aid received in excess of the established threshold will have to be recovered, with interest from the undertaking receiving the aid.

8.1.4 The *de minimis* declaration form¹ must be filled in and submitted together with the application form.

8.2 Applicability of the Aid

8.2.1 Assistance approved under this aid scheme is NOT:

- a) Aid granted to undertakings active in the fishery and aquaculture sector, as covered by Council Regulation (EC) No. 104/2000²;
- b) Aid granted to undertakings active in the primary production of agricultural products;
- c) Aid granted to undertakings active in the sector of processing and marketing of agricultural products, in the following cases:
 - i. Where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned;
 - ii. Where the aid is conditional on being partly or entirely passed on to primary producers;

¹ The *de minimis* Aid Declaration may be downloaded from <http://maltaenterprise.com/files/de-minimis-declaration-form-2021>

² Council Regulation (EC) No 104/2000 of 17 December 1999 on the common organisation of the markets in fishery and aquaculture products (OJ L 17, 21.1.2000, p. 22).

- d) Aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;
 - e) Aid contingent upon the use of domestic over imported goods;
 - f) Aid for the acquisition of road freight transport vehicles granted to undertakings performing road freight transport for hire or reward.

8.2.2 Where an undertaking is active in the sectors referred to in points (a), (b) and (c) above as well as in other sectors falling within the scope of the *de minimis* Regulation, the Corporation will ensure a separation of the activities or distinction of costs. Only those sectors eligible for assistance under the *de minimis* Regulation will be assisted. Activities in the sectors excluded from the scope of the *de minimis* Regulation will not benefit from assistance under this aid scheme.

8.3 Cumulation

8.3.1 *De minimis* aid granted in accordance with the *de minimis* Regulation may be cumulated with *de minimis* aid granted in accordance with Commission Regulation (EU) No 360/2012 up to the ceiling laid down in that Regulation. It may be cumulated with *de minimis* aid granted in accordance with other *de minimis* Regulations up to the relevant ceiling laid down in Article 3(2) of the *de minimis* Regulation.

8.3.2 *De minimis* aid shall not be cumulated with State aid in relation to the same eligible costs or with State aid for the same risk finance measure, if such cumulation would exceed the highest relevant aid intensity or aid amount fixed in the specific circumstances of each case by a block exemption Regulation or a decision adopted by the Commission. *De minimis* aid which is not granted for or attributable to specific eligible costs may be cumulated with other State aid granted under a block exemption Regulation or a decision adopted by the Commission.

9. Further Information

- 9.1 This incentive has a budget of one million euro (€1,000,000).
- 9.2 This is an administrative scheme administered by Malta Enterprise, which enables to issue and publish official Incentive Guidelines in terms of Article 8(3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.
- 9.3 Beneficiaries will be monitored by the Corporation and other agencies entrusted by the Corporation. If a beneficiary fails to implement and maintain the supported investment and carry out the agreed actions as specified in the letter of approval, the Corporation may revoke and/or recover all or part of the support granted.

9.4 Useful Definitions

Applicant: An Applicant is an Undertaking that has submitted a complete application for support under this scheme to the Corporation.

Beneficiary: A Beneficiary is an Undertaking that is in possession of a Letter of Approval issued by the Corporation.

Corporation / Malta Enterprise: The terms The Corporation and Malta Enterprise shall mean Malta Enterprise Corporation as established by the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

Letter of Approval: A Letter of Approval is a document establishing the support granted to an undertaking and stipulating any terms and conditions deemed appropriate by the Corporation.

Single-Use plastics: The term Single-Use plastics is a product that is made wholly or partly from plastic and that is not conceived, designed or placed on the market to accomplish, within its life span, multiple trips or rotations by being returned to a producer for refill or re-used for the same purpose for which it was conceived.³

Single Undertaking:

Single Undertaking includes, for the purposes of the de minimis Regulation, all enterprises having at least one (1) of the following relationships with each other:

1. one (1) enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
2. one (1) enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
3. one (1) enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
4. one (1) enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

Enterprises having any of the relationships referred to in points (1) to (4) above through one or more other enterprises shall also be considered to be a single undertaking.

The same Regulation states that a group of linked enterprises is considered as one single undertaking for the application of the de minimis rule, but that enterprises which have no relationship with each other except for the fact that each of them has a direct link to the same public body or bodies are not treated as being linked to each other. The specific situation of enterprises controlled by the same public body or bodies, which may have an independent power of decision, is therefore taken into account⁴.

³ Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment

⁴ Commission Regulation (EU) No 1407/2013 of 18th December 2013

10. Contacts

Further information on the scheme, as well as information and guidance on the filling in of the application form may be obtained by contacting Malta Enterprise during office hours.

Postal Address: Malta Enterprise
Gwardamangia Hill,
Pieta`, MEC 0001
Malta.

Tel: 144

Websites: www.maltaenterprise.com

The official Incentive Guidelines are published at:
<https://www.maltaenterprise.com/support>

Email: info@businessfirst.com.mt