



European Territorial Cooperation 2007-2013 CROSS-BORDER COOPERATION PROGRAMME ITALY-MALTA 2007 - 2013

*CCI 2007 CB 163 PO 037
COMMISSION DECISION C(2008) 7336 27th november 2008*

ANNUAL IMPLEMENTATION REPORT 2009

1. IDENTIFICATION

| | | |
|-------------------------------------|---|--|
| Operational Programme | Objective : | European Territorial Cooperation |
| | Eligible area : | Italy – Malta |
| | Programming period: | 2007/2013 |
| | Programme number: | CCI 2007 CB 163 PO 037 |
| | Programme title: | Operational Programme Italy- Malta 2007/2013 |
| Annual implementation report | Reporting period: | 2009 |
| | Date of approval of the annual report by the Monitoring Committee | Date of the MC written consultative procedure: started 29-06-2010 - ended 29/07/2010 |

June 2009

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2. OVERVIEW ON THE OPERATIONAL PROGRAMME IMPLEMENTATION

2.1 Results and progress analysis

2.1.1 Operational Programme physical outcomes

With Decision C (2008) 7336 of 11th November 2008, the European Commission adopted, pursuant to article 32, paragraph 5 of Regulation EC No. 1083/2006, the Italy-Malta 2007/2013 Operational Programme, approved by the Sicilian Regional Council with decision No. 123 of 2/04/2008.

In line with the provisions of Regulations (EC) n. 1083/2006 and n. 1080/2006 and with 2007-2013 Italy-Malta OP, on 24th April 2009 the Monitoring Committee approved the selection criteria for the operations - Standard Projects and Strategic Projects – taking into consideration: the SEE selection criteria, the eligibility rule for strategic projects set out in art. 21(1) first part of Reg. 1080/06 and the performance bonus given to those Standard and Strategic Projects whose operations shall implement more than two ways of cooperation, as stated in art. 19(1) of Reg. 1080/06.

During this first meeting, the MC also authorized the Managing Authority to start up the programme implementation procedures, using some expenditure budget in order to: hire a unit as part of Technical Assistance to MA in view of establishing the JTS, purchase office materials and equipments and establish the programme committees. Finally, the MC allocated the amount of € 15,000,000.00 as budget for the first call for standard projects, approved the budget for the Technical Assistance Plan and Communication Plan guidelines.

Successively, with notice No. 12313 of 08/07/09, the MC started a written consultation process to approve the Communication Plan for the 2007-2013 Italy-Malta OP, the Terms of Reference of the Executive Committee and of the Technical Assistance Plan. In line with Art. 9 (2nd paragraph) of the Terms of Reference of the SC, the written procedure ended on 23.07.2009 with the approval of the above mentioned documents.

In 2009 the Managing Authority concentrated mainly on setting up all the instruments and the elements that were necessary to allow a correct and efficient start of the planning of the 2007-2013 Italy - Malta OP. To this end, in addition to the aforementioned activity of defining the selection criteria of the operations included in the Programme, in order to ensure an appropriate guarantee of the correctness, regularity and eligibility of the applications for EU funds, a Manual for the implementation of the Operational Programme was drawn up to be used as a set of rules for access to funds by potential beneficiaries of funds and/or project applicants in order to ensure a clear understanding of the cooperation structures of the OP, and of the procedures to generate, present, manage and close projects, of the rules for the monitoring and control of the set operations and finally of the provisions concerning information and advertising.

In the last quarter of 2009, the MA concentrated on defining and implementing a new governance model of the Programme and for the management and control of expenditure generated by the programme itself. This priority of action was identified in order to comply with the requirements of article 71 of regulation (EC) 1083/06 on management and control systems, but also because it was necessary to guarantee a preventive activity of formalization of procedures and criteria to be applied to the organisation and to the instruments.

On the basis of the lesson learnt in the previous programming period, the MA decided to carry out the 2007-2013 Planning with an organisational model and operational procedures characterised by the necessity to ensure a high degree of reliability of the management and control systems, to prevent, identify and correct any irregularity or infringement of community, national or regional legislation. This model, which is currently being drawn up, is based on a careful analysis that has been widely debated with other regional authorities responsible for the implementation of the programme, such as the Certifying and Audit Authorities, and with the Maltese National Coordination Authority, which in its role as Member State of the Programme, ensures a

regulatory function which is inherent in the responsibilities of each Member State to exercise monitoring and carry out checks on the authenticity of expenditure and the execution of the programme on the national territory, offering its contribution in the implementation of the programme in cooperation with the MA in charge of the management.

In December 2009, MA launched the interlocutory stage with Italian Minister for Economy (IGRUE) that is in charge, as Minister, of checking and monitoring at a national level the management and control systems adopted by regional and/or national administrations that are in charge of EU programmes funded with structural Funds. The management and organisational model that the MA intends to use shall be described in the management and control system described in Art. 71 of Reg. CE 1083/2006 which shall be completed within the first semester of 2010 which in short, consists in allocating the responsibility for the planning, inquiry and concrete and financial implementation of the operations.

The model sets down a strict delineation between the management and the control activities, as set out in Art. 60 of Reg. CE 1083/2006 with the exception of activities concerning the compliance of operations and expenditure with national and community regulations, as defined in letter b) of the same article. The provisions therein described guarantee the compliance with the provisions of Article 24 letters a.b.c.d of Reg. CE 1083/2006 (EC) concerning the European Local Cooperation Objective. Additionally, in line with Art. 16 paragraph 1 of Reg. CE 1083/2006, and with what is set out in the document "General Characteristics of the national system for the control of the Programmes of the 2007-2013 European Local Cooperation Objective" MEF - IGRUE June 2008, the control function is significantly strengthened and reviewed by also giving more responsibilities to the beneficiaries. In order to guarantee the correctness, regularity and eligibility of the applications for EU funds, a specific reporting manual will be drawn up for operators and a monitoring manual with monitoring check lists attached, which explain in a clear and detailed manner the rules for reporting and for the activities that are co-financed by the ERDF and for expenditure control. In addition, the beneficiary is due to submit periodical statements of expenditure and a final report for a preventive check to an independent auditor, who has been appointed through public procedures, before presenting them to the MA.

With reference to the activities of information and advertising, following the approval by the European Commission on 5th November 2009 pursuant to Art. 3 of Reg. CE 1828/2006, the website of the Programme which can be visited on <http://www.italiamalta.eu> was produced.

In short, the status of implementation of the 2007-2013 Italy-Malta OP with the only exception of Priority 3, Actions of technical assistance, raising awareness, communication and advertising, has not generated a flow of expenditure, as previously mentioned.

Moreover, there have not been significant implementation problems, and therefore there has not been any substantial change pursuant to Art. 57 of Reg. CE 1828/2006.

In terms of their situation, the planning by Priorities is as follows:

PRIORITY I: COMPETITIVENESS – RESEARCH AND INNOVATION; SUSTAINABLE DEVELOPMENT

In line with the objectives fixed by the Lisbon strategy, priority Axis I is developed as a fundamental line of action and transversal internally in the action framework of the programme in order to promote competitiveness and innovation in the cross-border area.

As far as this Priority is concerned, procedures for the implementation of operations to achieve the following specific Objectives have started:

- 1.1 Supporting research and innovation in order to promote sustainable development paths;
- 1.2 Improving cross-border accessibility and reinforcing transport systems that are more environmentally friendly;

1.3 Contributing to the improvement of the integrated tourist offer in the cross-border area;

1.4 Contributing to the strengthening of cross-border institutional partnership in the areas identified under Priority Axis I.

In particular, the Managing Committee, in its first assembly of December 2009, approved together with the Manual for the Implementation of the Operational Programme, the first call for the selection of ordinary projects of Priority 1 and 2 of the Programme with the corresponding application form and the guidelines for filling it in.

The MA shall publish the call for projects in January 2010 with a financial amount for the Priority of € 7,819,149 and each project application shall comply with the following minimum requirements:

1. be executed by at least three partners, of which at least one is Italian and another one is Maltese;
2. satisfy at least two of the requirements of Art. 19 of Regulation (EC) n. 1080/2006: joint development, joint execution, joint personnel, joint financing;
3. have a total project allocation between a minimum of €300,000 and a maximum of €1,500,000;
4. have a high cross-border characteristic both in reference to the objectives of the activities as well as the composition of the partnership;
5. have a maximum duration of 24 months.

PRIORITY II: ENVIRONMENT, ENERGY AND RISK PREVENTION

Priority Axis II is based on the potential resources of the cross-border areas which can be further evaluated, on the basis of existing and sustainable development, in order to improve the quality of life for present and future generations. According with the Axis's strategy will be promote cooperation's activities in the areas of energy, risk prevention and the management of environmental strategies, even through initiatives which address the strengthening of institutional capacity.

Within Axis II, the instruments and procedures to implement the first call for standard projects were also defined, to fulfil its four specific objectives:

1. Contributing to the protection of the environment through the safeguarding, exploitation and monitoring of natural resources
2. Contributing to the development of renewable energy and energy efficiency
3. Promoting joint actions in the sphere of prevention of risks resulting from both natural and human causes
4. Contributing to the strengthening of cross border institutional partnership in the areas identified under Priority Axis II

As with the previous Priority, the first call for ordinary projects shall be published in January 2010 with a fund per reference Priority of € 7,180,851. As there is an only call for Priorities 1 and 2, the characteristics of the projects are the same as those mentioned above.

PRIORITY III: TECHNICAL ASSISTANCE, RAISING AWARENESS, COMMUNICATION AND ADVERTISING

During 2009, MA preventatively revoked, the call that was initially negotiated and shared with the Maltese Government for the selection of three figures, and completed the procedures for the selection of the members

of the Joint Technical Secretariat (JTS) of the Programme. In particular, once the national obligations set out by the Italian legislation for the acquisition of external resources to the Public Administration had been carried out, on 26.06.2009, it published a public notice for the Selection by qualifications and interview of 3 staff to make up the Joint Technical Secretariat of the Operational Programme for the 2007-2013 cross-border Cooperation Italy-Malta. The call was published in the Official Gazette of the Region of Sicily, on its official website www.euroinfocicilia.it, on the Planning and Priorities Coordination Division website of the Office of the Prime Minister (www.ppcd.gov.mt) and in regional and national press.

