



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 2010

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 20.06.2011. - ended

Draft 0.2 28 june 2011

1. IDENTIFICATION.....	1
2. OVERVIEW ON THE OPERATIONAL PROGRAMME IMPLEMENTATION.....	3
2.1 Results and progress analysis	3
2.1.1 Operational Programme physical outcomes.....	3
2.1.2 Indicators of impact at the Operational Programme level	10
2.1.3 Financial Information	11
2.1.4 Information about the breakdown of use of the Funds	14
2.1.5 Information concerning the application of the Reg.(EC) 1080/2006, art. 21.....	18
2.1.6 Assistance by target groups	19
2.1.7 Assistance repaid or re-used.....	19
2.1.8 Qualitative analysis	19
2.2 Physical Indicators.....	20
2.3 Information about compliance with Community law	22
2.4 Significant problems encountered and measures to taken to overcome them.....	23
2.5 Changes in the context of the operational programme implementation	23
2.6 Substantial modification pursuant to Article 57 of regulation (EC) no 1083/2006.....	23
2.7 Control system of the OP.....	23
2.8 Complementarity with other instruments	25
2.9 Monitoring and evaluation.....	25
2.9.1 Comitato di Sorveglianza	25
2.9.2 Executive Committee.....	26
2.9.3 Monitoring System	27
2.9.4 Managing and controll system.....	28
2.9.5 Audit article 62 Regulation (EC) 1083/2006	28
2.9.6 Evaluation Plan.....	28
3. IMPLEMENTATION BY PRIORITY	28
3.1 Priority 1 “Competitiveness: innovation and research, sustainable development”	28
3.1.1 Achievement of targets and analysis of the progress.....	28
3.1.1.1 Information on the physical progress of the priority.....	28
3.1.1.2 Qualitative analysis	30
3.1.2 Significant problems encountered and measures taken to resolve them.....	30
3.2 Priority 2 “Environment, Energy and risk prevention”	30
3.2.1 Achievement of targets and analysis of the progress.....	30
3.2.1.1 Information on the physical progress of the priority.....	30
3.2.1.2 Qualitative Analysis	31
3.2.2 Significant problems encountered and measures taken to resolve them.....	32
3.3 Axis III “Technical Assistance, Awareness, Communication and Publicity”	32
3.3.1 Achievement of targets and analysis of the progress.....	32
3.3.1.1 Information on the physical progress of the priority.....	32
3.3.1.2 Qualitative analysis.....	33
3.3.2 Significant problems encountered and measures taken to resolve them.....	33
4. ERDF PROGRAMME: MAJOR PROJECTS	33
5. TECHNICAL ASSISTANCE.....	33
6. INFORMATION AND PUBLICITY	34

2. OVERVIEW ON THE OPERATIONAL PROGRAMME IMPLEMENTATION

2.1 Results and progress analysis

2.1.1 Operational Programme physical outcomes

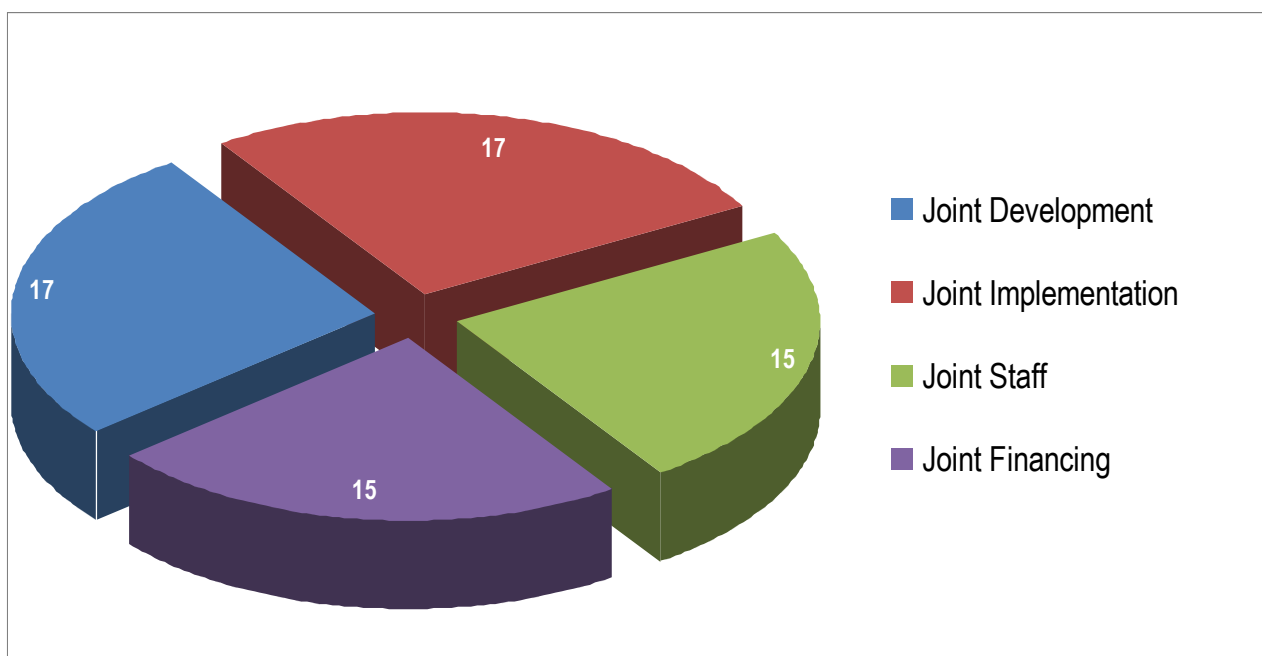
In 2010, the actions of the Single Managing Authority in connection with the Programme were directed towards the finalisation of the obligations stipulated upon it by Regulation (EC) 1083/2006, and to the definition of the preliminary organizational and procedural framework towards the concrete initialisation of the Programme as required by art. 71 of Regulation (EC) 1083/2006.

