

# Television Production and Content Fund

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## What is the Television Production and Content Fund?

This Fund is earmarked to foster and assist in the development and production of content specifically designed for the television and online platforms. It is the idea behind this Fund that its money is used for the development and production of content which is of high quality, innovative and creatively ambitious. Following the successful launch of the Fund last year, the call for this year has been adjusted to take on board the feedback received from the industry. The main objectives of the Fund in this Call are to:

- Support the development and/or production of content specifically created for television and/or online platforms
- Stimulate the creativity of producers and production houses to create very high-quality content
- Develop and produce content which is attractive to local audiences as well as international players
- Create content which is financially feasible
- Encourage local producers and production houses to push their boundaries and explore international opportunities for their work
- Support producers and production houses to engage in innovative practices and introduce innovation into the sector

The Fund is managed centrally by the Office of the Minister within the Office of the Prime Minister

## How are certain terms defined?

**Qualifying Undertaking** means an entity or individual who is duly registered and is responsible for all activities involved in the making and which has full control of the qualifying production. Undertakings registered as commercial companies are to be either registered in an EU country and have an operating company registered in Malta or a local company duly registered in Malta. Any undertaking applying for this fund cannot have any government shareholding and/or involvement greater than 10% and cannot be affiliated, owned or otherwise associated with a political or religious organisation.

**Qualifying activity** means an activity carried out in Malta which is directly related to the qualifying production and which is directly incurred by the qualifying undertaking.

**Eligible expenses** include the following indicative list of expenses, net of VAT, which must be directly incurred in the qualifying production and are paid to local companies registered in Malta: expenditure on hotel accommodation and/or rental of real estate for foreign cast and crew, salaries of personnel directly engaged on the qualifying production, hiring costs of equipment, wardrobe, offices, props, animals and studio space required for the qualifying project, location fees and costs related to construction related to set building and/or adaptation of set props required for the qualifying production.

**Qualifying production** means production of content for the television and/or online platforms or the development of content for the television and/or online platforms which

is carried out in Malta<sup>1</sup> and is processed to commercial release standards. A production can be in the form of a film, series or mini-series including pilots, documentary, reality programme, children's or young adults programme or game show specifically developed for the television and/or online platforms. The following are not considered as qualifying productions: any public or special performance(s) staged for filming or otherwise, any sporting event, current affairs programmes or talk shows, demonstration programmes for tasks, hobbies or projects, review, magazine-style, or lifestyle programmes, advertising programmes or advertisements, pornographic content and computer games.

**Content** is defined as the material which will be produced for and delivered through television or online.

**Twelve-month period** is defined as the period between the 1st January and the 31st December 2022.

**Agreement** is defined as the commitment letter issued by the Evaluation Committee and entered into between the Beneficiaries and the Government as represented by the Chairperson of the Evaluation Committee or any other representative authorised to do so.

**Single undertaking** shall include all enterprises having at least one of the following relationships with each other:

- a) one enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
- b) one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- c) one 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) one 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 (a) to (d) above through one or more other enterprises shall also be considered to be a single undertaking.

**Fiscal year** means the fiscal year as used for tax purposes by the undertaking concerned.

**Financially feasible** means that the producer declares, and can prove if asked to do so, to having enough funds to cover the total (direct and indirect) costs of the project being submitted and ensure that the project can be completed in time and according to the standards required and listed in the application.

## What is the duration of the Fund?

The Fund shall be available for the period up to 31<sup>st</sup> December 2022 or until the budget of the Fund is fully utilised. All requests received during this period will be evaluated and considered.

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<sup>1</sup> If a production is not wholly carried out in Malta it may still qualify if the qualifying undertaking can show that at least 75% of the total expenditure for the work required on the project has been incurred in Malta. In such cases, only the expenditure made in Malta will be taken into consideration for calculation purposes.

## What are the applicable State aid obligations?

The Fund will implement Line Item 5012 of the Financial Estimates.

It will be implemented in line with the parameters and criteria of 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, 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 (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years. This period covers the fiscal year concerned as well as the previous two fiscal years.