By means of the Government Decree No. 317 of 2.10.2009 a list was approved for the selection of two senior figures in management, monitoring, control and reporting of programmes co-financed by Structural Funds with specific reference to the ERDF in the sector of cooperation published on 26.06.09. With reference to the selection of the third member for the communication profile, no candidate was deemed suitable. The two members identified started work in November 2009.

Priority 3, unlike the other Priorities of the programme, generated a flow of expenditure, which corresponds to payments of € 80,858.91 concerning both the ordinary management of the OP and the activation of the JTS.

Achievement Indicators of the Operational Programme

The strategy of the 2007-2013 Italy - Malta OP finds its quantitative explanation in the sets of indicators associated to it. In line with Regulation CE 1080/2006 which recommends the use of indicators to evaluate achievement and the results of the programme, as well as the level of cooperation, the achievement indicators for Programme and Priority have been identified. Through the programme achievement indicators, it will be possible to evaluate the global impact on fundamental aspects such as the degree of cooperation and the degree of the type of cooperation in terms of the project programmes, which express the strength of the Programme together with the result indicators of the specific Priorities. As operations have started for all Priorities except Priority 3 Actions of Technical assistance, raising awareness, communication and advertising, the following charts contain only forecast data, as indicated in the adopted Programme.

Chart 1 : Performance Indicators

| Chart 1a: PRIORITY I - COMPETITIVENESS: INNOVATION AND RESEARCH; SUSTAINABLE DEVELOPMENT | | | | | | | | | | | |
|---|----------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| Indicators | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | TOT |
| Indicator 1 Number of participating organisation in the development of cross-border projects based on R&DT that involve public entities, research institutions, Universities and enterprise organisations | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | | 15 | |
| | Baseline ⁽³⁾ | 4 (al 2006) | | | | | | | | | |
| | | | | | | | | | | | |
| Indicator 2 Number of public | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | | 10 | |

| | | | | | | | | | | | |
|--|--------------------------------|-----------|--|--|--|--|--|--|--------------|--|--|
| and private entities involved in projects for the utilisation of eco-compatible models in the tourism sector as well as the management and supply of natural resources | <i>Baseline</i> ⁽³⁾ | 1 | | | | | | | | | |
| Indicator 3 Number of countries/tour operators reached by the joint promoting actions | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | 5 | | |
| | <i>Baseline</i> ⁽³⁾ | 1 | | | | | | | | | |
| Indicator 4 Number of Area Brand | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | 1 | | |
| | <i>Baseline</i> ⁽³⁾ | 0 | | | | | | | | | |
| Indicator 5 Number of Public entities involved in the exchange of experiences | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | .+ 15 | | |
| | <i>Baseline</i> ⁽³⁾ | 10 | | | | | | | | | |
| Indicator 6 Number of networks created in the tourism sector | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | .+ 3 | | |
| | <i>Baseline</i> ⁽³⁾ | 1 | | | | | | | | | |

| Chart 1b: PRIORITY II - ENVIRONMENT, ENERGY AND RISK PREVENTION | | | | | | | | | | | |
|---|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|------------|
| Indicatori | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | TOT |
| Indicator 1 % of the cross-border area effected by projects of safeguarding and management of the environment | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | | .+ del 15% | |
| | <i>Baseline</i> ⁽³⁾ | 0 | | | | | | | | | |
| Indicator 2 % of the cross- | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | | .+ del 10% | |

| | | | | | | | | | | | |
|---|--------------------------------|-----------|--|--|--|--|--|--|--|------------------|--|
| border surface area effected by projects of safeguarding and management of the environment | <i>Baseline</i> ⁽³⁾ | 0 | | | | | | | | | |
| Indicator 3 Number of EMAS certifications attained by local public entities | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | | .+ del 8% | |
| | <i>Baseline</i> ⁽³⁾ | 0 | | | | | | | | | |
| Indicator 4 Number of Common actions for the institutional coordination against environmental and technological risks | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | | 2 | |
| | <i>Baseline</i> ⁽³⁾ | 0 | | | | | | | | | |
| Indicator 5 Increasing power derived from renewable sources | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | | .+ di 500 | |
| | <i>Baseline</i> ⁽³⁾ | nd | | | | | | | | | |
| Indicator 6 Number of Public entities involved in exchange of experience | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | | .+ 15 | |
| | <i>Baseline</i> ⁽³⁾ | 0 | | | | | | | | | |

| Chart 1c: PRIORITY III - ASSISTANCE, AWARENESS, COMMUNICATION AND PUBLICITY | | | | | | | | | | | |
|--|--------------------------------|----------|--|--|--|--|--|--|--|------------|--|
| Indicator 1 % of thee cross-border area population reached through Information campaigns | Achievement ⁽¹⁾ | | | | | | | | | | |
| | Target ⁽²⁾ | | | | | | | | | 20% | |
| | <i>Baseline</i> ⁽³⁾ | 0 | | | | | | | | | |

2.1.2 Indicators of impact at the Operational Programme level

In line with the "Working document of the EC on indicators for the monitoring and evaluation of the programmes 2007-2013" the OP Italia-Malta has selected the following impact indicators:

| LEVEL OF COOPERATION OF PROJECTS AT PROGRAMME LEVEL | | | | | | | | |
|--|-------------------------------------|-----------|--------------------------------------|------|------|------|------|------|
| INDICATORS | UNIT OF MEASUR | OBJECTIVE | SOURCE | 2009 | 2010 | 2011 | 2012 | 2013 |
| Projects that respect at least two of the following criteria: joint development, joint implementation, joint personnel, joint financing | Percentage (%) on total of projects | 20% | Monitoring (project selection phase) | 0 | | | | |
| Projects that respect at least three of the following criteria: joint development, joint implementation, joint personnel, joint financing | Percentage (%) on total of projects | 55% | Monitoring (project selection phase) | 0 | | | | |
| Projects that respect all of the following criteria: joint development, joint implementation, joint personnel, joint financing | Percentage (%) on total of projects | 25% | Monitoring (project selection phase) | 0 | | | | |

| LEVEL OF COOPERATIVE NATURE AT PROGRAMME LEVEL | | | | | | | | |
|---|-------------------------------------|-----------|-------------------|------|------|------|------|------|
| INDICATORS | UNIT OF MEASUR | OBJECTIVE | SOURCE | 2009 | 2010 | 2011 | 2012 | 2013 |
| Projects that promote the use of common infrastructure | Percentage (%) on total of projects | 10% | Annual monitoring | 0 | | | | |
| Projects that develop partnerships in the public services sector | Percentage (%) on total of projects | 15% | Annual monitoring | 0 | | | | |
| Projects that reduce insularity through better transport accessibility, ICT networks and services | Percentage (%) on total of projects | 15% | Annual monitoring | | | | | |
| Projects that encourage and improve the protection and common management of the environment | Percentage (%) on total of projects | 20% | Annual monitoring | 0 | | | | |
| Projects that contribute to the management of natural | Percentage (%) on total of | 10% | Annual monitoring | 0 | | | | |

| | | | | | | | | |
|--|-------------------------------------|-----|-------------------|---|--|--|--|--|
| and anthropic risks | projects | | ng | | | | | |
| Projects that promote R&ST and innovative networks | Percentage (%) on total of projects | 10% | Annual monitoring | 0 | | | | |
| Projects that jointly promote tourism in the cross-border area | Percentage (%) on total of projects | 20% | Annual monitoring | 0 | | | | |
| Public institutions (regional, local) that cooperate on cross-border level | Number | 100 | Annual monitoring | 0 | | | | |

2.1.3 Financial Information

With regard to a short description of financial information, per Priority and per source of Programme financing, for the same reasons expressed above, there are increases in Priority 3 Actions of Technical assistance, raising awareness, communication and advertising (see Chart 2a-2b).

Chart 2a: Financial information of the Operational Programme per Priority, as of 31.12. 2009 cumulative.

| | Expenditure paid out by the beneficiaries included in payment claims sent to managing authority | Corresponding public contribution | Private expense## | Expenditure paid by the body responsible for making payments to the beneficiaries | Total payments received from the Commission |
|--|---|-----------------------------------|-------------------|---|---|
| Axis I - Competitiveness: Innovation And Research; Sustainable Development <i>ESF Expenditure</i> <i>ERDF Expenditure</i> | 0,00 | | | | 1.329.527,55 |
| Axis II - Environment, Energy And Risk Prevention <i>ESF Expenditure</i> <i>ERDF Expenditure</i> | 0,00 | | | | 1.220.994,69 |
| Axis III- Assistance, Awareness, Communication And Publicity <i>ESF Expenditure</i> <i>ERDF Expenditure</i> | 0,00 | | | 80.858,91 | 162.799,29 |
| Grand Total | 0,00 | 0 | | 80.858,91 | 2.713.321,53 |

Chart 2b: Financial information of the Operational Programme per Priority as of 31.12. 2009 year 2009

| | Expenditure paid out by the beneficiaries included in payment claims sent to managing authority | Corresponding public contribution | Private expense## | Expenditure paid by the body responsible for making payments to the beneficiaries | Total payments received from the Commission |
|---|---|-----------------------------------|-------------------|---|---|
| Axis I - Competitiveness: Innovation And Research; Sustainable Development | | | | | |
| <i>ESF Expenditure</i> | | | | | |
| <i>ERDF Expenditure</i> | 0,00 | | | | 1.329.527,55 |
| Axis II - Environment, Energy And Risk Prevention | | | | | |
| <i>ESF Expenditure</i> | | | | | |
| <i>ERDF Expenditure</i> | 0,00 | | | | 1.220.994,69 |
| Axis III- Assistance, Awareness, Communication And Publicity | | | | | |
| <i>ESF Expenditure</i> | | | | | |
| <i>ERDF Expenditure</i> | 0,00 | | | 80.858,91 | 162.799,29 |
| Grand Total | 0,00 | 0 | | 80.858,91 | 2.713.321,53 |

Chart 3 on financial progress, illustrates the resources planned per Priority and, for the reasons already explained above, only the undertakings and the expenses registered for Priority 3 Actions of Technical assistance, raising awareness, communication and advertising are reported.