2010 is also the year in which the Programme enters into the implementation phase of its activation. Particularly, during the reference year, the single MA has finalised the operations selection and evaluation process - ordinary projects – related to Axes I and II of the Programme, which were submitted following the issuance of public notice 1/2009.

The call has had a positive feedback from the cooperation area. 80 project proposals were received, among them 50 proposals had the necessary requirements and involved 194 participants, 112 from Italy and 82 from Malta. 42 proposals had Italian Lead partners and 7 Maltese ones. As result of the evaluation: 34% of the proposals are admissible to be financed, 56% are admissible but not financed because of the limit of the available funds and 10% aren't admissible. The project proposals admissible to be financed are 17 (9 under Axis I and 8 under Axis II). The involved Italian beneficiaries are 56 partner and 12 lead partners, the Maltese ones are 32 partners and 5 lead partners.

As provided in Art. 19 of Reg. (EC) 1080/06, all the 4 terms of cooperation are set up: joint development and joint implementation are assured in all the 17 admissible projects, joint staff and joint financing in 15 projects, as represented in the following graph.

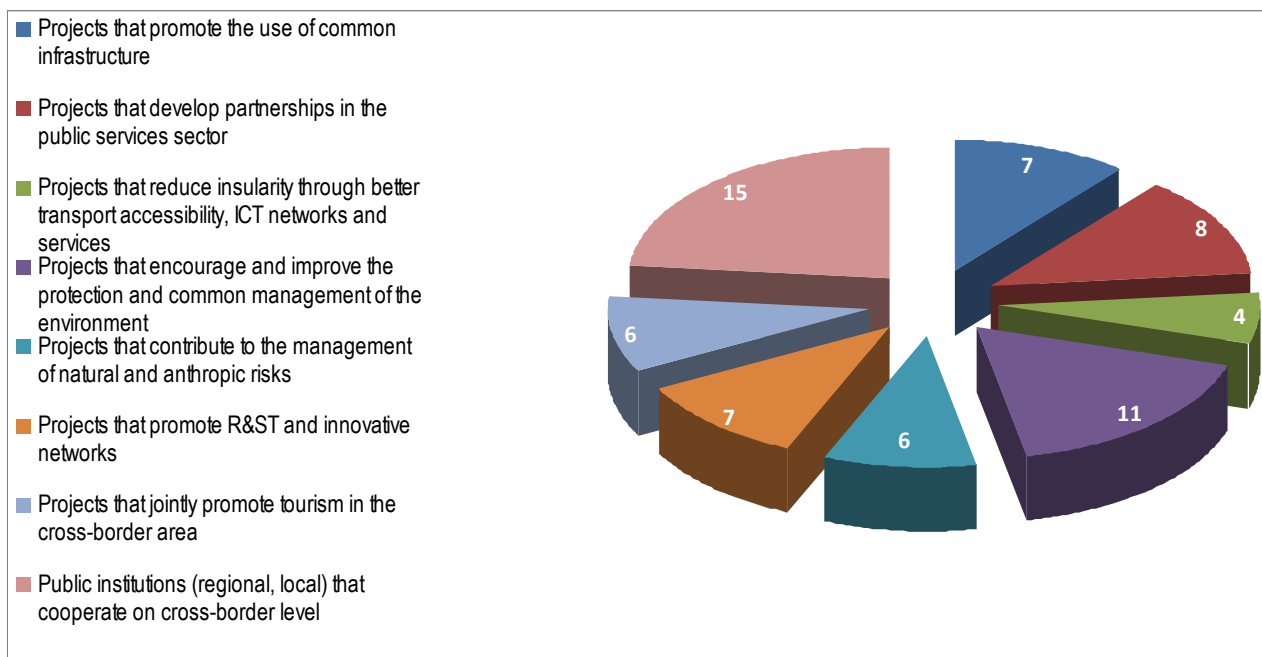
Graph 1: Terms of cooperation



Concerning the level of cooperation, 7 projects have actions aimed to joint use of infrastructures, 8 projects promote the development of partnership in the field of public services, 15 projects foresee the cooperation among public institutions, 4 projects which contribute to the reduction of isolation through a better access to

transport systems and ITC, 7 projects promote R&D, 11 projects improve joint environmental protection and management, 6 projects aim to joint management of natural and human risks.