This maximum threshold would include all State aid granted under this Fund and any other State aid measure implemented in line with the *de minimis* rule, including that received from any other entity. Any *de minimis* aid received in excess of the established threshold will have to be recovered, with interest, from the undertaking receiving the aid. The *de minimis* declaration form must be filled in and submitted together with the application form by all applicants.

*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.

## Who can apply?

In order to be eligible to benefit from this fund the applicant must satisfy the following criteria:

1. The applicant must be a qualifying undertaking.
2. The applicant must be undertaking any of the following activities with the funds received:
  - a. Production of content for the television and/or online platforms
  - b. Development of content for the television and/or online platforms

Only applications satisfying one of the above criteria together with clause a below and either one of clauses b, c or d will be considered as eligible projects:

- a. The project is financially feasible and a business plan including a financing plan has been drawn up showing this; and
- b. The project has potential to generate income other than the funds provided by the Fund; or
- c. The project has the potential to generate interest from another geographical market besides Malta; or

- d. The project is attempting to do something which is either innovative in its own right or being done for the first time in Malta. For these reasons the project will have the potential to substantially improve local productions or is introducing an innovation in terms of practice, script, genre, approach, etc. or is producing very high-end original content.
3. The applicant must be able to demonstrate that it is not fully dependent on the grant given by the fund but is able to generate additional funds to see the whole project through. The ability to demonstrate that funding from other sources has already been secured will strengthen the application. An application may be discarded if in the opinion of the selection panel the applicant fails to prove that enough funds exist to complete the project.
4. Co-productions are allowed as long as the qualifying undertaking has a majority and controlling shareholding in the project.
5. The project must be a new or original project (second or subsequent seasons of a series are not eligible) commencing by not later than 31<sup>st</sup> December 2022.
6. At least 75% of the total project expenditure must be incurred in Malta.
7. The project is developed in either Maltese or English.

## What can I apply for?

There are two types of applications, one for development and one for production. Funding for development covers financial support of qualifying activities such as but not limited to script development, research, production budgeting and planning. Funding for production covers the costs associated with the production of content. Development and production applications may have different rules and assessment criteria.

## What type of funding support is available?

The total amount of *de minimis* aid granted to a single undertaking under this Fund and any other *de minimis* scheme, shall not exceed in the aggregate €200,000 over a rolling three fiscal year period.

Applicants will be required to fill in and submit together with the application form for assistance under this Fund, a signed *de minimis* declaration form indicating any other *de minimis* aid received during the previous two fiscal years and the current fiscal year.

### Grants

Grants are awarded in the form of cash grants which will not exceed 75% or €75,000 (whichever is the lower) of the total eligible expenditure of a qualifying activity in a qualifying production by a qualifying undertaking. Only expenditure contracted in Malta can be claimed from this Fund and will be paid on presentation of the fiscal receipts, and invoice/quotation to back up such fiscal receipts, by the applicant. Any such expenditure needs to have been previously identified in the business plan submitted by the applicant and the claim needs to be certified by a warranted auditor. All claims need to be net of VAT.

In calculating the grant, the total amount of aid as defined by State Aid Regulations already received or which will be received by the qualifying undertaking, will be taken into consideration to ensure that all necessary rules and directives are respected.

Claims can only be made once and any eligible expenditure claimed under other schemes cannot be claimed under this Fund. In the event that a grant has been awarded either for non-eligible activity or for costs which have already been or are in the process of being refunded through some other scheme or an error has been identified resulting in an over payment of the grant or for any other reason which the grant should not have been paid, the qualifying undertaking will be required to refund the funds received plus any interest chargeable for the period. The applicant will need to sign a declaration to this effect.

## How will my application be assessed?

An evaluation committee shall be appointed to decide on the applications received. Applications will be assessed based on how well they meet the criteria established in the call and the general objectives of the Fund. It will be the responsibility of the applicant to submit a complete and properly documented application with details to enable the committee to make a decision.

The Committee retains the right to request meetings with and to seek clarifications from the applicants. Such clarification may include documentary evidence and any other proof it deems necessary as part of the evaluation process.