Chart 3a: Financial chart of the Operational Programme per priority Priority, as of 31.12. 2009 cumulative

| Axes | Total Planning | Commitments | Payments* | Capacity of commitment | Efficiency in operation |
|--|----------------------|-------------------|------------------|------------------------|-------------------------|
| | A | B | C | B/A | C/A |
| Axis I - Competitiveness: Innovation And Research; Sustainable Development | 17.379.445,00 | 0,00 | 0,00 | 0,00% | 0,00% |
| Axis II - Environment, Energy And Risk Prevention | 15.960.715,00 | 0,00 | 0,00 | 0,00% | 0,00% |
| Axis III - Assistance, Awareness, Communication And Publicity | 2.128.095,00 | 326.958,76 | 80.858,91 | 15,36% | 3,80% |
| TOTAL | 35.468.255,00 | 326.958,76 | 80.858,91 | 0,92% | 0,23% |

Chart 3b: Financial chart of the Operational Programme per priority Priority, as of 31.12. 2009 year 2009

| Axes | Total Planning | Commitments | Payments* | Capacity of commitment | Efficiency in operation |
|--|----------------------|-------------------|------------------|------------------------|-------------------------|
| | A | B | C | B/A | C/A |
| Axis I - Competitiveness: Innovation And Research; Sustainable Development | 17.379.445,00 | 0,00 | 0,00 | 0,00% | 0,00% |
| Axis II - Environment, Energy And Risk Prevention | 15.960.715,00 | 0,00 | 0,00 | 0,00% | 0,00% |
| Axis III - Assistance, Awareness, Communication And Publicity | 2.128.095,00 | 326.958,76 | 80.858,91 | 15,36% | 3,80% |
| TOTAL | 35.468.255,00 | 326.958,76 | 80.858,91 | 0,92% | 0,23% |

2.1.4 Information about the breakdown of use of the Funds

With regard to the description of use of the Funds illustrated in the chart below, for the reasons already explained above, only the amounts registered for Priority 3 Actions of Technical assistance, raising awareness, communication and advertising are reported.

| Prorities | Types of financing | Territory | Area of business | Location | ERDF (**) | Total (**) |
|---|-------------------------------|------------------------------------|------------------|----------|-----------|------------|
| 1 - RTD activities in research centres | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 2 - RTD infrastructure (incl. physical plant, instrumentation and high speed computer networks linking research centres) and centres for competence in a specific technology | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 3 - Technology transfer and improvement of cooperation networks between small businesses (SMEs), between these and other businesses and universities, post-secondary education establishments of all kinds, regional authorities, research centres and scientific and technological poles (scientific and technological parks, technopoles, etc.) | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 11 - Information and Communication Technology (ICT) (access, security, interoperability, risk prevention, research, innovation, digital contents, etc.) | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |

| | | | | | | |
|--|-------------------------------|------------------------------------|-----------------|------|------|--|
| 13 - Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.) | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 14 - Services and applications for SMEs (e-commerce, education and training, creation of networks, etc.) | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 26 - Multimodal Transports | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 30 - Ports | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 40 - Renewable energy: solar | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 43 - Energy efficiency, co-generation, energy management | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 44 - Management of household and industrial waste | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 45 - Management and distribution of water (drinking water) | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |

| | | | | | | |
|---|-------------------------------|------------------------------------|-----------------|------|------|--|
| 46 - Water treatment (waste water) | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 48 - Integrated prevention and control | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 51 - Promotion of biodiversity and nature protection (including Natura 2000) | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 52 - Promotion of clean urban transport | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 53 - Risk prevention <i>(including the drafting and implementation of plans and measures to prevent and manage natural and technological risks)</i> | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 54 - Other measures to preserve the environment and prevent risks | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 55 - Promotion of natural assets | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 56 - Protection and development of natural heritage | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |

| | | | | | | |
|---|-------------------------------|------------------------------------|-----------------|------|------------|------------|
| 58 - Protection and preservation of cultural heritage | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 63 - Design and dissemination of innovative and more productive ways of organising work | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 74 - Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 80 - Promoting partnerships, pacts and initiatives through the networking of relevant stakeholders | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 81 - Mechanisms for improving good policy programme design, monitoring and evaluation at national, regional and local level, capacity-building in the delivery of policies and programmes | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |
| 85 - Preparation, implementation, monitoring and inspection | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 277.914,95 | 326.958,76 |
| 86 - Evaluation and studies; information and communication | 04 – Other forms of financing | 08 – Cross border cooperation area | 00 - Irrelevant | ITG1 | 0,00 | |

2.1.5 Information concerning the application of the Reg.(EC) 1080/2006, art. 21

According to the Italy-Malta 2007-2013 OP, the eligible cooperation area is composed, besides the cross-border areas (Provinces of Ragusa, Siracusa, Agrigento, Caltanissetta and Trapani), of the adjacent Provinces of Catania and Palermo, within the restrictions of the EC regulations. In particular, the OP enforces the principle of the Art. 21 – Reg (EC) 1080/2006 which establishes that the ERDF in cross-border cooperation can finance expenses incurred in the implementation of operations, or part of operations, in adjacent areas, within the limit of 20% of the funds allocated to the Programme.

In order to identify the financial operations to be allocated in adjacent areas, the Managing Authority established to apply the principle of the location of the beneficiary. According to this principle, the budget allocated to adjacent beneficiaries can not exceed the 20% of the total budget of the project.

However, in order to increase the benefits of the ERDF in the cooperation area, the Managing Authority established to apply also the principle of the localisation of the activities. This principle establishes that adjacent beneficiaries can incur expenses in cross-border area without limitation in the utilisation of ERDF. This opportunity is strictly related to the expenditures made in cross-border area, so the MA will provide to verify, since the stage of the project proposals evaluation, the according of the adjacent beneficiaries expenditures to the principle of the localisation of the activities. For instance, a beneficiary from Palermo (i.e. the Regional Agency for the Environment) could buy a weather station to be used in the territory of Ragusa. This expenditure can be easily localized and its benefits are ascribable to a cross-border area.

The principles of the location of the beneficiary and that of the location of the activities are fully described in the Manual of the Operational Programme, approved by the Executive Committee during the meeting taken in Catania on 14th December 2009. The same document was approved as annex of the “Description of the Managing and Control System” according to the Art. 71 Reg.(EC)1083/2006

Concerning the monitoring procedures towards the financial operations of the beneficiaries from the provinces of Palermo and Catania, the MA will verify during the project implementation, that the localized expenditure is ascribable to activities made in the cross-border area and whose benefits are also ascribable to the cross-border area. If the expenditure won't satisfy these requirements, it will be treated in the terms of the principle of location of the beneficiary (it cannot exceed the 20% 20% of the funds allocated to the project).

2.1.6 Assistance by target groups

In 2009 the Programme was not yet in its full operational stage. Therefore there is no information on this subject.

2.1.7 Assistance repaid or re-used

In the year of reference, the Certifying Authority did not perform any suppression. Nor have any recovery processes started for the Programme or is any recovery pending.

2.1.8 Qualitative analysis

In this paragraph a qualitative analysis must be done of the programme's global results in terms of physical and financial indicators, that is, on the progress achieved with reference to the physical objectives described in the OP.

In view of the fact that in 2009 the Programme, with the exception of Priority 3 - Actions of Technical assistance, raising awareness, communication and advertising has not yet started its implementation stage, there is therefore only information about the list of active Beneficiaries.

Chart with the list of beneficiaries for the year 2009.

| Name of Beneficiary | Priority | Name of the operation | Financing year | Total Expenditure | Project Expenditure | Amount paid out | |
|---------------------|----------|--|----------------|-------------------|---------------------|-----------------|-----------|
| | | | | | | Total | ERDF |
| Region of Sicily | 3 | Fee for Technical Assistance | 2009 | 24.000,00 | 24.000,00 | 23.936,03 | 20.345,63 |
| Region of Sicily | 3 | Programme Monitoring Committee Organization Catania - April 2009 | 2009 | 40.000,00 | 40.000,00 | 9.024,00 | 7.670,40 |
| Region of Sicily | 3 | Payment for publication JTS call on "La Repubblica" | 2009 | 1.500,00 | 1.500,00 | 1.500,00 | 1.275,00 |
| Region of Sicily | 3 | Payment for publication JTS call on "La Sicilia" and "Giornale di Sicilia" | 2009 | 3.434,76 | 3.434,76 | 3.434,76 | 2.919,55 |
| Region of Sicily | 3 | Fee for JTS components | 2009 | 300.000,00 | 300.000,00 | 38.745,10 | 32.933,34 |
| Region of Sicily | 3 | Payment for missions | 2009 | 49.000,00 | 49.000,00 | 4.219,02 | 3.586,17 |

2.2 Physical Indicators

Physical indicators are able to measure the programme advancement. An internal monitoring system, carried out through an informatics technologies that get in relation indicators with several variables, will allow the monitoring and the control of the physical indicators referred to the Operative programme axis.

The Managing Authority constantly monitors the physical indicators advancement in order to yearly highlight eventually gaps to the scheduled activities.

