

ACCESS TO EMPLOYMENT (A2E) SCHEME

GUIDANCE NOTES

2nd Call for Applications



Version 4 Dated 06/07/2020



Operational Programme II - European Structural and Investment Funds 2014-2020
"Investing in human capital to create more opportunities and promote the well-being of society"
Aid scheme part-financed by the European Social Fund
Co-financing rate: 80% European Union; 20% National Funds



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CHAPTER 1: INTRODUCTION

1.1 Scope of the Guidance Notes

The Guidance Notes assist Employer when applying for grants under the Access to Employment (A2E) Scheme. The A2E is a scheme co-financed by the European Social Fund (ESF), the Maltese Government and the Employers. The A2E falls under Malta's Operational Programme 'Investing in human capital to create more opportunities and promote the wellbeing of society' for the 2014-2020 Programming Period. Through this scheme, funds are granted¹ to Employers² for the recruitment of disadvantaged, severely disadvantaged and disabled persons.

The objective of the European Social Fund (ESF) under the European Union's Cohesion Policy 2014 – 2020 is to contribute to the European Union's economic and social policy by improving employment and job opportunities, encouraging a high level of employment and more and better jobs.

All applications must abide by the Guidance Notes valid at the time of application, which may be periodically reviewed, updated and amended. These can be found on Jobsplus website³.

1.2 Rationale of the Scheme

The A2E Scheme will provide employment aid to enterprises in Malta and Gozo to promote the recruitment of the more challenged amongst job seekers, unemployed and inactive. The Aid Programme will be:

- Enhancing opportunities to access the labour market and providing work experience to those furthest away from gainful occupation;
- Bridging the gap between labour market supply and demand;
- Increasing social cohesion.

1.3 Legal Basis

The scheme is in line with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the common market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (TFEU) (General Block Exemption Regulation)⁴.

1.4 Available Budget and Duration of the scheme

The First Call of the Scheme has closed on the 31st December 2019; and a Second Call has been launched on 1st January 2020. All applications received from 1st January 2020 onwards, will be eligible for the unit cost listed in Section 2.4 on these Guidance Notes⁵.

The Scheme is still demand driven and grants will be awarded on a first-come first-served basis, subject to the annual ceilings and total budget. The total available budget for the A2E is €12 million, with an indicative annual calendar year ceiling of c. €2.4 million.

Complete applications must be submitted by the **end of April 2022** and recruitment must take place by **end May 2022**.

¹ Subject to certain terms and conditions

² Includes private enterprises, NGOs, Social Partners and the Local Councils.

³ <https://jobsplus.gov.mt/schemes-jobseekers/a2e-scheme>

⁴ The Regulation can be accessed using the following link:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

⁵ Disadvantage Persons €104 and Disabled Persons €155 (for 40 hours)

1.5 Main Parties involved with the Implementation of the A2E Scheme

1.5.1 Jobsplus

The overall responsibility for the management and implementation of the A2E is that of Jobsplus, hereinafter referred to as the Intermediate Body (IB).

1.5.2 The Beneficiary

The beneficiary hereinafter is referred to as the Employer.

- b) In the case of the A2E, the beneficiary is the Employer benefiting from wage subsidy when recruiting an eligible participant based on a signed Grant Agreement.
- c) The beneficiary is responsible to implement the employment activity in line with the terms and conditions of the Grant Agreement signed and of these Guidance Notes. **The beneficiary should always be guided by the principles of good governance, sound financial management, fairness and transparency.**
- d) The list of Employers benefiting from aid schemes funded through the European Social Fund will be listed on Jobsplus website www.jobsplus.gov.mt.

1.5.3 The Line Ministry

The Line Ministry, the Ministry for Education and Employment reserves the right to conduct unannounced monitoring visits on a sample basis to ensure that the employment of the participant is ongoing as per application submitted and corresponding grant agreement. The Line Ministry is also responsible for raising the Structure Fund – Purchase Order on the Structure Fund Database.

1.5.4 The Ministry for European Affairs and Equality

The Strategy and Implementation Division, EU Payments Unit within the Ministry for European Affairs and Equality (MEAE) is responsible for:

- a) Carrying out relevant checks;
- b) Effecting reimbursement to Employer through the Central Bank of Malta (CBM).

CHAPTER 2: ELIGIBILITY OF APPLICATIONS

Complete applications are evaluated by the Evaluation Committee, against the eligibility criteria listed in this Chapter. The criteria have been approved by the Monitoring Committee in line with Article 110 (2) of Council Regulation 1303/2013⁶.

2.1 Eligibility of the Employer

Eligibility is subject to availability of funds and subject to the overall scheme's eligibility period. Latest version of the documentation as published on Jobsplus website must be submitted.