Graph 2: Level of cooperation

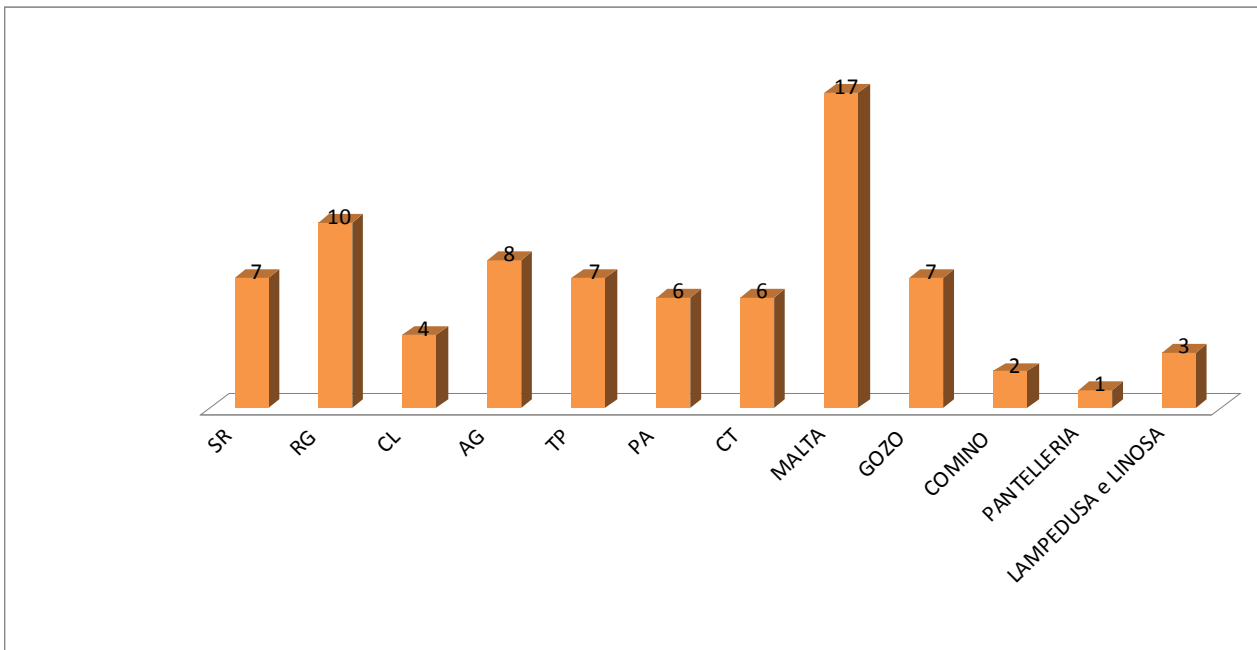


Concerning the impact on the NUTS III zone, the provinces of Syracuse and Trapani are involved in 7 projects, the province of Ragusa in 10 projects, the province of Caltanissetta in 4 projects and the province of Agrigento in 8 projects. About the Maltese territory, the involvement of the minor isle of Gozo (7 projects) and Comino (2 projects) is a very appreciable result.

With reference to the adjacent zones, the province of Palermo participates in 6 projects as well as the province of Catania.

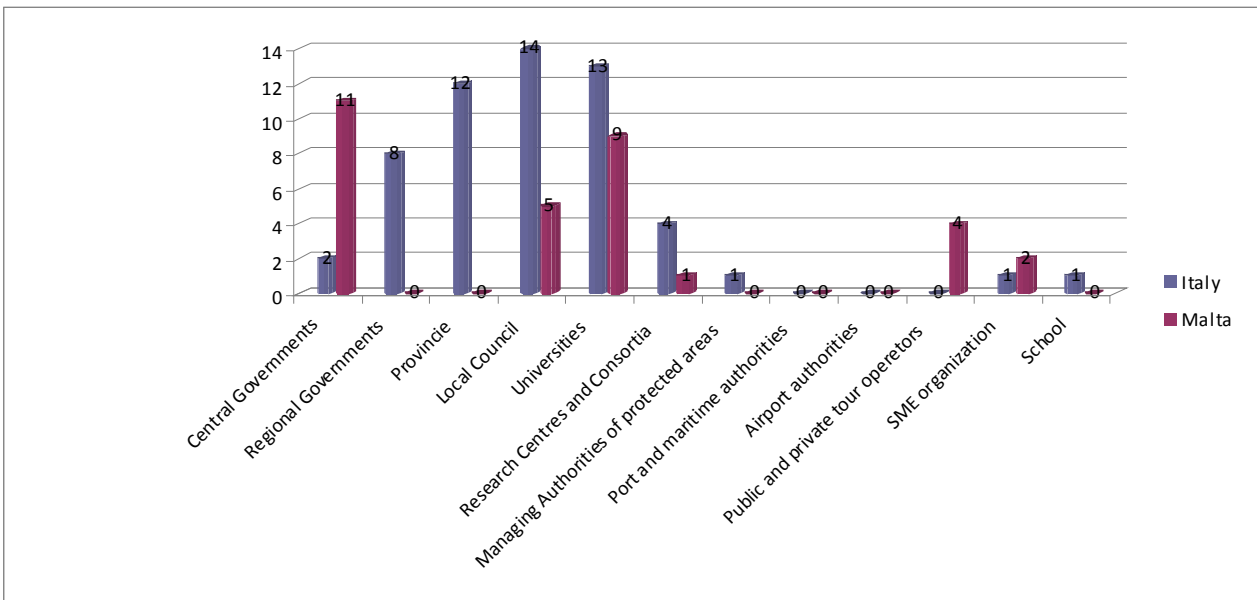
The impact on the minor isles is also good: in addition to the above mentioned involvement of the Maltese isles of Gozo and Comino, there are 3 projects that involve Lampedusa and Linosa and 1 project that involves Pantelleria.