INDICATORS AT PRIORITY AXES LEVEL

| AXES OF REFERENCE | INDICATORS | UNIT OF MEASURE | Objective | SOURCE | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---|-----------------|-----------|---|------|------|------|------|------|
| AXIS I COMPETITIVENESS: INNOVATION AND RESEARCH; SUSTAINABLE DEVELOPMENT | R&ST projects that involve public entities, research institutions, Universities and enterprise organizations | Number | 5 | Monitoring Annual and at end of programme | 0 | | | | |
| | Projects that promote actions of awareness even to SME's for the utilisation of eco-compatible models in the tourism sector, management and supply of natural resources | Number | 2 | Monitoring Annual and at end of programme | 0 | | | | |
| | Projects of territorial marketing and joint promotion of tourism and cultural potential of the cross-border area | Number | 2 | Monitoring Annual and at end of programme | 0 | | | | |
| | Projects aimed at the improvement of the | Number | 3 | Monitoring Annual and at | 0 | | | | |

| | | | | | | | | | |
|--|--|--------|----|---|---|--|--|--|--|
| | coordination and accessibility of transportation systems in the programme area | r | | end of programme | | | | | |
| | Projects of promotion in favour of the reconversion of the transport system respecting environmental sustainability and with particular reference to the reduction of greenhouse gas emissions | Number | 1 | Monitoring Annual and at end of programme | 0 | | | | |
| | Projects aimed at the realisation and promotion of a brand of environmental sustainability even for the minor islands of the programme area | Number | 1 | Monitoring Annual and at end of programme | 0 | | | | |
| | Projects that promote the strengthening of the institutional partnership in the cross-border area | Number | 2 | Monitoring Annual and at end of programme | 0 | | | | |
| PRIORITY AXIS II ENVIRONMENT, ENERGY AND RISK PREVENTION | Projects of management and prevention from natural and anthropic risks (including technological risks) | Number | 2 | Monitoring Annual and at end of programme | 0 | | | | |
| | Projects aimed at promoting the safeguarding of the environment of the area (including the management of parks and protected areas) | Number | 3 | Monitoring Annual and at end of programme | 0 | | | | |
| | Projects relating to the improvement of the energy efficiency and the utilisation of sources of renewable energy | Number | 5 | Monitoring Annual and at end of programme | 0 | | | | |
| | Projects that promote the strengthening of the institutional partnership in the cross-border area | Number | 2 | Monitoring Annual and at end of programme | 0 | | | | |
| AXIS III Technical Assistance, awareness, communication and publicity | Personnel for the Joint Technical Secretariat | Number | 4 | Monitoring Annual and at end of programme | 0 | | | | |
| | Communication and Publicity events | Number | 30 | Monitoring Annual and at end of programme | 0 | | | | |
| | Operational Programme Guidelines | Number | 5 | Monitoring Annual and at end of programme | 0 | | | | |

INDICATORS AT PROJECT LEVEL

In order to guarantee an adequate project monitoring activity, the MA have foreseen a physical indicators set concerning the intervention field of the priority axis that are available for the lead partner.

Since the project falling under Axis I and II will be started a properly section in the present document will be available in order to present the achieved results

The system to individualize and monitor such indicators is standardize since the programming phase of the project proposal. Through the "section E" of the Application Form for the presentation of the standard project a properly template has been foreseen in order to allow the identification and the quantification by the lead partner.

At the 31.12.2009 none operation is active falling under Axis I and II of the OP.

2.3 Information about compliance with Community law

In the current implementation stage of the Programme no problems have emerged concerning compliance with EU legislation.

On regards to the application of the European legislation in the field of public procurement it is highlighted that all the foreseen procedures falling under Axis 3 have been carried out by the MA in line with the Decreto legislativo 12 aprile 2006, n. 163 "Codice dei contratti pubblici relativi a lavori, servizi e forniture in attuazione delle direttive 2004/17/CE e 2004/18/CE" published in the official journal of the Italian Republic n 100 of the 2 May 2006.

In any case, the MA is committed to allow access to the Programme's funds in full compliance with relevant EU regulations and in particular with the specific provisions of the EU Treaty and of directives 2004/17/CE and 2004/18/CE of the European Parliament and of the European Council, of the Interpretation Communication Committee of the EU Commission on EU law applicable to public tenders C(2006) 3158 of 24 July 2006 as well as relevant national and regional regulations for implementation.

2.4 Significant problems encountered and measures to taken to overcome them

In the course of 2009, the simultaneous management of two programmes generated some elements of difficulty which could not be foreseen during the conceptual and strategic setting up stage of the new cycle of planning for 2007-2013. As a matter of fact, MA had to tackle simultaneously the innumerable tasks for the definition of the necessary instruments to start a new Programme and complete the previous programme.

It was only in the last trimester of 2009 that it was possible to accelerate with the definition of the procedures for the implementation and organisation of the documents for the programme required by EU and national regulations of both partner countries of the Programme.

In particular, as already mentioned in the previous pages, a significant progress in the implementation stage was made, also because of the recruitment of two of the three members of the JTS and with the start of the selection procedure for financial operations (ordinary projects) for Priorities 1 and 2 which guarantee a progress in the flow of funds of the Programme by the end of 2010.

Moreover, the definition of the management and control model and the start of the necessary negotiations with the other authorities of the programme, CA, AA and Maltese National Coordination Authority, and with the Management Committee of the Ministry of the Economy, IGRUE, for the setting up of the final model which will be illustrated in the description of the management and control systems included in Art. 71 of EU Reg. 1083/2006 by the first half of 2010, mean that it is possible to improve the time objective for the implementation of the Programme.

Finally, because of the progress reported at the end of 2009 in the preparatory activities for the start of the procedures for the selection of the third member of the JTS and of the financial auditors who will support the

Control Unit of the Programme in performing first level checks, it is reasonable to expect that this further procedure step too may be complete by the end of next year.

2.5 Changes in the context of the operational programme implementation

During the year 2009, also in consideration of the economic crisis occurred in the last term of 2008, it is highly likely that no changes will be made to the Programme.

2.6 Substantial modification pursuant to Article 57 of regulation (EC) no 1083/2006

In the reference period, no substantial changes to the Programme pursuant to Art. 57 of Reg. CE 1083/2006 were made.

2.7 Control system of the OP

In line with the Art. 16 of the Reg. (CE) 1080/2006 that defines the content of the first level control activities the OP Italy-Malta 2007-2013 has identified a control model that focus on the administrative, financial, physical aspects of the operation in order to verify:

- the declared expenses are real and the products and the services have been realized in accordance with the signed agreement
- the observance of the obligations of information and publicity;
- the accuracy of the statement of expenditures relating to tenders and public contracts, the accordance with the rules on state aids for enterprises and with the policies regarding equal opportunities and environment;
- the accordance of the expenses with the Community, national and regional rules and with the Programme documents and calls for project proposals;
- the completeness of the administrative, technical and account documents of the operations.

The member states involved in the OP are responsible for the 1st level audit. They appoint the respective auditors, who are responsible for the inspection on the lawfulness of the expenses claimed by each of the beneficiaries taking part to the project – process of “expense validation” that comprises the administrative audit and the on-the-spot checks. The first level control is completed with the “expenses verify” that, according with Reg. 1080/2006 -Art. 20, letter d - is up to the responsibility of the lead partner who has to produce a declaration that guarantees the compliance of the expenditure, presented by the beneficiaries participating in the operation, with the Application Form approved by the MA, with the main and the specific objectives of the project, with the call for proposals, with the subsidy contract between itself and the MA, with the joint convention among the partners, with any disposal of the executive committee of the project.

ADMINISTRATIVE AUDIT

Each individual beneficiary is responsible for the execution of its part of the project, selecting the implementing subjects and coordinating the proper physical and financial fulfilment of the activities according to existing regional, national and Community regulations.

The procedure related to first-level controls is initiated, in relation to administrative verifications, by the presentation, by each beneficiary, of a report of the expenses related to his area of competence. This documentation, prepared on the basis of the templates provided in the “Accounting Kit” is sent to the appointed Italian and Maltese first-level auditors respectively, according to the location of the beneficiary. The administrative verification of this expenditures is carried out on a documentary basis (“on the desk”) and regards 100% of the presented expenses by the project partners. It is the responsibility of each beneficiary

(partners and lead partner) to send the data of the financial, physical and procedural monitoring to the MA in the time frame and operational mode established by the same Authority.

For Italy, according with the document concerning the national audit system for the territorial cooperation programmes issued by the Ministry of Economic and Finances in June 2008, the Control Unit (CU) of the Regional Programming Department will provide, by means of a casual selection, to assign an auditor to each project, approved within the PO Italy-Malta 2007-2013. The auditors will be selected by MA according to national and Community rules and on the basis of the "Manual for the account of the expenditures" and the "Manual for the first level control", in order to have a group with 10 units at least. The auditors will carry out verification of the expenses related to the part of the operation appointed to each Italian beneficiary participating in the project. For each verification, the auditor will record the date, the results and the adopted decision about any found irregularity. The auditors have to certify the verification in a document. The auditors must be independent towards the controlled beneficiaries, for this purpose the MA has prepared a declaration to have been subscribed by the auditors (addendum 5 of the "Manual for the first level control").

The auditors' activities and the verification procedures will be coordinated by the Control Unit (CU): The CU will control the work of the auditors by means of on-the-spot checks carried out in the beneficiaries bases in order to verify their working quality system.

This control will be made using special check-lists and reports in order to verify:

- the proper working of the information flow among auditors and beneficiaries;
- the use of proper auditing tools (manuals, check-lists, reports, etc.) prepared by the Programme's structures;
- the execution of the verification was carried out according to the shared schedules and operational modes.

For Malta the beneficiary partners and the beneficiary lead partner must choose an auditor which will carry out the verification of expenses related to the part of the operation of each single Maltese beneficiary participating in the operation, on the basis of the "Manual for the account of the expenditures" and the "Manual for the first level control" prepared by the MA. The lead partner and /or the beneficiary partner, in order to receive validation according to Art.16 Reg. (EC)1080/2006 shall transmit to the Maltese national coordination Authority the list of expenses together with the signed checklists.

Specifically, the first-level auditor shall proceed to the administrative verification of the expenses proposed by the beneficiary, in order to:

- a) verify the subsistence of the administrative documentation related to the operation which demonstrates its correct funding within the program and which justifies the right to be granted the contribution: in particular, the subsistence of the Subsidy Contract between the Management Authority and the lead partner and the Joint Convention between partners in relation to the operation in its totality and in relation to the part of the operation within each beneficiary's area of competency; verification of the coherency of the operation within the Call for project proposals and with the PO;
- b) verify the completeness and coherency of the documentation which justifies expenses, (including invoices, receipts, or equivalent accounting documentation) in accordance with national and Community regulations, with the Program, with the Announcement of Recruitment, with the subvention contract and its possible variations;
- c) verify the accuracy of the justified documentation of expenses from the legal point of view (civil and fiscal);

- d) verify the admissibility of the expenses sustained during the period approved by the Programme.
- e) verify the admissibility of the expenses with regard to the voices of expenses approved jointly by national and Community regulations, the Programme, the Call for project proposals, the Subsidy Contract, the Joint Convention among the partners and its possible variations;
- f) verify that the limits of admissible expenses respect Community and national regulations, (i.e.: the specific regime of aid applied to the operation), the Programme, the Call for project proposals, the Subsidy Contract and its possible variations, such verification must also refer to the single items of expenditure included in the controlled account;
- g) verify the traceability of the expense sustained and accounted by the beneficiary, which requires the reimbursement, and of the operation which is the object of the financing;
- h) verify the absence of the accumulation of the requested financing with other contributions not combinable (through verification of data banks of the Administration which manages the Programme or from central data banks);
- i) verify that Community policies are respected in relation to equal opportunity and environment during the carrying out of the project.