2.1.1 Eligibility Criteria for Employers

- a) **Complete documentation**⁷: The Employer must present a duly filled application form together with all the requested supporting documentation⁸.
- b) **All Employers**: The applicant must meet all the eligibility criteria to benefit from this scheme. Eligible applicants cover all Employers having an economic activity irrespective of their legal form. These include partnerships, companies, family businesses, associations, individual self-employed or other body of persons, NGOs and Social Partners, when recruiting new employees subject to criterion (c) below. Such definition implies that there must be at least one person in the Employer's organisation who is engaging a different person through the A2E Scheme⁹.
NGOs and Social Partners not having an economic activity are also eligible to benefit from the scheme.
- c) In the case of **private enterprises**, where the **recruitment does not represent a net increase, compared with the average over the previous twelve months** in the number of employees in the undertaking concerned, the post or posts shall have fallen vacant following voluntary departure, disability, retirement on grounds of age, voluntary reduction of working time or lawful dismissal for misconduct and not as a result of redundancy. A definition of an Undertaking can be found in the 'Annex 3: Definition of Term' of these Guidance Notes.
- d) **Incentive effect**: as long as the Employer has submitted a written application prior to engaging the A2E participant, aid shall be considered to have an incentive effect.
- e) **Project implemented within / for the direct benefit of the eligible territory**: The eligible territory for this scheme is the whole legal territory of the Maltese Islands.
- f) In the case of Private Enterprises, every **Undertaking must be financially sound**, i.e.: Any of the circumstances mentioned in the definitions section below, would render it as an **"Undertaking in Difficulty"**.

⁶ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1303&from=EN>

⁷ Access to Employment Application Form can be downloaded from the Jobsplus Website (link: <https://jobsplus.gov.mt/schemes-jobseekers/a2e-scheme>)

⁸ The Employer needs to submit the latest version of the forms

⁹ This is not applicable for NGOs and Social Partner; Participant/s can be the first person employed with the NGOs and Social Partner.

2.2 Eligibility of the Participant

2.2.1. Target Groups

The following tables illustrate the eligible target groups, level and duration of assistance.

Disadvantaged Persons

Target Group	Client Group	Duration of Assistance
1	Any person of age 24 and over who has been unemployed/inactive for the previous 6 months.	26 weeks
2	Any person of age 24 and over who has been unemployed for the previous 12 months during which he/she participated in a traineeship with the Undertaking.	52 weeks
3	Any person who is living as a single adult who has one or more dependants and is not in full-time employment.	52 weeks
4	Any person of age 24 and over who has not attained an upper secondary educational or vocational qualification (ISCED 3), who does not have a job.	52 weeks
5	Any person older than 50 years who does not have a job.	52 weeks

Severely Disadvantaged Persons

Target Group	Client Group	Duration of Assistance
6	Any person who has been unemployed / inactive for the previous 12 months during which he/she has not benefited from a traineeship with the Undertaking and who belongs to one of the categories (3) to (5).	104 weeks
7	Any person of age 24 and over who has been unemployed / inactive for the previous 24 months during which he/she has not benefited from a traineeship with the Undertaking.	104 weeks

Disabled Persons

Target Group	Client Group	Duration of Assistance
8	Any person who is a registered disabled person under national law and is not in full-time employment.	156 weeks

2.2.2 Eligibility Criteria for Participants

- a) Participant must fall under any one of the above-mentioned Target Groups
- b) All participants under Target Groups 1, 6 and 7 must have been unemployed / inactive **in the Maltese islands** for the periods as specified in the above criteria.
- c) Participants must not have been employed with the Undertaking within the previous 12 months.
- d) **Shareholders** and **Directors** of the Private Undertaking will not be eligible to benefit from the A2E scheme if they take up employment within the same Private Undertaking.

- e) **Person occupying official positions** with the NGOs and Social Partners will not be eligible to benefit from the A2E scheme if they take up employment within the same NGOs and Social Partners.
- f) The termination reason of the Participant’s last employment must not be due to **“employed elsewhere”**¹⁰ (i.e. on Jobsplus Termination Form) unless the employment was terminated at least 3 months prior to the engagement with the A2E Employer.
- g) A participant can apply **only once** under the A2E Scheme with the same Undertaking.
- h) A participant under Target Group 3 or 8 who is in part-time employment may still be eligible for subsidy if the employment is changed from part-time to full-time (40 hours per week).
- i) **Apprenticeship:**
 - i. Persons falling under target group 8 and who have participated in the Apprenticeship scheme may be eligible under the A2E Scheme;
 - ii. Persons falling under target groups 1 to 7 who participated under the Apprenticeship scheme may be eligible under the A2E scheme with an Undertaking other than the same Undertaking who provided their apprenticeship. Apprentices may participate under the A2E scheme with the same Undertaking who provided the apprenticeship 12 month after the end of their apprenticeship contract.

Employment Retention of the A2E participants. For ALL target groups, the Employer must retain in employment the recruited person for a further period (as per table below) following the subsidised period.

Duration of Subsidy	Retention Period
26 weeks	2 months
52 weeks	4 months
104 weeks	8 months
156 weeks	12 months

Upon premature termination of the grant agreement, **both the Beneficiary and the Participant must fill in the A2E Scheme Justification Forms**. The Beneficiary will be refunded only on the whole weeks that the participants will be employed on the A2E Scheme. For case, scenarios please refer to Annex 2.

2.3 Employment which has an Incentive Effect

The Employer may recruit the participant following the IB’s acknowledgment of receipt of the application (*i.e. at least one day after the acknowledgment date*). Therefore, **employment of the participant on or prior to the acknowledgment date will not be eligible for funding**. Confirmation of funding will be determined upon receipt of the acceptance letter and signing of the Grant Agreement. The Grant Agreement period must commence after the acceptance letter’s date or the engagement’s date; whichever comes last.

¹⁰ With the exception for Target Group 8 – Registered Disabled Person

2.4 Eligible Cost¹¹

Eligible costs under the A2E scheme will be paid for the periods indicated for each of the above target groups to cover part of the basic wage cost for full time 40 hours or part time 20 hours:

Target Group	Description	Standard Scale of Unit Cost based on <u>40 hours per week</u>	Standard Scale of Unit Cost based on <u>20 hours per week</u>
1 to 7	Disadvantaged and Severely Disadvantaged Persons	€ 104	€ 52.00
8	Registered Disabled Persons	€ 155	€ 78

In case of part-time employment, the participant may work a minimum of 20 hours per week or more, however the grant will always be based on 20 hours per week.