The assessment process will be divided into two parts. The initial part will evaluate whether the application satisfies all the eligibility criteria set out above and whether all the required documentation has been submitted and is correct. The evaluation committee will assess the application on the documentation submitted and will not ask for any clarifications. It is therefore the responsibility of the applicants to ensure that they submit a completed and correct application.

If the application overcomes the first assessment it will then be assessed against the criteria listed below and will need to obtain a minimum score of 65 in order to be considered for funding. The below are the criteria against which the application will be evaluated:

Relevance of the project - 30 points

- the extent to which the project supports the objectives of the fund (15 points)
- the level of innovation of the project in relation to the offering by the industry at the time of application (15 points)

Quality of the project - 45 points

- the level of quality being proposed including the production value of the project (20 points)
- the level of creativity demonstrated (10 points)
- the level of complexity of the project (10 points)
- the inclusion of new talent in the project (5 points)

Commercial viability and sustainability of the project - 25 points

- the quality and level of credibility of the budget and business and financing plans (5 points)
- the financial feasibility of the project (10 points)
- whether the project has already attracted additional funding from other sources (5 points)
- written commitment showing confirmation or very strong interest by a local broadcaster, network, content platform, sales agent or distributor for the project (5 points)

If the application obtains the minimum score required, the evaluation committee will make a recommendation with regards to the level of funds to be awarded.

## Do I need to have started the project to apply?

No, applications can be submitted for projects which are still at planning stage as well as for projects which have already commenced after 1 January 2022.

For projects which are still at planning stage the fund will make a commitment to the applicant based on the budget and business and financing plans submitted. In this case the project will need to start by 31<sup>st</sup> December 2022. Once the commitment letter is issued the funds will be ring-fenced for the project and disbursement may start on presentation by the qualifying undertaking of proof of payment or on presentation of a contractual obligation between the qualifying undertaking and a supplier related to the project or on presentation of an invoice issued by a supplier to the project.

For projects which have already started, the application can cover both costs already incurred as well as projected expenses which still need to be incurred in the future. Projects which started before 1 January 2022 are not eligible. All costs need to have been identified in the budget and business plan. Once an application is accepted the Fund will commit an amount of money which will be ring-fenced for the project and disbursed according to the proof of payment presented by the qualifying undertaking.

## How much funds can I apply for?

There is no minimum budget level but the maximum amount is €75,000.

There is no obligation on the part of the Fund to award the full amount which is requested or to award any funds even if the application is eligible.

All requests must be made in the currency in which they were incurred and the rate of exchange to Euro (€) shall be the one adopted by the Fund at its absolute discretion. If for whatever reason the commitment is not completed within the set timeframe, the funding commitment will be withdrawn and a withdrawal letter be issued. In such cases the beneficiary will be asked to reimburse any funds already disbursed.

It is hereby clarified that the Committee will not disburse any funds unless it is first provided with suitable evidence that an expense has been incurred. Such evidence is to include original fiscal receipts, audio-visual/documentary evidence or any other method the evaluation Committee deems appropriate.

The beneficiary must acknowledge the contribution from the Fund in the broadcast production.

## Can I submit more than one application?

Applicants can submit as many applications as they wish, but funding can only be provided for one project in the year in which the applications are open. If the Fund finds itself in a situation where an excess of funds exists, the Fund may consider financing more than one project from the same applicant to utilise the available funds at its disposal.

## When can I apply?

Applications are accepted throughout the year and the Fund will be available until the 31<sup>st</sup> December 2022 or until all the funds are committed. All qualifying expenditure being claimed will need to have been or will be disbursed by the qualifying undertaking during 2022.

## What happens if my application gets accepted?

Once your application is accepted you will be issued with a commitment letter indicating the level of funding committed to your project. The letter will also highlight the specific terms and conditions, if any, of the award. This will serve as the contract which would regulate the relationship between you and the fund. Once you receive this letter you will have one month to sign and return the commitment letter. If the letter is not signed and returned within this period, you will be considered as no longer interested and the offer will be automatically withdrawn.