The administrative-accounting verifications of the expense reports presented by the beneficiaries are carried out by means of checklists.

After having carried out administrative verifications on the basis of documentation, in order to complete first-level controls, the first-level Auditor has the responsibility of carrying out *in loco* (on –the- spot) verification of each single operation.

ON-the-SPOT-CHECKS

The on-the-spot checks of the projects aim at ascertaining the physical fulfilment of the expenditure as well as the verification of the same in conformity with national, community and Programme regulations.

For Italy, the on-the-spot checks will be carried out directly by the Auditor selected by the UDC of the Regional Programming Department on 100% of the expenses presented by the Sicilian partners. These spot checks will be conducted once the Administrative verifications of the claim of expenditure have been completed.

For Malta, the on-the-spot checks will be carried out also on 100% of the expenses presented by the Maltese partners, but will follow a different methodology as explained below:

- I. the Auditor procured by the beneficiary, who has already carried out the administrative verifications, proceeds to carry out the spot checks on 100% of the verified expenditure, by following and completing an appropriate checklist which shall then be attached to the verified claim of expenditure and sent to the Maltese National Coordination Authority;
- II. the MNCA will subsequently, and at any rate, during the life-cycle of the project, carry out its own on-the-spot checks also using a set checklist. Such controls intend to verify the quality control system and shall guarantee the sampling of activities during the life-cycle of the project and in any case, before the ratification of the final closure.

Specifically, the first-level auditor proceeds to implement controls in order to ensure that the project activities are being carried out in accordance with national and community regulations, the Operational Programme, the Call for project proposals, the Subsidy Contract and any possible variations to the latter. In particular, the auditor has to:

- a) verify the existence and the effective participation of the chosen beneficiary within the Programme (with particular attention to private partners);
- b) verify the existence, on site, of all the original administrative documentation (including documents justifying expenses);
- c) verify the existence, at the beneficiary's premises, of a separate accounting system regarding the expenses sustained within the project;
- d) verify that the progress or completion of the works or of the supply of goods or services within the project are in line with the documentation presented by the beneficiary;
- e) verify that the operations, goods or services being financed in the project activities are in line with all the relevant legislations as outlined above and with the contract between the partner and the contracted party;
- f) verify the fulfilment of obligations of information and publicity in line with the Communication Plan of the OP and other relevant regulations;
- g) verify the conformity of the operation with respect to the indications inherent in the community policies regarding equal opportunities and environment;
- h) verify the conformity of expenditure with respect to applicable parameters (regional price lists, market prices for the types of goods and/or services acquired, etc.).

The spot checks are also carried out and documented using an appropriate checklist.

Upon termination of the documental verifications and of the spot checks, the first level Auditor sends, to the beneficiary and respective Lead Partner a document validating the presented expenses, clearly showing those deemed eligible for reimbursement and any possible irregularities encountered and the eventual inadmissibility of the same.

Regarding the completion of the activities referred to first level controls for the Italian beneficiaries, it is specified that the CU of the Regional Programming Department ensures, on one hand, the coordination of the activities and methodologies of the verifications carried out by the controllers, and, on the other hand, the execution, by means of a sampling methodology, of spot checks for the beneficiaries in order to ascertain and verify the quality control of the operations performed by the first level Auditors. Such controls are carried out and documented with the use of appropriate checklists and written records.

The verification of the expenses, already verified by the Auditor, is the responsibility of the Lead Partner, who, according to Art.20, letter d, Reg.1080/2006, proceeds to issue to the MA of the OP a declaration of conformity which certifies that the operations, goods or services, object of the co-financing, executed by each project partner participating in the operations, conform to the Application Form approved by the MA, to the general and specific objectives of the project, to the Call for project proposals, to the Subsidy Contract between Managing Authority and Lead Partner, to the Joint Convention between the partners and respective Lead Partner, and to any possible directions and/or dispositions of the Project Steering Committee.

The Lead Partner is responsible for the compilation of the reimbursement request for the entire financial operation in line with the programme period which shall be established in the Subsidy Contract calendar (on a quarterly basis).

The "reimbursement request" document should contain exclusively the expenses incurred by the Lead Partner and project partners and which have been verified by the first level auditor and subsequently agreed upon (verified) by the Lead Partner.

The request for reimbursement is sent by the Lead Partner to the MA in hard copy (paper form) as well as electronically through the database (IS).

On the 31st December 2009 any control operation have been set up regarding Axis I and II.

2.8 Complementarity with other instruments

The MA of the Italy - Malta OP took part in the Monitoring Committee of the Regional Operational Programme ERDF 2007-2013, and in the Monitoring Committee of the Regional Operational Programme ESF 2007/2013. The Maltese National Coordination Authority also participates in the Inter-ministerial Coordination Committee on EU Infrastructure and Productive Funding.

According with the paragraph 4.2.3 “Complementarity with operational programmes ERDF convergence” the OP Italy-Malta, co-financed by the ERDF under Objective 3 (Territorial Cooperation) of the Structural Funds, integrating in geographical and interventional terms with the Operational Programmes ERDF of the Objective 1 (Convergence) for which the Sicilian Region and the Maltese Government are responsible.

With reference to the interventional fields, the Community Regulations do not establish boundaries between the Convergence Programmes and the Territorial Cooperation’s Programmes. Hence, the OP Italy-Malta can legitimately pursue the same objectives of the Convergence Programme on the avoidance of over-laps realting to the project.

With reference to the complementarity of the OP Italy-Malta 2007-2013 with the element of the Italy-Malta Programme 2007-2013 with the respective EAFRD Programme (National Rural Development Strategy for the Programming Period 2007-2013 in the case of Malta, and the Rural Development Plan for Sicily – PSR 2007-2013 in the case of Sicily), the Programme, whilst being coherently integrated and complementary in itself, manages to steer away from any notions of overlap in the interventions to be implemented.

In fact, the Operational Programme does not contemplate any of those interventions which are destined to be tackled specifically by agricultural enterprises, thus contributing in a transversal manner, through indirect actions of a co-operative nature promoted by the strategy, to strengthen, in the cross-border area, the necessary synergies and useful exchanges of experiences among the various players, in order to enhance ‘inter alia’ the value of agricultural products and quality foods whilst conserving common cultural traditions, upgrading protection levels of natural resources in the rural areas, with particular reference to biodiversity, the prevention of risks and the preservation of parks in the protected areas (Axis I and II of the National Rural Development Strategy for the Programming Period 2007-2013 and Axis II and III of the PSR Sicily 2007-2013).

Within the scope of Axis 4 of PSR Sicily 2007-2013, particular relevance is given to territorial cooperation, both interregional and transnational, among the Local Action Groups (LAG), insofar as this contributes towards the possible development of “joint projects that put into play the afferent resources in the different territories involved”. However, considering that for the purpose of the policies of cohesion 2007-2013, the Republic of Malta, for the first time contemplates the setting up of LAGs as the active subjects at the local development level and underlines that the scope of interventions of the Italy-Malta Programme 2007-2013 does not envisage in any way the diffusion and the exchange of management experiences of the LEADER Programming.

Therefore, assuming that the scope of intervention of the two Programmes must retain clear demarcation lines in the light of the different strategic priorities contemplated in the respective strategic actions, the Managing Authority of the Italy-Malta Programme 2007-2013, shall ensure strict compliance in thematic complementarity in relation to the operations that could be financed through the involvement of the representatives of the competent Managing Authorities in both Sicily and Malta of the respective Rural Development Plans.

This requirement in particular shall be examined when defining the subject areas of action of financial operations - strategic projects – during the definition of the selection procedures which is expected to take place in the first trimester of 2011.

2.9 Monitoring and evaluation

Monitoring Committee

The activities carried out in the first half of 2009 reached a high point in the first meeting of the Programme's Monitoring Committee which took place on 14th April 2009 with the following agenda:

- Installation and setting up of the Monitoring Committee
- Approval of the agenda
- Approval of the MC internal rules
- Approval of the selection criteria and procedures
- Approval of the budget for the AT Plan
- Approval of the guidelines for the Communication Plan
- Miscellaneous

Following the decisions taken about the items on the agenda, the following items were approved:

- The Monitoring Committee internal rules, with the requested integrations in particular concerning more publicity of the summary of the decisions adopted, the analysis of the progress in the implementation of the communication plan;
- The selection criteria with the integration in the document presented of the following points: Inclusion of environmental selection criteria that are specific to the SEA; inclusion of the amount of the budget available in the call which in the case of first calls (ordinary projects and strategic projects) amounts to the sum of the first two annual fees, inclusion of the eligibility criterion of strategic projects Art. 21(1) first part of Reg. 1080/06, inclusion of a preferential characteristic (strategic projects and ordinary projects) for operations that include more than two of the types of cooperation pursuant Art. 19 Reg. 1080/06.

During the meeting, a draft of the plan for Technical Assistance was presented. The draft will be approved successively by the MC by written procedure with the suggestions emerged, in particular by the Maltese Coordination Authority and by the European Commission on the opportunity to unify auditing expenses, to allocate an increased amount of expenses to communication activities, and to reorganise the budget using a structure based on macro items of expenditure and extending the time duration until the end of the programme. In the course of the approval of this document the Monitoring Committee authorised the Management Authority to carry out the necessary expenses for the ordinary OP management.

During the same meeting, a draft of the guidelines of the Communication Plan of the MC was presented.

Thereafter, by means of a written consultation procedure which terminated on 23rd July 2009, the MC approved the Communication Plan of the 2007-2013 Italy-Malta OP, along with the internal rules for the Management Committee and the Plan for Technical Assistance.