The eligible cost for a participant under Target Group 3 or 8 whose' employment is changed from part-time to full-time (40 hours per week) is as follows:

- If the change from part-time to full-time employment is with the same Undertaking, the latter would be eligible for **€52** per week for target group 3 and **€78** per week for target group 8;
- If the change to full-time employment (40 hours) is with a new Undertaking, the latter would be eligible for the full rates of **€104** per week for target group 3 and **€155** per week for target group 8.

CHAPTER 3: APPLYING FOR THE A2E

3.1 Application Process

Applicants are required to use the latest official application and supporting documentation found on the Jobsplus website www.jobsplus.gov.mt.

One application can be submitted for more than one participant as long as it is for the same position.

The A2E Application Form should be filled in electronically and printed in 'portrait' layout and in DUPLEX, (two sided). All applications must be duly filled, signed, dated by both the Employer and the Participant/s, and sent by registered post or delivered by hand to Jobsplus:

Jobsplus
EU Funded Schemes Division
Access to Employment Unit
Hal Far, BBG 3000
Malta

Applicant must endorse any corrections. **Incomplete applications shall be rejected.**

3.2 Documentation to be submitted with the application form:

1. **If Self Employed:** a copy of the VAT Registration Certificate
2. **In case of Non-Governmental Organisations** must submit:
 - i. a copy of the 'compliance e-mail' issued by the Office of the Commissioner for Voluntary Organisations, and

¹¹ Eligible Cost maybe revised by increasing C.O.L.A. in the coming years

- ii. a declaration signed from the NGO's President or the General Secretary, identifying the person/s occupying an official position within their organisation. This declaration should clearly indicate who is responsible for the application. This person does not necessarily need be formally employed by the NGO.
- 3. **In case of Social Partners:** supporting documentation from the Department of Industrial and Employment Relations¹² confirming that they are currently registered with them.
- 4. **In the case of foreign participants:** A copy of the Maltese Residence Permit/Card (**both sides**) must be presented
- 5. **If participant falls under Target Group 3:** Request for Verification Form
- 6. **If participant falls under Target Group 4:** Signed Curriculum Vitae¹³ or Template Form. If the participant has attended any foreign education, he/she must obtain a confirmation from the NCFE¹⁴ regarding the ISCED Level of the highest qualification attained.

Other documentation may be requested at any time for additional verification purposes.

Jobsplus will issue a letter of acknowledgement of receipt to the Employer.

3.3 Evaluation Process

A2E applications are processed by Jobsplus Evaluation Committee within one month from receipt of **complete** documentation. Both the Employer and the participant must be eligible for the application to proceed to Grant Agreement Stage.

- i. An Acceptance letter is issued in the case of eligible applications, followed by a Grant Agreement;
- ii. A Non-Acceptance letter is issued in the case of ineligible applications, followed by an Appeal form. In such cases the Employer has the right to submit an appeal to the Appeals Board within **10 working days** from the date on the Non-Acceptance letter. The appeal should include a detailed explanation by the Employer, which can be considered during the appeals process. If the appeal is upheld, the consideration of the application will proceed. **Late Appeals will not be accepted.** The decision of the Appeals Board will be final for the purpose of the scheme.

Please refer to Figure 3.1 for further details on the applicable processes.

3.4 Signing the Grant Agreement

The Employer must submit the below when signing the Grant Agreement.:

1. Jobsplus official **engagement form** of the eligible participant;
2. The **Employment Contract** (Statement by the Employer)
3. The **Financial Identification Form**
4. The participant's **Employee Details Form**