Graph 3 Territorial impact of the admissible to be financed projects:



Concerning the involved beneficiaries, the following graph explains the difference in the involved Italian and Maltese bodies.

Graph 4: Involved bodies



The identification and sharing phase between the two Partner Countries in relation to the priority themes for the selection of strategic projects and financial funding to be allocated was launched, within the context of the activation of Axes I and II of the Programme.

In accordance with Article 16 of Regulation (EC) No. 1080/2006 of the European Parliament and of the Council dated 5 July 2006 that stipulates the modalities of the "Control System" for each Member State, the MA launched the public tender procedure for the establishment of a long list of auditors for the first-level

monitoring activities- administrative accounting audits and on-site verifications – of the operations that fall within the NUTS III Area in Sicily to in respect of axes I and II of the Italy-Malta 2007-2013 OP.

2010 also saw the conclusion of the selection procedure through an open tender for the granting of an no. 1 freelance assignment to an experienced person for the carrying out of the roles and functions of the third component of the Joint Technical Secretariat that will assist the Managing Authority in the implementation of the Programme Communication Plan and of the remaining activities which fall within the competence of the JTS. The State of Malta, in accordance with the provisions of the Programme's Technical Assistance Plan, has also completed the recruitment of the Information Executive, which, following the public tendering procedure, envisages the recruitment of a communication and monitoring expert.

With regard to the Programme Communication Plan, 2010 witnessed the regular updating of the Programme's website (<http://www.italiamalta.eu>), and a continuous information activity together with the diffusion of the Notice for ordinary projects, through the holding of events dedicated to potential beneficiaries located in Sicily and Malta.

Further, the news concerning the programme are also available on the institutional website of both the countries: www.pppdc.gov.mt for the Republic of Malta and www.euroinfocilia.it for the Sicilian Region.

In order to improve the ability to divulge and disseminate information related to initiatives undertaken by the single MA, during the year, a dedicated FAQ section within the www.italiamalta.eu website was created to serve as an FAQ section, in order to provide real-time answers to enquiries from potential beneficiaries and also to the creation of a discussion forum related to the topics and issues related to the notice. Finally, the first communication activities programme, to be held during 2011, were presented during the Monitoring Committee held at the end of December 2010, with the aim of providing informational support for the start-up and implementation of ordinary and strategic projects, a continuous institutional communication activity through the website and through other communication tools which are to be implemented at a later stage, such as a periodic newsletter that will be complementing a constant activity of publicity.

The significant progress in the Programme's implementation and management process is complemented by a still contained advancement in the expenditure flow which continues to register further advancement only in relation to Axis III, namely for actions of technical assistance, awareness, communication and publicity. Against an overall Programme budget amounting to euro 35,468,255.00, the total certified expenditure as of December 2010 is equal to euro 117,240,14.00, which corresponds to around 5.5% of the budget for Axis III and to 0.33% of the Programme's total budget.

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.

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 expresses the strength of the Programme together with the result indicators of the specific Priorities. In keeping with what was stated in the AIR 2009, 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 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	Achievement ⁽¹⁾										
	Target ⁽²⁾									10	
	Baseline ⁽³⁾	1									
Indicator 3 Number of countries/tour operators reached by the joint promoting actions	Achievement ⁽¹⁾										
	Target ⁽²⁾									5	
	Baseline ⁽³⁾	1									
Indicator 4 Number of Area Brand	Achievement ⁽¹⁾										
	Target ⁽²⁾									1	
	Baseline ⁽³⁾	0									
Indicator 5 Number of Public entities involved in	Achievement ⁽¹⁾										
	Target ⁽²⁾									.+ 15	