However, during 2009, there was a turnover in the position of pro-tempore Manager of the Regional Department and also in the Programme's MA itself. On that point, a resolution of the Regional Government Council No. 108 of 3rd April 2009, the Special Office for Decentralised Cooperation for Development and for International Solidarity, already MA of the 2007-2013 Italy-Malta OP, was dismantled and the relevant skills, human resources and chapters in the Budget transferred to the Presidency of the Region, Regional Department for Planning. As a result, the position of MA was taken by the General Manager of the Regional Department for Planning of the Presidency of the Region of Sicily.

By Resolution of the Regional Government Council No. 191 of 22nd May 2009 the new organisational Structure of the Regional Department for Planning of the Presidency of the Region was approved. In this new set-up, the responsibilities of the Special Office for Decentralised Cooperation for Development and for International Solidarity will be taken on by Unit 5 European Territorial Cooperation and Decentralised Cooperation for Development. One of the responsibilities of the Unit is the planning, management and control of 2007-2013 Italy-Malta OP.

Executive Committee

Within the Monitoring Committee, pursuant to Art. 19 of Regulation 1080/2006, the Executive Committee was set up to select the projects. The Executive Committee is the 'partnership' technical structure which supports the Managing Authority in the implementation of the Programme. In particular, the Executive Committee (ExC) carries out the following tasks it:

- Proposes to the Monitoring Committee, with the support of the Joint Technical Secretariat, the criteria to be adopted for project selection, in order to procure its definitive approval;
- Elaborates the Guide for the implementation, with the support of the JTS, which defines the modalities of presentation, instruction and monitoring;
- Is responsible for the selection of the projects and shall avail itself of the operational support of the JTS;
- Is informed about the activities of the Managing, Certifying and Audit Authorities.

On december 2009 the meeting of installation of the Executive Committee was held and at the time of the meeting the ExC approved :

1. The Manual of Operation Programme
2. The first Call for ordinary projects proposal
3. The candidature dossier and of the guidelines for the compilation of the first Call for ordinary projects proposal
4. The Operation Programme logo

A successive meeting of the ExC is to be called by the end of the first half of 2010 to complete the procedures for the selection of the operations – ordinary projects – relevant to Priorities 1 and 2 of the OP.

Monitoring System

In line with Art. 60 letter c) of Regulation CE 1083/2006, the Single Management Authority must "guarantee the existence of an IT system to register and store accounting data of each operation carried out as part of the operational programme, as well as to collect relevant data on implementation that are necessary for the financial management, monitoring, checks, auditing processes and evaluation".

In order to fully comply with the requirements of EU regulations and to send the details of the operations to the national monitoring system for follow-up, and considering the necessity to comply with the principle of proportionate interventions, the Single Management Authority of the 2007-2013 Programme for Cross-border Cooperation Italy-Malta shall use the "System for the collection and transmission of Projects" (SRTP), made available by IGRUE.

The SRTP application computerizes the processes in order to guarantee Administrations have the prerequisites described in the regulations for the planning period 2007-2013, and represents an instrument to collect data on the progress of the projects and to transmit them to the central system of IGRUE MonitWeb 2007-2013. The data collected by this IT tool are those defined in the document "Protocol for interview" for a common monitoring of projects for the planning period 2007/2013.

The role of this application therefore, is to computerise the component of the project monitoring process that satisfies the requirements of the subjects who at a central level (MEF-RGS-IGRUE, MiSE-DPS) have the institutional responsibility of coordinating and controlling the implementation of the regional Development Policy. More specifically, this IT application, by detecting and transferring, following set procedures, detailed information on individual projects funded with public resources, allows Administrations that have been awarded programmes, to perform their institutional obligations towards the national bodies mentioned above and the European Commission itself.

In addition to SRTP the Single Management Authority shall use an IT System (S.I.) which has been developed ad hoc to record, detect, process and store accounting data as well as further implementation data that are necessary for the financial management, monitoring, checks, auditing processes and the evaluation of the Programme. Therefore, the system will contain and supply all detailed information and necessary functions to monitor and collect information on the certification stages of expenditure as well as those concerning some management stages of the Programme that are useful to the performance of the institutional obligations of MA and of the other Authorities of the Programme (Certification and Audit).

The software application shall be produced both for client server development environment and for WEB with regards to the functions made available to the Management Authority and to external subjects. In order to access the application, all users will have to be accredited in advance.

The S.I. for the monitoring of 2007-2013 Italy – Malta Programme will guarantee the functional specifications for the management of the financial Plan of the Programme per Priority and per specific objective; for the management of projects, their financial, procedural and physical monitoring; for the necessary reports that are due to be compiled to satisfy the tasks of the Certifying and Auditing Authorities.

The S.I. will manage:

- the identification details of all projects sponsored by the Programme;
- data on the financial, physical, and procedural progress of the projects in line with the operational rules of the national monitoring system and with the requirements to analyse the implementation of the Programme;
- information on the certification of expenditure;
- information on 1st and 2nd level checks and checks carried out by the Single Certifying Authority inclusive of their results;
- information on irregularities;
- the financial aspects of the projects;
- the reports to send information requested by the national system and any information requested by the European Commission in line with the provisions of Attachment 3 of Regulation (EC) No. 1828/2006;
- retrieve reports containing standard information on the Programme implementation level.

The data entry shall occur on-line by staff in charge of the management and implementation of operations with the support of the JTS. The safety and storage of data shall be ensured by periodical back-up procedures.

The SI shall be accessible to all the Authorities of the Programme:

- Single Management Authority: it directly manages the structure of the Programme (classifications, financial plans), the data monitoring procedures and the drafting of the reports for the transfer of data on SRTP for the successive interview with the national MONIT 2007 system;
- Single Certifying Authority: in view-only format, it will be able to check all data entered in the data base, but it will actively operate on information that is part of its responsibilities (data on certifications per operation);
- Single Auditing Authority, in cooperation with auditors Groups: in view-only format; it will be able to check all data of the data base, and use some data as the basis for the sampling of operations to present to the 2nd level check, but it will actively operate by entering data on its own checks, which will show on the system of the Programme.

Moreover, it will be possible to activate specific view-only accesses for the partner of the Programme and allow the download of standardised reports on projects financed by the Programme.

The system will contain all information on operations sponsored within the Programme, using the concept of operation as explained in the glossary on the IGRUE protocol for interview.

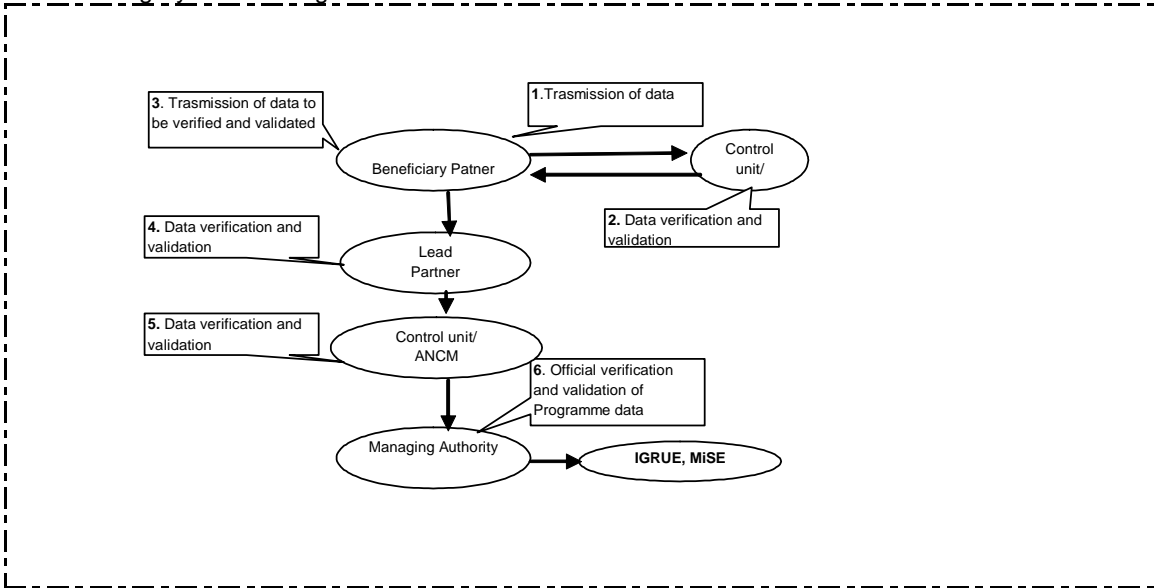
Each operation entered will contain all information concerning its planning (financial, physical and procedural) and its identification; later on all information that prove that operations have occurred will be entered (financial, physical and procedural progress, results of 1st and 2nd level checks, irregularities, certifications).

The monitoring system will register the deeds enforcing the recovery or cancellation of funds following the total or partial suppression of the participation in an operation.

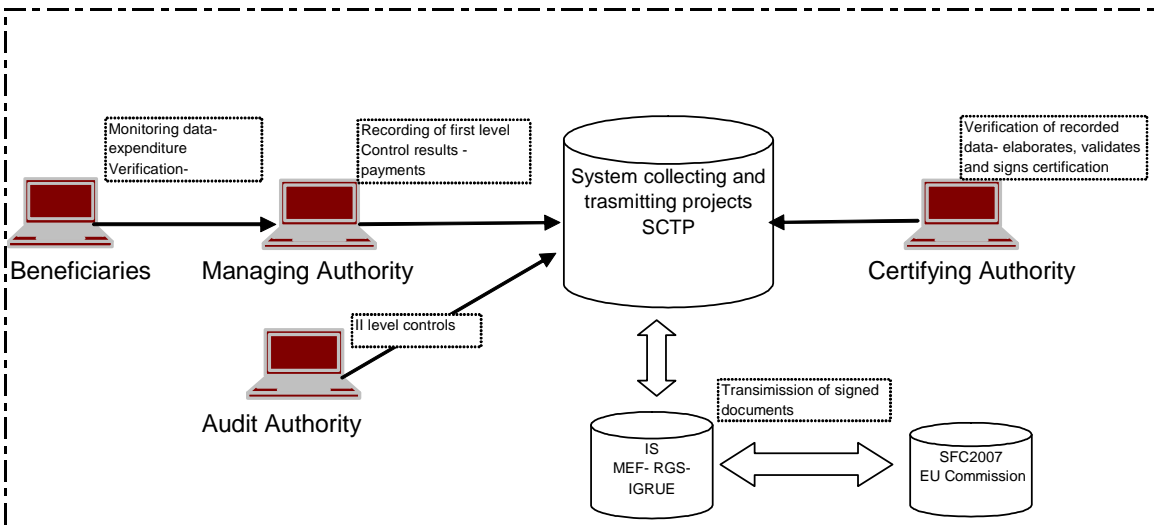
The system is guaranteed to be operational by the end of 2010.