3.5 Conditions to be offered to A2E participant

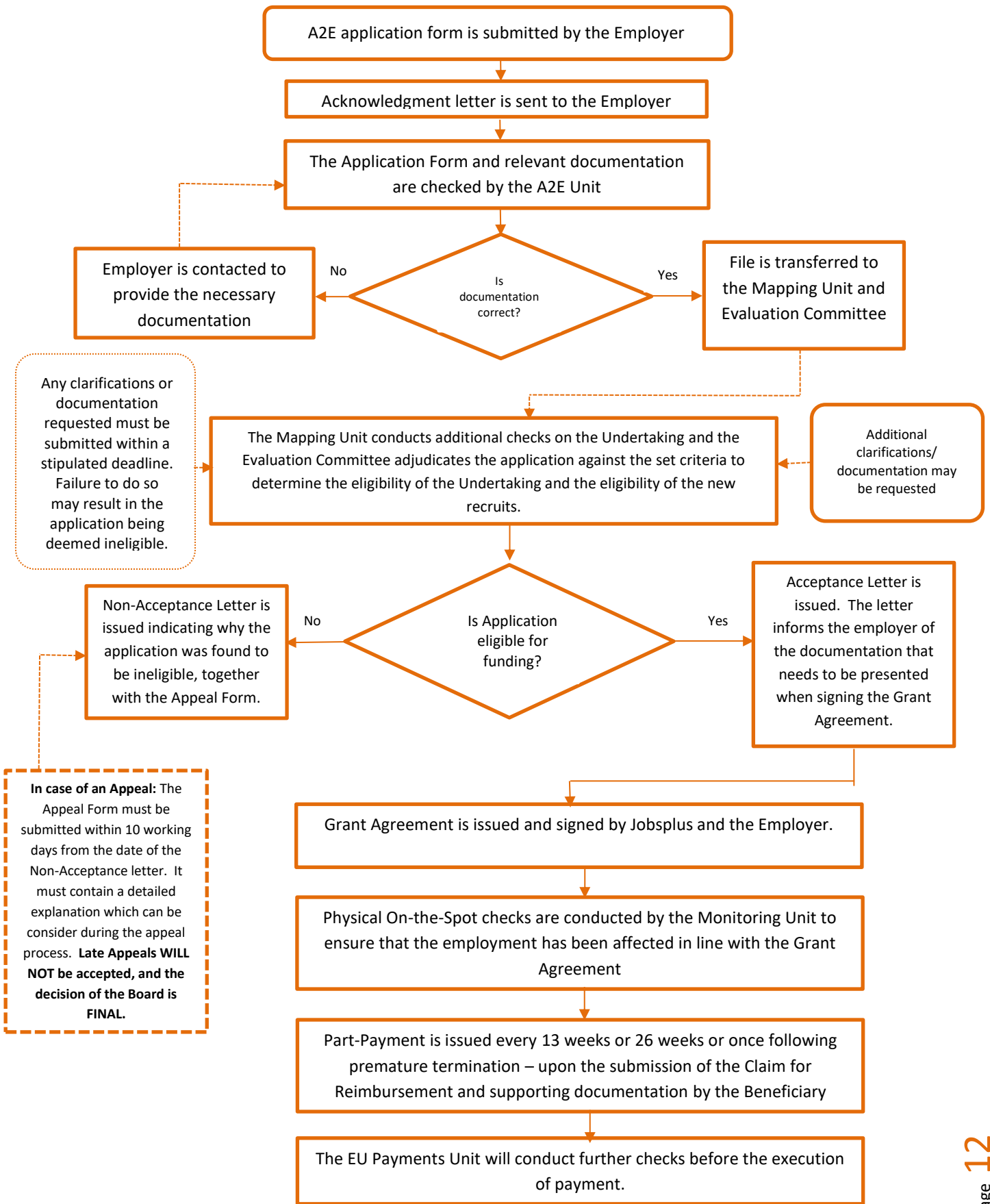
When engaging employees through the A2E Scheme, Employer must ensure that the conditions of employment are in line with the Employment and Industrial Relations Act of 2002. 'Conditions of Employment' includes: wages; the period of employment; hours of work and leave; and any conditions related to the employment of any employee under a contract of employment. This also includes any benefits arising from terms of engagement; terms of work participation; manner of termination of any employment agreement; and the mode of settling any differences, which may arise between the parties to the agreement. It does not include professional ethics arising from any professional relationship between an employer and an employee.

¹² DIER

¹³ Participant's Curriculum Vitae must contain all the basic minimum information found on the template provided

¹⁴ National Curriculum for Higher Education - <http://ncfhe.gov.mt/en/Pages/default.aspx>

Figure 3.1: A2E Scheme System Flowchart



CHAPTER 4: FINANCIAL MANAGEMENT AND PAYMENTS

4.1 Payment Procedures and Reimbursement

As part of the Payment and Reimbursement Procedures, the A2E Unit within the IB will be responsible to ensure that the:

- a) Claims for reimbursement made by the Beneficiary are correct; and
- b) Employment has been affected;

4.1.1 Proof of Fulfilment of Conditions

The Beneficiary must pay from their own funds the total expenditure incurred. Prior the authorisation of payment by the EU Payments Unit, Jobsplus will be requesting the below supporting documentation to verify that all the conditions of the Grant Agreement and these Guidance Notes have been adhered. All necessary documents can be found and downloaded from Jobsplus website www.jobsplus.gov.mt.

4.1.2 A2E Reimbursement Documentation

The Beneficiaries must complete and submit the following documentation to claim for reimbursement upon completion of every 13 weeks or 26 weeks or once following premature termination of the grant agreement:

- a) A **Claim for Reimbursement Request Form**: This must be filled in for each participant and has to be signed by both the Employer's Project Leader/delegated person; and by the participant if he/she is still in employment with the Employer;
- b) Upon premature termination of the Grant Agreement both the Employers and the Participant must fill in **Justification Forms**;
- c) A copy of the **Financial Identification Form** (FIF) to enable direct payment of the subsidy (to be submitted if different from the FIF submitted at application stage).
- d) The **Common Immediate Result Indicator of Participant Form**¹⁵ to capture the effects on the participant brought about the scheme, i.e. change in situation of participant.

Once **annually**, the Beneficiaries will be receiving a certificate issued by the Inland Revenue Department, confirming the A2E participants that the Employer has included in the annual FS3 and FS7 submission for the relevant year. The Employer must submit a copy of this certificate to Jobsplus.

After completion of the **retention period**, both the Beneficiary and the participant need to sign a **declaration** confirming that the participant has been kept in employment throughout the retention period (as determined in Article 3.1b of the A2E Grant Agreement) and that all wages were paid in line with the National Legislation.

Other **documentation** may be requested at any time for additional verification purposes.

Checks may be carried out by Jobsplus officials or any other relevant authority to clarify and certify the correctness and the eligibility of subsidy, even following the execution of payment.