the exchange of experiences	Baseline ⁽³⁾	10									
Indicator 6 Number of networks created in the tourism sector	Achievement ⁽¹⁾										
	Target ⁽²⁾									.+ 3	
	Baseline ⁽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%	
	Baseline ⁽³⁾	0									
Indicator 2 % of the cross-border surface area effected by projects of safeguarding and management of the environment	Achievement ⁽¹⁾										
	Target ⁽²⁾									.+ del 10%	
	Baseline ⁽³⁾	0									
Indicator 3 Number of EMAS certifications attained by local public entities	Achievement ⁽¹⁾										
	Target ⁽²⁾									.+ del 8%	
	Baseline ⁽³⁾	0									
Indicator 4 Number of Common actions for the institutional coordination against environmental and technological risks	Achievement ⁽¹⁾										
	Target ⁽²⁾									2	
	Baseline ⁽³⁾	0									
Indicator 5											

Achievement

Increasing power derived from renewable sources	t ⁽¹⁾										
	Target ⁽²⁾									.+ di 500	
	Baseline ⁽³⁾	nd									
Indicatore 6 Number of Public entities involved in exchange of experience	Achievement ⁽¹⁾										
	Target ⁽²⁾									.+ 15	
	Baseline ⁽³⁾	0									

Chart 1c: PRIORITY III - ASSISTANCE, AWARENESS, COMMUNICATION AND PUBLICITY											
Indicatore 1 % of thee cross-border area population reached through Information campaigns	Achievement ⁽¹⁾										
	Target ⁽²⁾									20%	
	Baseline ⁽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 MEASURE	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	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	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	0			

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

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

The MA in collaboration the MNCA will carry out the monitoring of the above listed performance indicators and will analyse the consequent effects, the added value of the effected interventions and the impacts on cross-border areas during their completion phase.

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. 2010 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>ERDF Expenditure</i>	0.00				1,329,527.55
Axis II - Environment, Energy And Risk Prevention <i>ERDF Expenditure</i>	0.00				1,220,994.69
Axis III- Assistance, Awareness, Communication And Publicity <i>ERDF Expenditure</i>	117,240.14	117,240.14		210,608.36	162,799.29
Grand Total	117,240.14	117,240.14		210,608.36	2,713,321.53

Chart 2b: Financial information of the Operational Programme per Priority as of the 31.12. 2010, for 2010

	Expenditure paid out by the beneficiaries included in payment claims sent to managing authority	Corresponding public contribution	Private expenses	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>ERDF Expenditure</i>	0.00				1,329,527.55
Axis II - Environment, Energy And Risk Prevention					
<i>ERDF Expenditure</i>	0.00				1,220,994.69
Axis III- Assistance, Awareness, Communication And Publicity					
<i>ERDF Expenditure</i>	117,240.14	117,240.14		129,749.45	162,799.29
Grand Total	117,240.14	117,240.14		129,749.45	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. 2010 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	626,426.56	246,061.89	29,4%	11,6%
TOTAL	35,468,255.00	626,426.56	246,061,89	1,77%	0,69%

Chart 3b: Financial chart of the Operational Programme per priority Priority, as of 31.12. 2010 year 2010

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	299,467.80	165,202,98	14,07%	7,76%
TOTAL	35,468,255.00	299,467.80	165,202,98	0,84%	0,47%

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.

Table 4 - Statistical data

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	443,244.40	521,464.00
86 - Evaluation and studies; information and communication	04 – Other forms of financing	08 – Cross border cooperation area	00 - Irrelevant	ITG1	89,218.18	104,962.56

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

As reported in the AIR 2009, according to the Italy-Malta 2007-2013 OP, the eligible cooperation area includes the cross-border areas of the Provinces of Ragusa, Siracusa, Agrigento, Caltanissetta and Trapani), and also the adjacent areas of the Provinces of Catania and Palermo, within the limits of the EC regulation. In particular, the OP makes reference to the principle of the Art. 21 – Reg (EC) 1080/2006 which establishes that ERDF in cross-border cooperation can finance expenses incurred in the implementation of operations, or part of operations, in adjacent areas, up to a limit of 20% of its contribution to the OP.

In order to identify the operations to be financed in the adjacent areas, the Managing Authority established to apply the principle of the location of the beneficiary. The beneficiaries in these areas may participate in the implementation of projects within a financial threshold of 20% of the total ERDF budget requested for financing the project.