In the following page is a diagram of the designed information system:

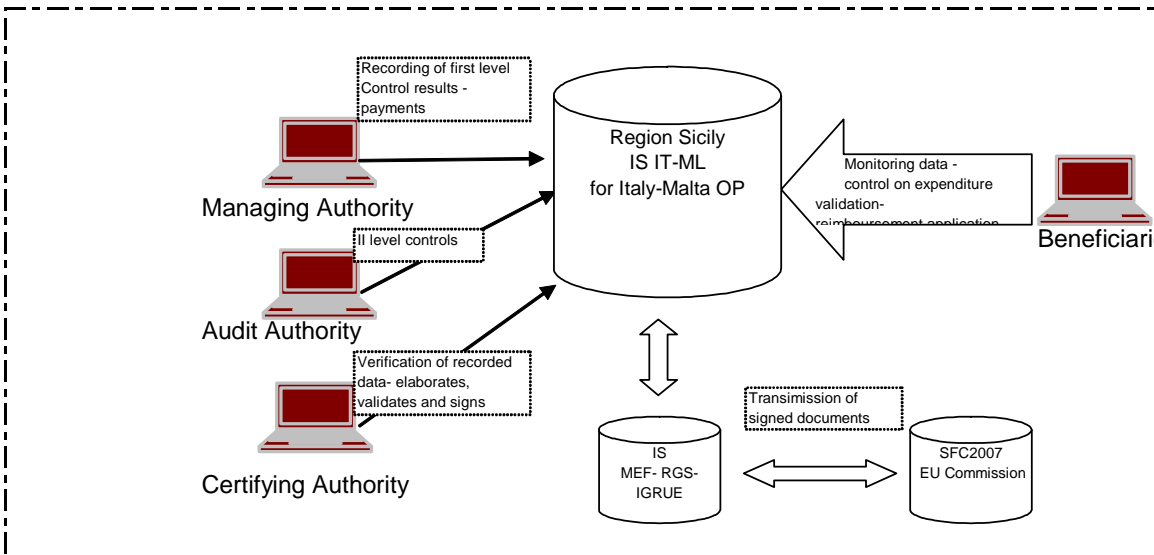
1 Processing System of Programme Data in the IS



2 Technical/functional scheme of IS - in progress



3. Technical/functional scheme of IS - fully efficient



The ex ante evaluation of the OP, together with the Strategic Environmental Assessment have been done under the responsibility of the Managing Authority during the programming phase.

The intermediate evaluations, to be effected on the basis of the method indications and the quality standards provided by the services of the Commission in the Work Document n. 5 "Evaluation during the programming period", are still decided according to the principle of proportionality, in accordance with the Commission and, in any case, in accordance with application modalities of the general regulation EC/1083/2006.

The evaluations are financed through the resources of the measure for the technical assistance and are effected by experts or organs functionally independent from the certification and audit authorities.

For the evaluation activity, the Managing authority avails itself of the collaboration of the Maltese National Coordinating Authority and a combination of both external and internal professionals (e.g. the JTS), in order to ensure a high quality, making good use of the evaluation as a management tool.

The Ma will present to the programme Monitoring Committee an operative proposal to update the "Evaluation plan of the Operative Programme" that envisage one intermediate evaluation (on going) and the update within the 2013 and one final evaluation.

3. IMPLEMENTATION BY PRIORITY

3.1 Priority 1 “Competitiveness: innovation and research, sustainable development”

3.1.1 Achievement of targets and analysis of the progress

3.1.1.1 Information on the physical progress of the priority

This section quantifies all the indicators pertaining the reference Priority. In 2009 no operations concerning this Priority were approved. As far as specific result indicators are concerned, please refer to what was mentioned in the previous paragraph 2.1.1 (Chart 1).

Chart of implementation indicators

| Priority I | | | | | |
|---|------------------|-----------|----------|------|------|
| Implementation indicators | Measurement unit | Objective | Progress | | |
| | | | 2008 | 2009 | 2010 |
| Projects based on R&DT that involve public entities, research institutions, Universities and enterprise organisations | Number | 5 | | | |
| Projects that promote actions of awareness even to SME's for the utilisation of eco-compatible models in the tourism sector, management and supply of natural resources | Number | 2 | | | |
| Projects of territorial marketing and joint promotion of tourism and cultural potential of the cross-border area | Number | 2 | | | |
| Projects aimed at the improvement of the coordination and accessibility of transportation systems in the programme area | Number | 3 | | | |
| Projects promoting a transport system reconversion aimed at improving environmental sustainability and reducing the production of polluting gas causing the greenhouse effect | Number | 1 | | | |
| Projects aimed at the realisation and promotion of a brand of environmental sustainability even for the minor islands of the Programme area | Number | 1 | | | |
| Projects that promote the strengthening of the institutional partnership in the cross-border area | Number | 2 | | | |

Chart of fees used and paid

| Priority I | Total Contribution (a) | Financial Implementation | | | |
|---|---------------------------|--------------------------|-----------------|------------------------|---------------------|
| | | Commitments (b) | Payments (c) | Commitments (b/a) % | Payments (c/a) % |
| Competitiveness: innovation and research; sustainable development | 17.379.445,00 | 0,00 | 0,00 | 0,00% | 0,00% |

3.1.1.2 Qualitative analysis

In 2009 the Programme's implementation stage started only partially. In particular, as far as this Priority is concerned, procedures for the implementation of operations to achieve the following specific Objectives have started:

- 1.1 Supporting research and innovation in order to promote sustainable development paths;
- 1.2 Improving cross-border accessibility and reinforcing transport systems that are more environmentally friendly;
- 1.3 Contributing to the improvement of the integrated tourist offer in the cross-border area;
- 1.4 Contributing to the strengthening of cross-border institutional partnership in the areas identified under Priority Axis I.

In particular, the Managing Committee, in its first assembly of December 2009, approved together with the Manual for the Implementation of the Operational Programme, the first call for the selection of ordinary projects of Priority 1 and 2 of the Programme with the corresponding application form and the guidelines for filling it in.

The MA shall publish the call for projects in January 2010 with a financial amount for the Priority of € 7,819,149 and each project application shall comply with the following minimum requirements:

6. be executed by at least three partners, of which at least one is Italian and another one is Maltese;
7. satisfy at least two of the requirements of Art. 19 of Regulation (EC) n. 1080/2006: joint development, joint execution, joint personnel, joint financing;
8. have a total project allocation between a minimum of €300,000 and a maximum of €1,500,000;
9. have a high cross-border characteristic both in reference to the objectives of the activities as well as the composition of the partnership;
10. have a maximum duration of 24 months.

3.1.2 Significant problems encountered and measures taken to resolve them

In the year of reference no significant issue emerged.

3.2 Priority 2 “Environment, Energy and risk prevention”

3.2.1 Achievement of targets and analysis of the progress

3.2.1.1 Information on the physical progress of the priority

This section quantifies all the indicators pertaining the reference Priority. In 2009 no operations concerning this Priority were approved. As far as specific result indicators are concerned, please refer to what was mentioned in the previous paragraph 2.1.1 (Chart 1).

Chart of implementation indicators

| Priority II | | | | | |
|---|------------------|-----------|----------|------|------|
| Implementation indicators | Measurement unit | Objective | Progress | | |
| | | | 2008 | 2009 | 2010 |
| Projects of management and prevention from natural and anthropic risks (including technological risks) | Number | 2 | | | |
| Projects aimed at promoting the safeguarding of the environment of the area (including the management of parks and protected areas) | Number | 3 | | | |
| Projects relating to the improvement of the energy efficiency and the utilisation of sources of renewable energy | Number | 5 | | | |
| Projects that promote the strengthening of the institutional partnership in the cross-border area | Number | 2 | | | |

Chart of fees used and paid

| Priority II | Total Contribution (a) | Financial Implementation | | | |
|---|---------------------------|--------------------------|-----------------|------------------------|---------------------|
| | | Commitments (b) | Payments (c) | Commitments (b/a) % | Payments (c/a) % |
| Environment, Energy and risk prevention | 15.960.715,00 | 0,00 | 0,00 | 0,00% | 0,00% |

3.2.1.2 Qualitative Analysis

In 2009 the Programme’s implementation stage started only partially. In particular, as far as this Priority is concerned, and just like for the previous one, procedures for the implementation of operations to achieve the following specific Objectives have started:

1. Contributing to the protection of the environment through the safeguarding, exploitation and monitoring of natural resources
2. Contributing to the development of renewable energy and energy efficiency
3. Promoting joint actions in the sphere of prevention of risks resulting from both natural and human causes

4. Contributing to the strengthening of cross border institutional partnership in the areas identified under Priority Axis II

As with the previous Priority, the first call for ordinary projects shall be published in January 2010 with a fund per reference Priority of € 7,180,851. As there is an only call for Priorities 1 and 2, the characteristics of the projects are the same as those mentioned above.

3.2.2 Significant problems encountered and measures taken to resolve them

In the year of reference no significant issue emerged.

3.3 Axis III “Technical Assistance, Awareness, Communication and Publicity”

3.3.1 Achievement of targets and analysis of the progress

3.3.1.1 Information on the physical progress of the priority

As far as financial indicators are concerned, the commitments taken amount to a total of € 326,958.76 that is 15.3 % of the total available, while payments amount to €. 80,858.91 (that is 3.80% of the available total).

As far as indicators of implementation, below are the indicators described in the OP, with the corresponding amounts for 2009, according to the progress of the operations.