4.1.3 Payment timeframes

The subsidy will be paid to the Beneficiary upon completion of every 13-weeks or 26-week period; or once, following premature termination of the Grant Agreement. Claims for Reimbursement are expected to be processed by Jobsplus within a timeframe of three months from receipt of complete reimbursement documentation and any clarifications sought. Jobsplus shall not be held responsible for any delay due to reasons

¹⁵ The Common Immediate Result Indicator Form needs to be presented at exit / end date of scheme, i.e. together with the Justification Form or with the Final Claim for Reimbursement.

beyond its control. It is the responsibility of the Employer to ensure that all the relevant documentations are correct and sent in time in order not to slow down the process.

Following Jobsplus processing of the claim for reimbursement, the EU Payments Unit will conduct further checks before the execution of payment. Jobsplus cannot be held liable for delays in the payment process or for any overruling by superior authority of its initial approval of payment.

4.2 Double Funding

To avoid double funding of wage costs by other Community or National schemes or within other programming periods, the Corporation reserves the right to share all A2E information with other public entities/public authorities to ensure that no other public funds are made available to the Beneficiary in respect of the same employment other than through tax credits. Funding of basic wages for the same employment from any other sources is strictly prohibited.

4.3 Employers subject to Recovery of Community and National Funds

The Beneficiary should notify Jobsplus if the Beneficiary is or becomes at any time subject to any recovery of funds procedures either in Malta or in any other Member State; any outstanding recovery orders still in place would exclude the Employer from receiving aid.

CHAPTER 5: MONITORING AND EVALUATION

5.1 Monitoring Structures

5.1.1 Monitoring by the Beneficiary

The Beneficiary has the responsibility of ensuring effective monitoring of the subsidised employment. The responsibility of the Employer extends beyond the achievement of results but entails also monitoring of the physical implementation. It is up to the Employer to choose the most appropriate tool to ensure effective and timely monitoring. The IB may request photographic evidence of the subsidised employment for use in the Scheme's publicity.

5.1.2 Physical on-the-spot check by Jobsplus

Jobsplus monitoring officers will conduct monitoring visits to evidence the employment of the participant in relation to the A2E Application Form and that the respective employment parameters are being met by the Employer. Each monitoring visit will be documented by a monitoring report and photographic evidence (the latter may be used for publicity purposes).

Unannounced monitoring visits will also be conducted at the sole discretion of Jobsplus.

5.1.3 Participation in Monitoring and Evaluation Activities

The Beneficiary accepts to participate in and contribute to all monitoring and evaluation activities organised by Jobsplus, the Managing Authority¹⁶, the European Commission as well as other Authorities.

¹⁶ The Managing Authority (MA) is the body responsible for the overall management of the EU Cohesion Policy. The MA is the Planning and Priorities Co-ordination Division within the Ministry of European Affairs and Implementation of Electoral Manifesto

CHAPTER 6: AUDIT AND CONTROL

6.1 Internal Control (Employer)

The Beneficiary understands that Jobsplus reserves the right to implement preventive and detective control mechanisms to combat fraud and corruption. Jobsplus is also committed in transmitting cases to the competent authorities for investigations and sanctions.

The Beneficiary shall be solely responsible to ensure that to the best of its knowledge, no funds invested in this Operation by such Employers are of illicit origin, including products of money laundering or linked to the financing of terrorism.

6.2 First Level of Control & On-the-Spot Checks (Jobsplus and other Authorities)

Management verifications shall be carried out by Jobsplus, the Managing Authority, the Certifying Authority¹⁷ and other Authorities to ensure that the employment is real and in line with the Grant Agreement and complies with Community and National rules.

Jobsplus may conduct three types of checks:

- a) **Physical On-the-Spot Checks (Monitoring)** – This will be carried out on all Beneficiaries to ensure that the employment of the new participant under the A2E Scheme has been affected and is in line with the Grant Agreement;
- b) **Desk-Based On-the-Spot Checks** – On a sample basis, more in-depth checks may be carried out on the Beneficiary; in terms of retention of documents and checks related to national insurance contributions (i.e. IRD Certificate). Further documents may be requested to the Employers in order for Jobsplus to conduct these checks;
- c) **Desk-Based Documentary Checks** – This will be carried out on all Beneficiaries to ensure that documents are correct.

It should be noted that these checks are NOT audits but administrative and physical verifications. Jobsplus will co-ordinate such checks. Any queries that may arise from such spot checks are submitted to the Beneficiary's Project Leader and should be answered within the stipulated deadline.

Jobsplus shall inform the Beneficiary at least one working day in advance that a Desk-Based On-the-Spot Check will be carried out. Physical On-the-Spot Checks may be carried out unannounced by the IB.

The following are some of the verifications that may be carried out by the IB during the Physical or Desk-Based On-the-Spot Checks:

- The new employment has been carried out (physical check) as per Grant Agreement;
- Regulations on information and publicity were followed;
- All necessary documentation has been retained;
- Compliance with Community and National rules (e.g. State Aid, protection of the environment, equality of opportunities and publicity throughout the implementation of the operation) was adhered to.

The Beneficiary should note that the following documents form an integral part of the project dossier, which may be checked during the On-the-Spot Checks:

- Copy of the Application Form and related documentation;

¹⁷ The Certifying Authority (CA) is responsible for certification process of EU funds. The CA is the EU Paying Authority Directorate within the Ministry of Finance, Economy and Investment

- Original Grant Agreement and Addenda/Corrigenda;
- Copies of all A2E claims / documentation related with reimbursement.

The Managing Authority and other Authorities may also carry out these same or other checks.