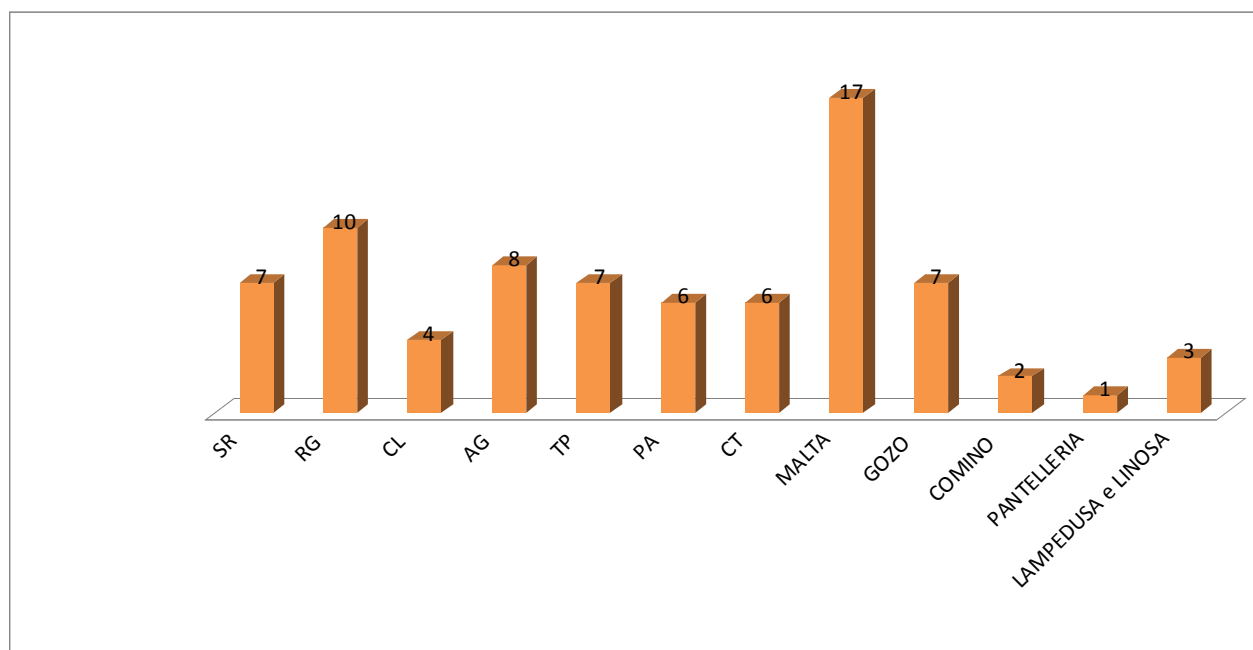
However, in order to increase the benefits of the ERDF in the cooperation area, the Managing Authority established to apply also the principle of the localisation of the activities. This principle establishes that beneficiaries located in the adjacent areas can incur expenses in cross-border area without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

With regards to the monitoring procedures of the financed operations of the beneficiaries from the provinces of Palermo and Catania, the MA will verify during the project implementation, upon the presentation of the list of expenditure by each partner, that the localised 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% of the funds allocated to the project).

As at the 31/12/2010, based on the outcomes of the selection and financial transactions assessment procedures submitted in relation to the January 2010 notice – Axes I and II ordinary projects, 12 out of the 17 operations eligible for funding have an impact on the adjacent NUTS III area: 6 in the Province of Palermo and a further 6 in the Province of Catania.

Graph 3: Territorial impact of the admissible to be financed projects:



2.1.6 Assistance by target groups

In 2010 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 view of the fact that in 2010 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 of Axis III as at the 31.12.2010.

Chart with the list of beneficiaries for the year 2010.

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
Region of Sicily	3	Publications translations organisation of events	2010	120,000.00	120,000.00	75,671.55	64,320.82
Maltese National Coordination Authority	3	Technical Assistance and Communication	2009	5.287,00	5.287,00	5.287,00	4.494,95
Maltese National Coordination Authority	3	Technical Assistance and Communication	2010	30.166,53	30.166,53	30.166,53	25.641,55

2.2 Physical Indicators

No operations related to Axis I and II of the Programme resulted as having been started, as at the 31/12/2010 and, therefore, physical advances are only recorded in relation to Axis III of the OP.

INDICATORS AT PRIORITY AXIS LEVEL

AXIS 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 Annually 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 Annually 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 Annually and at end of programme	0				
	Projects aimed at the improvement of the coordination and accessibility of transportation systems in the programme area	Number	3	Monitoring Annually and at end of programme	0				
	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 Annually 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 Annually and at end of programme	0				
	Projects that promote the strengthening of the institutional partnership in the cross-border area	Number	2	Monitoring Annually 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 Annually 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 Annually 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 Annually and at end of programme	0				
	Projects that promote the strengthening of the institutional partnership in the cross-border area	Number	2	Monitoring Annually and at end of programme	0				
AXIS III Technical Assistance, awareness, communication and publicity	Personnel for the Joint Technical Secretariat	Number	4	Monitoring Annually and at end of programme	0	4			
	Communication and Publicity events	Number	30	Monitoring Annually and at end of programme	0	4			
	Operational Programme Guidelines	Number	5	Monitoring Annually and at end of programme	0				

INDICATORS AT PROJECT LEVEL

In order to guarantee an adequate project monitoring of the financed activities, the MA established a set of predefined physical indicators concerning the intervention field of the priority axis that will be selected by the lead partner to perform its verifications.