## How can I apply?

You can apply by completing the application form and submitting all the documentation requested in the application. A final list of documents required at application stage will be published with the call but typically the application will require you to include the following:

- completed application form, including a *de minimis* declaration.
- creative pitch which includes (but is not limited to) the format, the logline, a synopsis of the project, an overview or story arc, a breakdown of the episodes, description of the lead characters, etc.
- one-page document outlining your vision for the project
- bios of the producer, writer, creator and other key individuals in the production team
- profile and portfolio of the undertaking's previous work
- declaration stating the originality of the content and that you hold the IP rights for this project
- detailed budget and business and financing plan
- proof of any other financing that has been secured for the project
- proof of confirmation or very strong interest from a broadcaster, network, content platform, sales agent or distributor for the project
- other documents or certificates you deem necessary in support of your project

All applications will be treated in strict confidence and access to any application submitted shall be restricted only to those who need to have access to it for reasons related to the handling, administration, evaluation and adjudication of the application.

Information about the rules and regulations governing the reimbursement of eligible expenditure can be found in Annexe A - Conditions for Reimbursement of Eligible Expenditure.

## Can I change an application once it is submitted?

No, any application which has been submitted cannot be changed. If you wish to change your application you will need to withdraw the one you have and submit a new application.

## What else do I need to consider before applying?

- You should include a detailed budget and business and financing plan for the project with your application. This is a very important part of the application process.
- If you have secured or are in the process of securing additional funding from other sources for the project, you should provide all the information related to this with your application. The securing of funding from other sources will strengthen your application with the Fund.
- Submit, with your application, any certification which is required by your project or for which your project qualifies.
- The evaluation of your project will be made on what you submit so the project needs to be well thought out and you need to submit a good creative package with your application including all the documents listed in this document as well as a detailed production plan, a fully developed screenplay and casting plan.
- You need to demonstrate you have or can acquire all the rights necessary to produce and exploit your project.
- You are expected to show that there is interest in your project and submit a written commitment showing confirmation or very strong interest by a broadcaster, network, content platform, sales agent or distributor for your project. If you decide not to attach such a commitment with your application, you will be required to explain in detail the reasons for your choice and your plan to commercialise your project.
- You will be expected to deliver regular progress reports of your project as directed by the fund and you can be subject to audit at any time by the fund.
- You will be required to credit the fund with a mention that the project was developed with the support of the Television Production and Content Fund of the Government of Malta managed by the Minister within the Office of the Prime Minister. The fund may provide you with additional wording or other images/logos which will need to be included.
- The adjudication committee may request to visit the premises of the undertaking or the location of the project as part of the evaluation process. If such a request is made, you cannot refuse to grant access to the adjudication committee.

- In line with the de *minimis* Regulation, records shall need to be maintained for 10 fiscal years from the date on which the aid was granted.

## Who should I contact if I need further information?

For further information you can contact us as follows:

- By email - [msd.opm@gov.mt](mailto:msd.opm@gov.mt)
- By phone - 22002539 or 22002514

## **Annexe A - Conditions for Reimbursement of Eligible Expenditure**

### **Procurement of Goods, Services or Works**

Eligible expenditure should meet the following criteria:

- i. Must be incurred by the beneficiary.
- ii. Must be incurred within the period and for actions set out in the Agreement.
- iii. Must be identifiable and verifiable.
- iv. Must comply with the national legislation including law on taxes, labour and social security.
- v. Must be reasonable and comply with the principle of sound financial management.

### **General Issues**

**Beneficiaries should avoid situations that could present conflicts of interest when undertaking procurement. All procurement of goods, works and services is to be made from sources external and unrelated to the beneficiary Undertaking.**

VAT is not an eligible cost and beneficiaries should ensure that VAT and any other taxes are quoted separately by suppliers.

All financial documentation should be presented in the Euro denomination although expenses need to be presented in the currency in which they were incurred.