6.3 Second Level of Control

The 2nd level of control refers to audits (of systems and operations) that are carried out by the local and foreign audit bodies. The Internal Audit and Investigations Directorate (IAID) is the designated Audit Authority as per Article 127 of Council Regulation 1303/2013 and it is the main entity responsible for the proper functioning of the management and control system of the operational programme and to audit an appropriate sample of operations on the basis of the declared operation. Their audits are carried out on an ongoing basis throughout the EU Funding Programming Period; therefore, documents are to be retained for **five years** after the end date of the project (*i.e. the mandatory retention period as per Grand Agreement Section 3*). The AA will notify the Employer of the audit at least one day in advance.

Other organisations, including the National Audit Office (NAO), the European Commission and the European Court of Auditors, may undertake audits on their projects. Entities such as the State Aid Monitoring Board (SAMB) may also carry out checks on the project in order to ensure that the project is being implemented in accordance with State Aid regulations.

The Beneficiary must ensure that all relevant documentation is made available to the auditors and provide all necessary support to the auditors in carrying out their work.

Findings' reports and follow-ups may be distributed by the AA to Jobsplus, the Managing Authority and the Certifying Authority. The AA may organise additional follow-up audits as required.

6.4 Preparing for Audit Visits (applicable to all audits)

As part of their preparation for an audit, Beneficiaries should ensure that:

- All persons (including technical personnel) within the Beneficiary involved in the implementation of the grant being audited are available during the audit.
- All documentation has been filed, to facilitate easy access during the audit. The auditors may ask for copies of all documents that are in file.
- It is important to note that auditors are not required to give notice prior to site visits.

Typically, auditors will seek to examine the following documentation during an audit visit:

a) Employment Documents:

- Acknowledgment Letter
- Acceptance Letter
- Application Form and relevant documentation
- Signed Grant Agreement between the IB and the Employer
- Any addenda / corrigenda to the Grant Agreement
- Employment Contract
- Engagement Form

b) Information and Publicity:

- Verification of compliance with compulsory EU information and publicity requirements during employment period (such as scheme posters hanging in a prominent place within the Employer's premises)

- c) **Implementation Documents:**
 - Copy of Claim for Reimbursement Form submitted
 - Certificate from the Inland Revenue Department

- d) **Payment Documents:**
 - Letter from Jobsplus notifying subsidy payment

6.5 Follow-Up to an Audit

Once an audit is concluded, the auditors will compile a report with all findings and any recommendations. Should there be the need for any clarifications the auditors will seek feedback from both the IB and the Employer.

CHAPTER 7: COMPLIANCE WITH COMMUNITY POLICY

7.1 General Principles

The Beneficiary should ensure coherence with Community Policies namely, State Aid requirements, equal opportunities, and non-discrimination, equality between men and women, and sustainable development.

EU funds will be offered on terms and conditions, which will be stipulated in the Grant Agreement. In accepting the offer of EU funds, the Beneficiary will take on responsibility for compliance with these terms and conditions.

The implementation is subject to audits by both National and European Bodies. Officials from the Managing Authority¹⁸, the Intermediate Body¹⁹ and other horizontal stakeholders will also have the right of access to all information related to the activity funded. This will include (but will not be limited to) the performance of documentary and physical on-the-spot checks to monitor compliance with the Grant Agreement, with the horizontal priorities of publicity, state aid, equal opportunities, the environment and sustainable development, evaluation and with the prevailing EU Regulations for Structural Funds.

It is important to note that European Structural and Investment Funds are public funds. In this regard, if the employment is eligible for funding, the Beneficiary will be bound by the principles of good governance, sound financial management and the relevant national regulations pertaining to public funds.

7.1.1 State Aid Requirements

EU State Aid rules apply to the A2E Scheme²⁰ as it involves direct financial support from the public sector to commercial enterprises or organisations carrying out an economic activity. It is important to note that if an aid recipient (i.e. the Employer) is found to be in breach of State Aid requirements, the funds will be recovered from the Employer possibly together with interests and fines.

7.1.2 Equal opportunities, non-discrimination and equality between men and women

It is important to note that every Beneficiary is required to take a pro-active approach to Equal Opportunities. The Beneficiary must ensure that Equal Opportunities are taken into consideration at all stages of the A2E. Equal

¹⁸ The Planning and Priorities Co-ordination Division (PPCD) within the Ministry for European Affairs and Implementation of the Electoral Manifesto.

¹⁹ Jobsplus

²⁰ Applicable only for those enterprises who hold an economic activity

Opportunities should be understood to cover not just gender discrimination but also discrimination based on racial or ethnic origin, religion or belief, disability, age or sexual orientation.

In the operation, benefitting this grant the Beneficiary must have in place the necessary safeguards to prevent any form of discrimination based on sex, racial and ethnic origin, religion or belief, age, disability or sexual orientation as referred in terms of Chapter 452 and Chapter 456 of the Laws of Malta.

7.1.3 Sustainable Development

All efforts should be made by the Employer to include Sustainable Development related actions at all stages of the new employment. The Employer must ensure that the operation is structured in such a manner that concrete positive actions towards better sustainability are mainstreamed throughout.

It is important to note that Environmental matters should also be taken into consideration at all stages of the design and implementation of the new employment. The employment should be structured to avoid any related minimum environmental damage.

CHAPTER 8: REPORTING ON IRREGULARITIES

8.1 How to Detect an Irregularity

Irregularities are mainly detected through the various checks and audits carried out by different entities. Irregularities may also be detected through other means, including controls and evaluations; receipt of grievance or compliant (unanimous or not), and/or public domain information.