Chart of implementation indicators

| Priority III | | | | | |
|---|------------------|-----------|----------|------|------|
| Implementation indicators | Measurement unit | Objective | Progress | | |
| | | | 2008 | 2009 | 2010 |
| Personnel for the Joint Technical Secretariat | Number | 4 | | 2 | |
| Communication and Publicity events | Number | 30 | | 0 | |
| Operational Programme Guidelines | Number | 5 | | 1 | |

Chart of fees used and paid

| Priority III | Contributo totale (a) | Financial Implementation | | | |
|--|-----------------------|--------------------------|---------------|-----------------|-------------------|
| | | Impegni (b) | Pagamenti (c) | Impegni (b/a) % | Pagamenti (c/a) % |
| Technical Assistance, Awareness, Communication and Publicity | 2.128.095,00 | 326.958,76 | 80.858,91 | 15,36% | 3,80% |

3.3.1.2 Qualitative analysis

In 2009, MA preventitatively revoked the call that was initially negotiated and shared with the Malta's government for the selection of three figures, and completed the procedures for the selection of the members of the Joint Technical Secretariat (JTS) of the Programme. In particular, once the national obligations set out by the Italian legislation for the acquisition of external resources to the Public Administration had been carried

out, on 26.06.2009, it published a public notice for the Selection by qualifications and interview of 3 staff to make up the Joint Technical Secretariat of the Operational Programme for the 2007-2013 cross-border Cooperation Italy-Malta. The call was published in the Official Gazette of the Region of Sicily, on its official website www.euroinfosicilia.it, on the Planning and Priorities Coordination Division website of the Office of the Prime Minister (www.ppcd.gov.mt) and in regional and national press.

By means of the Government Decree No. 317 of 2.10.2009 a list was approved for the selection of two senior figures in management, monitoring, control and reporting of programmes co-financed by Structural Funds with specific reference to the ERDF in the sector of cooperation published on 26.06.09. With reference to the selection of the third member for the communication profile, no candidate was deemed suitable. The two members identified started work in November 2009.

Priority 3, unlike the other Priorities of the programme, registered a flow of expenditure, which corresponds to payments of €80,858.91, which were made to cover both the ordinary management of the OP – drafting contracts, in view of the creation of the JTS, for the pre-existing Technical Assistance Unit of MA, operational expenses and equipment expenses, expenses for the organisation of the Monitoring and Management committees included in the Programme, and for the setting up of the JTS.

3.3.2 Significant problems encountered and measures taken to resolve them

In the year of reference no significant issue emerged.

4. ERDF PROGRAMME: MAJOR PROJECTS

The 2007-2013 Italy-Malta OP does not include the development of major projects

5. TECHNICAL ASSISTANCE

According to the art. 14 del Council Regulation (EC) 1080/06 and in line with the OP paragraph 6.1.3, the Joint Technical Secretariat (JTS) acts as the technical operational body assisting the Managing Authority, the Certifying Authority, the Monitoring Committee (according to article 14 of Regulation EC/1080/2006), the Steering Committee (established according to article 19 of Regulation EC/1080/2006) and, if necessary, the Audit Authority. the technical operational body assisting the Managing Authority, the Certifying Authority, the Monitoring Committee (according to article 14 of Regulation EC/1080/2006), the Steering Committee (established according to article 19 of Regulation EC/1080/2006) and, if necessary, the Audit Authority.

The Joint Technical Secretariat functions within the Managing Authority and the tasks are:

- Assisting the Managing Authority in its administrative tasks;
- To act as Contact Point for the Maltese National Coordinating Authority
- To support the Executive Committee in project selection and evaluation activities as well as to support possible regional/national experts who could be involved in the project evaluation and selection process
- Preparing all the necessary documents for the correct development of the Monitoring Committee's meetings and carries out the secretariat's task for the Managing Authority;
- Preparing and arranging all the necessary documents for the project's implementation (application form for subvention, guidelines for community contributions, guidelines for eligibility, reporting forms, reference terms of reference/calls, ERDF convention between the Managing Authority and the Lead partner and convention between the Lead partner and the project partners;
- Managing the ERDF conventions for the Managing Authority;

- Acquiring from the Programme partner Administrations the list of the possible national/regional experts involved in the evaluation and selection process of the projects;
- Providing the technical support for the identification of project selection criteria, the preparatory work in connection with the tendering process and the evaluation of project proposals;
- Verifying the reports of the project's Lead partner;
- Archiving the Programme's documents;
- Managing and updating the monitoring system, keeping the data relevant to the earmarked funds and their expenditures (financial monitoring), to the implementation stage (physical monitoring) and to the procedural phases of the projects (procedural monitoring);
- preparing the documents and the information for monitoring, collecting the reports about the projects' state of advance submitted by the Lead partners;
- Writing all the reports about the Programme's development and submitting them to the Managing Authority;
- Preparing the financial and statistic data for the Monitoring Committee, the European Commission and the representatives of the Member States;
- Supporting the Managing Authority to write and implement the communication plan and to carry out information and publicity measures, acting also as cross-border information and animation point for the potential projects' representatives and promoting animations' activities for the mobilization of the partnerships;
- Promoting the territorial animation and the awareness of the cooperation.

How reported in the pages before point 3.3 in 2009, MA preventitatively revoked the call that was initially negotiated and shared with the Malta's government for the selection of three figures, and completed the procedures for the selection of the members of the Joint Technical Secretariat (JTS) of the Programme. In particular, once the national obligations set out by the Italian legislation for the acquisition of external resources to the Public Administration had been carried out, on 26.06.2009, it published a public notice for the Selection by qualifications and interview of 3 staff to make up the Joint Technical Secretariat of the Operational Programme for the 2007-2013 cross-border Cooperation Italy-Malta. The call was published in the Official Gazette of the Region of Sicily, on its official website www.euroinfocilia.it, on the Planning and Priorities Coordination Division website of the Office of the Prime Minister (www.ppcd.gov.mt) and in regional and national press.

By means of the Government Decree No. 317 of 2.10.2009 a list was approved for the selection of two senior figures in management, monitoring, control and reporting of programmes co-financed by Structural Funds with specific reference to the ERDF in the sector of cooperation published on 26.06.09. With reference to the selection of the third member for the communication profile, no candidate was deemed suitable. The two members identified started work in November 2009.

As specified in the OP and in the Technical Assistance Plan, the ERDF resources reserved for JTS and more in general for Technical Assistance amount to €. 1.808.881 which correspond to 6% of the ERDF contribution amount reserved for the operational programme and distributed as follows:

| Technical Assistance | CODE OF OPERATION | ERDF AMOUNT | PERCENTAGE |
|---|-------------------|-------------|------------|
| Preparation, implementation, monitoring and inspections | 85 | 1,205,92.00 | 4.00% |

| | | | |
|---|----|------------|-------|
| Evaluation and studies; information and communication | 86 | 602,960.00 | 2.00% |
|---|----|------------|-------|

6. INFORMATION AND PUBLICITY

As specified in the 2007-2013 Italy-Malta OP and in the Communication Plan adopted by the Programme as approved by the MC by written procedure in July 2009, advertising and communication activities aim at achieving two general objectives:

1. *inform public opinion on the role that the European Union plays in favour of regional development and European territorial integration;*
2. *guarantee transparency in decision making processes and in implementation and monitoring procedures of the programme, serving citizens' right to a complete and correct information.*

The need to base the PdC communication strategy on the two objectives above is essentially linked to the peculiarity of the area of action of the OP which in addition to promoting the instructions set out in the rules, is also confirmed by the experience of the planning period 2000/2006 which showed that citizens living in the areas of cooperation are not sufficiently made aware of the European Union's role in financing cross-border cooperation programmes aimed at improving economic competitiveness, the creation of stable networks, promoting research capacity, development and innovation in order to start balanced processes of development in the area of cooperation.

Therefore, in light of the above, the implementation strategy of PdC is based on the following fundamental elements:

- o improving the programme's website;
- o using the languages of the Programme (Italian and English) in all the documents to be produced;
- o coordination, through the use of advanced IT technology, between Partner of the Programme, MA and JTS (and other authorities) to improve activities across the whole Programme - area;
- o Seminars and meetings, to raise the interest all the inhabitants of the areas involved in the OP, with the beneficiaries of the Programme to provide detailed information on the Programme and on the process of generating and implementing projects (i.e. selection criteria, administrative procedures, eligibility requirements, etc.).

In line with these objectives, during 2009 MA produced a website on the 2007-2013 Italy-Malta OP. More specifically, the existing website <http://www.interreg-italiamalta.org> for the 2000-2006 planning, which already has a direct dominium registered under the name of the Region Sicily, has been turned into a dynamic web portal that can be managed by means of a content management system (CSM) that is easy to update and configure <http://www.italiamalta.eu>. The contents of the portal and of the corresponding content management are in two languages (Italian and English) and the systems comply with the specifications of web 2.0.

Moreover, in the portal, it is possible through two different navigation pathways, to access the contents of the 2004-2006 Italy-Malta and 2007-2013 Italy-Malta programmes. The latter guarantees easy and immediate access to information on the OP and offers an interactive interaction with the user who can easily download online all the necessary documents (Official documents, EU national and regional regulations, forms, calls for projects, manuals, guidelines, etc.). A dynamic and efficient News section guarantees the spread of information on the progress of the OP and of the events that will take place. A FAQ (Frequent Asked Question) section was organised to answer the most common questions on calls for projects, project management, but also on the progress of the Programme. After the stage of operation selection, the final beneficiaries, in particular the lead partner of the operations, will be allowed to have access to a section called “partner reserved area”.

As by EU legislation, the complete list of the beneficiaries of EU interventions has been published with the complete identification of the operations and the corresponding amount of the public funds. Moreover, accurate and detailed information will be provided on all projects to be funded ensuring the visibility of the corresponding websites to be produced and which shall be in line with the provisions of EU regulations and with the PdC of the OP. Please note also that all information contained in the programme’s website will be easily reached through dedicated links from the institutional websites of the Region of Sicily www.regione.sicilia.it, www.euroinfosicilia.it and from the website of the Maltese Prime Minister <http://www.ppcd.gov.mt>.

In 2009, a coordinated graphic style was produced. This requirement is derived from the need to create immediate visibility and unity to all interventions using a graphic logo and a coordinated graphic style which distinguishes the communication campaign also from the selected groups of beneficiaries of the PdC. A coordinated look will allow the public to easily link the individual initiative to the global plan of action. All OP communication will be easily identifiable as a result of a series of graphic elements which will accompany them throughout the period. During the meeting of the Management Committee the OP logo was approved.