## **Award criteria**

### **Lease or Rental of Operational Premises**

Cost for the lease/rental of privately-owned operational premises required for the operations of the Undertaking can be considered for the extent and duration of the project.

The premises should be leased or rented from a third-party private source unrelated to the Undertaking.

### **Employment Costs**

**Employment costs** are based on the latest documented annual gross employment costs as evidenced by the FS3 issued by the employer with respect to the employee concerned. In such instances the following procedures should be followed.

Employment Costs are eligible, if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and for the duration assigned to the action.

The employee's contract should clearly outline the duties to be performed and that these are exclusively in relation to the assisted action.

Claims for reimbursements on employment costs should be evidenced by supporting documentation in the form of a brief report signed by the employee and the beneficiary respectively.

## Project Implementation

### Project Start and End Dates

The project start and end dates will be determined by the Evaluation Committee following a thorough assessment of relevant project proposals, as these will be clearly indicated in respective Agreements Eligibility of actions in relation to the activities for which assistance is being requested may go back to 1<sup>st</sup> January 2022, whilst claims for reimbursement may only be initiated after the date of the Agreement, which is the date of the Granting of the Aid.

The Evaluation Committee may consider, on a case-by-case basis and under exceptional circumstances, requests for an extended implementation timeline, which in any case may not exceed 12 months subject to the following specific conditions:

1. In those instances where the resultant delay is beyond the control of the beneficiary.
2. Any such extension beyond the timeline limitation is to be approved by the Evaluation Committee further to a written request by the beneficiary submitted prior to the deadlines approved in the Agreement.

### Project File

The beneficiary is to keep and maintain a separate filing system for the approved project. The file should include different sections enabling easy reference when it will be the case to be monitored by the Evaluation Committee.

It is proposed that the project file is organised as follows:

Part 1	<b>The Agreement and any addenda or corrigenda</b>
	<ol style="list-style-type: none"><li>i. The original signed and dated Agreement.</li><li>ii. The acceptance letter issued by the Evaluation Committee.</li><li>iii. Correspondence related to requests for amendments to the Agreement.</li><li>iv. Correspondence such as approvals or rejections issued by the Evaluation Committee related to requests for amendments to the Agreement.</li></ol>
Part 2	<b>The Application Form</b>
	<ol style="list-style-type: none"><li>i. A copy of the submitted application form.</li><li>ii. The acknowledgment of receipt of the application issued by the Evaluation Committee</li></ol>
Part 3	<b>Claims for Reimbursement and Payments</b>
	<ol style="list-style-type: none"><li>i. A copy of the reimbursement request submitted to the Evaluation Committee.</li><li>ii. Invoices, receipts, bank statements and cheque encashment images copies of which were submitted with the request for reimbursement.</li></ol>

## **Payments**

**Cash disbursements are strictly prohibited.** The total expenditure must be paid by the beneficiary through transparent, traceable bank transactions, i.e. either through direct bank transfer or through payments by cheque. Payments should be made through an identifiable bank account and to the identified bank account of the Service Provider/Supplier.

## **Documentation**

When purchasing fixed assets, it is important that the item is used for the specific reasons for which it was acquired and in accordance with the applicable Agreement. All documentation in relation to the purchase and use of fixed assets (including guarantees), has to be filed in the project file. The beneficiary should ensure that all relevant documents are handed over by the supplier and filed for ease of future reference, in line with the principle of sound financial management.

## **Authorised Representative**

The Authorised Representative is the person entrusted to legally represent the beneficiary organisation and is thereby authorised to enter into agreements and sign contracts for and on behalf of the organisation. In the case of Sole Traders/Self Employed person, this should invariably be the applicant, i.e. the Self-Employed individual.

## **Changes and amendments to the project**

Assisted projects should be implemented strictly in line with the Agreement, failure of which may result in recovery of funds.

Issues may arise during the implementation of a project that necessitates a deviation from the original application as reflected in the Agreement. In such cases, the beneficiary is to notify the Evaluation Committee immediately and submit a written request for the same Committee's consideration, signed by the Authorised Representative. No expenditure related to actions and activities impacted with such deviations may be incurred by the beneficiary prior to an approval issued by the Evaluation Committee in this regard.