8.2 Reporting an Irregularity

If an irregularity is detected, the Employer has the duty to **IMMEDIATELY** report the irregularity to the Project Leader of the A2E Scheme within Jobsplus.

8.3 Financial Recoveries

In cases where an irregularity necessitates recovery of funds, the person/organisation detecting such irregularity must ensure that recovery procedures are initiated immediately.

8.4 Financial Corrections

It is important to note that failure to apply rules and regulations can result in irregularities, which, in turn, could lead to financial corrections. In certain cases, the recovery can be up to 100% of the amount paid.

CHAPTER 9: INFORMATION AND PUBLICITY

9.1 Publicity

- a) In order to enhance transparency regarding the use of the Scheme's Funds, general details of the operation such as: the name of the Employers; the title of the operations and the amount of public funding allocated to each operation may be published.
- b) The IB will provide a publicity poster to the Employer showing the funding sources of the Scheme. The applicant must place this poster in a prominent place within their premises.
- c) The Beneficiary shall ensure that the participants being subsidised under the A2E have been informed about the Scheme's benefits.

- d) The IB may request the Employer to collaborate in the organisation of events or promotional activities, including networking and exchanges at both National and European level.

9.2 Data Protection

All data is collected and held by Jobsplus and/or transferred to official third parties in order to fulfil Jobsplus functions, including publicity and research and other Community obligations according to Law and in line with the provisions of the Data Protection Act²¹ and the General Data Protection Regulation²².

Beneficiaries should disclose correct and accurate data to Jobsplus. An Employer has the right to access all data relating to the applicant's grants as well as to request that any incorrect data is rectified. The Employer should inform every new employee of what personal data they are disclosing to the authorities.

CHAPTER 10: CLOSURE AND RETENTION OF DOCUMENTS

Beneficiaries should note that projects could be audited even after completion of the Grant Agreement Implementation period. Every Beneficiary benefiting under the A2E Scheme is obliged to **keep all documents** related to the operation **for up to 5 years after the end of the project (i.e. the mandatory retention period as per Grand Agreement Section 3)**. Employers are required to maintain documents in their original or copy format (*as applicable*). Refer to Section 6.4 for details of the documents that may be checked during audit visits.

FINAL NOTE

Jobsplus is considering various other simplification procedures; once any is approved by the competent Authorities, these may be added to these Guidance Notes and implemented with retrospective effect in respect of all A2E grants.

²¹ Data Protection Act, Cap 440 of the Laws of Malta

²² General Data Protection Regulation (GDPR) (EU) 2016/679

Annex 1: ISCED Levels

Malta Qualifications Framework			ISCED 1997	ISCED 2011
8	Doctoral Degree		8 Secondary Stage of Tertiary education	8 Doctoral Degree/PhD or equivalent
7	Master's Degree Postgraduate Diploma Postgraduate Certificate			7 Master's Degree or equivalent
6	Bachelor's Degree		5 First Stage of Tertiary Education	6 Bachelor's Degree or equivalent
5	Undergraduate Diploma Undergraduate Certificate Higher Education Certificate	Foundation Diploma VET Higher Diploma		5 Short-cycle tertiary
4	Matriculation Certificate Advanced Level Intermediate Level	VET Diploma (e)	4 Post-Secondary education	4 Post-Secondary Level
3	General Education Level 3 SEC Grade 1-5	VET Level 3 (d)		
2	General Education Level 2 SEC Grade 6-7 Secondary Education School Certificate and Profile (B)	VET Level 2 (c)	3 Upper Secondary education	3 Upper Secondary Level
1	General Education Level 1 Secondary Education School Certificate and Profile (A)	VET Level 1 (a)(b)	2 Lower Secondary education	2 Lower Secondary Level
			1 Primary education	1 Primary Level
			0 Pre-Primary education	02 Pre-Primary Level 3 years
				01 Pre-Primary Level 0 - 2 years

* VET stands for Vocational Education and Training

Annotations:

* The Qualifications Framework is designed in such a way as to be able to include diverse forms of qualifications not as yet covered by this Framework.

(a) Attainment of the Basic Employment Passport together with either the Adult Skills Certificate or the NCHFE 8 Key Competences at Level 1 are also considered as a Full VET Level 1 qualification.

(b) The NCHFE recommends that a Full VET 1 qualification should enjoy the same parity of esteem as a Secondary School Certificate and Profile (A).

(c) The NCHFE recommends that a Full VET Level 2 qualification should enjoy the same parity of esteem as a Secondary School Certificate and Profile (B)/ SEC Grade 6-7.

(d) The NCHFE recommends that a Full VET Level 3 Qualification should enjoy the same parity of esteem General Education Level 3/SEC Grade 1-5.

(e) The NCHFE recommends that a Full VET Diploma should enjoy the same parity of esteem as the Matriculation Certificate.

Source: National Commission for Further and Higher Education (Malta) – Further and Higher Education Statistics 2013/2014

Annex 2: Premature Terminations of the A2E Scheme

Please note the following relating to termination from employment of A2E Participants during the implementation of the scheme.