The monitoring of the operations that will commence from the following year 2011 will result in the physical, financial and procedural improvements that will be recorded on a regular basis throughout the entire implementation process of the same financed operations.

Up till the 31.12.2010 no operational activities have resulted 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.

With 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 and the MNCA in line with the legislative decree of the 12 April 2006, no. 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 and the Maltese LN 296 of 2010.

In any case, the MA and the MNCA are 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

The acceleration applied by the MA and the MNCA to the definition of the implementation procedures and preparation of the programme documentation required under the community and national rules, signed in late 2009, between the two partner countries participating in the Programme, has already allowed a significant advancement in the Programme implementation and management process during the second half of 2010.

Nonetheless, the need to meet, at the same time, all the countless requirements related to the definition of the instruments required to start the new Programme and for the finalisation of the previous Programme during 2009, revealed some unforeseen difficulties related to the new conceptual and strategic approach of the 2007-2013 new planning cycle. These effects, in part, will also continue to occur during the reference year.

Nevertheless, as already indicated in previous pages, and in line with explanations in Chapter 3, the MA and the MNCA have put in place the necessary measures to minimize, as much as possible, the effects of delays in the initialisation process and the significant advancement in the execution of the Programme as recorded at the end of 2010. This result reasonably allows to anticipate the achievement of the planned ERDF spending targets for 2011, as explained in the following chart.

Chart N+3 target ERDF 2011

Allocation 2008 including 1/6 2007	4.740.713,00
Account	2.713.321,53
Certified ERDF	99.654,13
Target ERDF end 2011	1.927.737,34

AdC data

2.5 Changes in the context of the operational programme implementation

During the year 2010 no changes was 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

First-level monitoring controls in accordance with art. 16 of Regulation (EC) No. 1080/2006 on financial transactions in respect of Axes I and II of the Programme.

As already reported in the AIR 2009, the member states participating in the OP are responsible for conducting the first level control. They appoint their respective controllers who would be responsible for the verification of the eligibility of the expenses claimed by each of the beneficiaries – process of expense validation that includes the administrative verifications (desk checks) and the on-the-spot checks. The first level control is completed with the “verification of the expenditures” which in accordance to Reg. 1080/2006 Art. 20d, is then the responsibility of the lead partner to produce a declaration to the MA of the OP which confirms that the expenditure presented by the beneficiaries participating in the operation is in conformity 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 the MA and itself, with the joint convention among the partners and with any directives agreed by the Executive Committee of the project.

During the reference year, a public procedure for the establishment of a long list of auditors for the carrying out of first-level control activity related to the operations initiated on the Italian territory was launched in accordance with the provisions contained in the document “General characteristics of the national control

systems of the Programmes of European Territorial Cooperation Objective 2007-2013” MEF - IGRUE June 2008 and by the activation instruments related to the current Programme, pursuant to art. 16 of Regulation (EC) 1080/2006. In accordance with the methodologies and procedures laid down in the document “Description of the Management and Control System” pursuant to art. 71 of Regulation (EC) No. 1083/2006 of the Council dated 11 July 2006, approved by the European Commission note prot. no. 006015 of 07/12/2010, approved by the European Commission with note no. 006015 dated 12/7/2010, the auditors shall, in particular, carry out the administrative and accounting audits and the on-site spot checks related control of the financial transactions and the physical operations approved and funded under the Italy-Malta 2007-2013 OP. The long list will be finalised within the first half of 2011, and controllers shall be allocated to every individual operation eligible for funding, during the same period.

Concerning Maltese first level control, Maltese partners shall appoint an auditor in accordance with Maltese Regulation about public procurement.

In accordance with the obligations stipulated under art. 16 of Regulation (EC) 1080/2006, the monitoring and auditing activities carried out by the auditors will address the administrative, financial, technical and physical aspects of operations financed by the Italy-Malta 2007-2013 OP, for both the partner countries participating in the Programme, and are intended to ensure:

- that the declared expenditure is factual and that the products and services are provided in accordance with the stipulated contract;
- compliance with the obligations related to information and publicity requirements laid down by Community law and to the programme’s guidelines;
- the correctness and appropriateness of the procedures regarding procurement and public contracts, in addition to compliance with the regulations related to state aid to private companies, and matters related to environment and equal opportunities;
- that the expenditure complies with Community, national and regional law, and with the provisions of the Programme’s documentations and notices;
- the completeness of the administrative, technical and financial assistance documentation.

Finally, the control activities will encompass 100% of the expenditure incurred by each of the beneficiary and will address their administrative/accounting audits (desk controls) and their on the spot checks.

In accordance to the Programme and the *Management and Control System*: concerning the activities about the first level control of the Italian beneficiaries, the Control Unit (CU) guarantees the coordination of the activities and check methods of the auditors for all the first-level audits affecting the Italian beneficiaries. Additional checks may also be performed at the beneficiary’s site to ascertain and verify the quality system of the work performed by the first-level auditors. The control is performed and documented thanks to checklists and reports. The verification performed by the UC, as indicated, may lead to on-site checks where the auditors are based.