## Financial Management and Control

### Reporting

Following the completion of the assisted intervention the beneficiary is to submit to the Evaluation Committee, a Final Implementation Report together with the final claim for reimbursement. Such report must include a copy of the completed product/initiative.

A final implementation report will need to be submitted together with the final claim for reimbursement, following the completion of all the assisted activities as outlined in the Agreement. In such cases, the final claim should either cover the full amount disbursed or, in case an interim claim would have been submitted, the final claim would cover the remainder of the expenditure disbursed.

### Reimbursement Process

The beneficiary must submit a claim for reimbursement together with the Interim and/or Final Implementation Report as outlined in the preceding section. The reimbursement request should include the following:

- Final Settlement and of Social Security Contributions Compliance Certificate,
- Income Tax Compliance Certificate, and
- VAT Compliance Certificate.

These certificates are to be issued not earlier than the date of completion of the supported action, thus covering the implementation period of the activities included in the claim. Requests for the identified compliance certificates are to be addressed to the Evaluation Committee.

Reimbursement will be affected when the Evaluation Committee is satisfied that the claimed expenditure is implemented in line with the Agreement and pertinent guidelines.

The claim for reimbursement will include the following documentation which must be signed and certified by the Authorised Representative:

- Copies of contracts/purchasing/leasing/rental agreements.
- A copy of the invoice and respective delivery note issued by the Supplier/Service Provider.
- The original fiscal receipt issued by the Supplier/Service Provider.

***The Evaluation Committee may request any other documentation, which it deems necessary to support the claim, at any time for additional verification purposes.***

### Payment Process

The Evaluation Committee shall ensure that every effort is made to process the payment without undue delay from receipt of all the necessary documentation as outlined above and further to the resolution of any clarifications sought from the beneficiary. Invariably, reimbursement will only be processed at the point that the Evaluation Committee is satisfied that the assisted intervention has been implemented in line with the Agreement and the pertinent guidelines.

It is the responsibility of the beneficiary to ensure that all the relevant documentation is correctly submitted and to provide any necessary clarifications within the stipulated deadlines when these are sought by the Evaluation Committee so as not to slow down the payment process.

### **Double Financing**

The Evaluation Committee reserves the right to share all the information related to the supported activities with other public entities to ensure that no other public funds (National or EU Funds) were made available to the Undertaking in respect of the same activity. Funding for the same action from any other source of public funds is prohibited and will result in claw back (recovery) of funds.

### **Monitoring and Evaluation**

Effective monitoring is an important aspect which needs to be undertaken to ensure efficient and effective implementation and in ensuring that the targeted outcomes are achieved. To this end, both the beneficiary and the Evaluation Committee have specific responsibilities.

#### **Monitoring by the Beneficiary**

The beneficiary has the responsibility of ensuring effective monitoring of the implementation of the action. This responsibility goes beyond the achievement of the results but also that of monitoring the efficient implementation of the assisted intervention.

The beneficiary must keep documentary evidence of the implementation including the project file as outlined in previous sections, interim and final implementation reports, photographic evidence, and any necessary pertinent documentation providing an audit trail of the actions and activities within the implemented project.

#### **Physical on-the-spot checks by the Evaluation Committee**

The Evaluation Committee might conduct announced monitoring visits to verify the implementation of actions, as it may conduct unannounced monitoring visits at its sole discretion.

#### **Monitoring and Evaluation Activities**

The beneficiary is bound to co-operate and contribute to all monitoring and evaluation activities organised by the Evaluation Committee.

#### **Misrepresentation and Incorrect Claims**

The Evaluation Committee reserves the right to initiate action to recover any funds when claims are incorrect, funds are found to have been incorrectly utilised, there has been over-disbursement by the Fund or when in the opinion of the Evaluation Committee the Beneficiary did not act correctly and/or in good faith. In such circumstances the Evaluation Committee may also withdraw the total commitment made and in certain circumstances initiate legal proceedings against the Beneficiary.