- a) Upon premature termination of the grant agreement, both the Employer and the Participant must complete the appropriate A2E Scheme Justification Forms. FAQs to guide the Employer and/or participant on how to proceed in particular circumstances are available on our website on <https://jobsplus.gov.mt/schemes-jobseekers/fileprovider.aspx?fileId=4701>.
- b) The Beneficiary will be refunded only in respect of the weeks completed in full during the A2E Scheme i.e. if the participants have worked 25.6 weeks on the scheme the Employer will only be eligible to be refunded for 25 weeks.
- c) For further details on pre mature terminations and other frequent asked questions kindly visit <https://jobsplus.gov.mt/schemes-jobseekers/fileprovider.aspx?fileId=4701>.

Annex 3: Definition of Terms

- The **'employer'** in relation to the A2E Scheme refers to the beneficiary (i.e. employer) to who will be receiving the subsidy in relation to employing new employees through the scheme.
- An **'undertaking'** is considered to be all partners and linked organisation related to the applicant employer:
 - a) **Autonomous undertaking:** An undertaking that is totally independent, if it holds less than 25% ordinary share capital of another undertaking or if another undertaking holds less than 25% of its ordinary share capital;
 - b) **Partner undertaking:** an undertaking holding ordinary share capital equal to or greater than 25% but not greater than 50% in another undertaking; or
 - c) **Linked undertaking:** An undertaking holding the majority of the ordinary share capital of another undertaking.
- An **'autonomous enterprise'** is any enterprise, which is not classified as a partner enterprise within the meaning of 'partner enterprise' or as a linked enterprise within the meaning of 'linked enterprises' as explained below.
- The **'headcount'** corresponds to the number of annual work units (AWU), i.e. the number of persons who worked full-time within the enterprise in question or on its behalf during the entire reference year under consideration. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of AWU. The staff consists of:
 - a) employees;
 - b) persons working for the enterprise being subordinated to it and deemed to be employees under national law;
 - c) owner-managers;
 - d) partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise.Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not included as staff. The duration of maternity or parental leaves is not counted.
- The **'Legal Name of Employer'**:
 - a) The legal name of the employer as registered under the law applicable to its establishment. E.g. Employers registrable under the Companies Act – Chapter 387 of the Laws of Malta, should provide the name as registered with the Registrar of Companies.
 - b) Employers, which are not vested with a legal personality acquired through the law applicable to their establishment, e.g. Associations, are to include the name as registered under the Second Schedule of the Civil Code (Chap. 16 Laws of Malta).
 - c) Self-employed/Sole Traders should include the name of the self-employed person.
- **'Linked enterprises'** are enterprises which have any of the following relationships with each other:
 - a) an enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
 - b) an enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
 - c) an 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;

- d) an 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
- **'net increase in the number of employees'** means a net increase in the number of employees in the establishment concerned compared with the average over a given period in time, and that any posts lost during that period must therefore be deducted and that the number of persons employed full-time, part-time and seasonal has to be considered with their annual labour unit fractions;
 - **'Partner enterprises'** refers to all enterprises which are not classified as linked enterprises within the meaning of 'linked enterprises' and between which there is the following relationship: an enterprise (upstream enterprise) holds, either solely or jointly with one or more linked enterprises within the meaning of 'linked enterprises', 25 % or more of the capital or voting rights of another enterprise (downstream enterprise).
However, an enterprise may be ranked as autonomous, and thus as not having any partner enterprises, even if this 25 % threshold is reached or exceeded by the following investors, provided that those investors are not linked, within the meaning of 'linked enterprises', either individually or jointly to the enterprise in question:
 - a) public investment corporations, venture capital companies, individuals or groups of individuals with a regular venture capital investment activity who invest equity capital in unquoted businesses (business angels), provided the total investment of those business angels in the same enterprise is less than EUR 1,250,000;
 - b) universities or non-profit research centres;
 - c) institutional investors, including regional development funds;
 - d) autonomous local authorities with an annual budget of less than EUR 10 million and less than 5,000 inhabitants.
 - **Staff headcount and financial thresholds determining enterprise categories**
 1. The category of micro, small and medium-sized enterprises ('SMEs') is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.
 2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.
 3. Within the SME category, a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed the EUR 2 million.
 - **'Subsidiary Legislation 343.23'** Manpower records (commencement or termination of employment) regulations. LEGAL NOTICE 110 of 1993, as amended by Legal Notices 144 of 1999, 424 of 2007 and 426 of 2012.
 - **'subsidy'** means a sum of money that the Employer will be eligible to receive if participating in the A2E Scheme;
 - An **'employer'** is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, also, self-employed persons and family businesses engaged in craft or other activities, and partnerships, associations, Non-Governmental Organisation or Social Partners regularly engaged in an economic activity. (Annex 1 of the Commission Regulation (EC) 651/2014)

- **‘undertaking in difficulty’** means an undertaking in respect of which at least one of the following circumstances occurs:
 - a) In the case of a limited liability company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, ‘limited liability company’ refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU and ‘share capital’ includes, where relevant, any share premium.
 - b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, ‘a company where at least some members have unlimited liability for the debt of the company’ refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.
 - c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.
 - d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.
 - e) In the case of an undertaking that is not an SME, where, for the past two years:
 - i. the undertaking's book debt to equity ratio has been greater than 7.5 and
 - ii. the undertaking's EBITDA interest coverage ratio has been below 1.0.

- **‘wage cost’** means the total amount actually payable by the Employer in respect of the employment concerned, comprising of the gross wage before tax and compulsory contributions such as social security, child care and parent care cost;

- **‘worker with disabilities’ / ‘registered disabled persons’** means any person who is recognised as worker with disabilities under national law²³;

²³ <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8718&l=1>