For Malta, on – spot checks are performed on 100% of the expenses reported by the lead and project partners and are carried out according to the following method.

- I. The Auditor designated by the beneficiary (who has already performed the administrative checks), carries out the (100%) on-site checks using the checklists to be sent by the MNCA together with the documentation of the administrative checks;
- II. During the project lifecycle the MNCA shall perform “on-the-spot checks” using the checklists. This control is aimed at verifying the quality of the checks carried out during the project lifecycle and in any case before the verification of the last report of expenditures.

First-level control activities in accordance with art. 16 of Regulation (EC) 1080/2006 on financial transactions in respect of Axis III of the Programme – MA beneficiary.

Following the expenditure amount activation for Axis III of the Programme, MA beneficiary – Sicilian Region, during the reference year, the Programme Control Unit (CU) carried out the audits related to expenditure, amounting to €117,240.14, incurred during the period 22/06/2009 - 14/05/2010, as stated in the first MA-UCO Axis III expenditure report, and as stipulated by the management and control system of the Programme pursuant to art. 71 of Council Regulation (EC) 1083/2006 dated 11 July 2006, approved by the European Commission note prot. no. 006015 of 12/7/2010, and in accordance with art. 16 of Regulation (EC) 1080/2006.

The auditing process focused on the auditing of the beneficiary's administrative and accounting expenditure documentation carried out on the documentation basis, and encompassed 100% of the reported expenditure by the MA beneficiary – Region of Sicily. At the same time, on-site spot-checks encompassing 100% of the reported expenditure were also carried out in order to provide closure for the administrative and accounting audits.

The Programme's Control Unit (CU) has recorded the work performed, the relative dates and the results of the specific audits in the appropriate checklist and minutes of the Programme in relation to each audit.

Based on the outcome of the first level checks and the subsequent validated accounting declaration of expenses drawn up by the MA, the expenses amounting to € 117,240.14 have been fully certified by the CA and have constituted the first request for interim payment to the Commission in December 2010.

2.8 Complementarity with other instruments

The sessions of the Supervision Committees of the Community and National Development funds represented the main instances when links were established between the single MA of the Italy-Malta 2007-2013 OP and the various authorities overseeing the development policies.

Specifically, 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.

Concerning the complementarity of the operations with other operational programmes, the references are those described in the 2009 AIR.

During implementation phase of the Programme, the complementary and non-overlapping principle was particularly complied with in the examination and definition phase of the thematic intervention for "Strategic projects", whose related selection procedures will be launched during the second half of 2011.

2.9 Monitoring and evaluation

2.9.1 Comitato di Sorveglianza

The activities which took place during the 2010 reference year reached their highest point during the second meeting of the Monitoring Committee of the Italy-Malta Programme 2007-2013, which was held on the 6 December 2010 in Gozo – Malta with the following agenda:

1. Adoption of the agenda;
2. Presentation by the MA of the newly recruited incumbents at the Joint Technical Secretariat and at the Maltese National Coordination Authority;
3. Evaluation of the Programme's progress up to the 30th of November 2010 (Axis I, II, and III) and the implementation of the Communication Plan;
4. Evaluation and approval of the re-allocation of the savings incurred under the first call for project proposals;

5. Evaluation and approval of the priority themes selected in connection with the next call for strategic projects and the respective financial allocation;
6. Approval of the revised Technical Assistance budget – shift of funds;
7. Any other business
8. Briefing of the Audit Authority

The new organizational structure of the MA of the Programme was presented during the meeting. This was merged with the introduction of the Regional Planning Department and the definitive establishment of the Joint Technical Secretariat and the Maltese Contact Point.

In the evaluation of the Programme's progress in relation both to the recorded advancements in procedural flows as well as to active procedural expenses that ensured the achievement of planned expenditure for 2010, the members of the Monitoring Committee highlighted the need that the implementation procedures for Axes I and II of the Programme be carried out in an accelerated manner in order to better guarantee the achievement of the expenditure targets and avoid the risk of decommitment for 2011. To this end, the MC, acting on a proposal of the SC, decided to allocate the savings recorded for the call for tenders 1/2009 to the objectives for which a greater territorial response for applications was received.

With regard to the final approval and sharing of the strategic themes in preparation for the commencement of the selection process for the strategic projects, on the suggestion of the Maltese National Coordination Authority it was decided to start, in the shortest possible time, a written procedure in order to define the strategic themes of the projects and the relative admissible actions.

The MC approved also the revised budget of the Technical Assistance plan that included a shift of funds among the budget line items in order to better meet the financial and procedural objectives that will be required during the implementation process.

Finally, the members of the MC reciprocally acknowledged the need to support the timely commencement of the Programme's implementation process through a road map that will be confirmed by the Authorities.

During the meeting, the representative of the AA also filed a notice with the MC's Acts in accordance with Art. 65 (e) of Reg. 1083/2006 on the audit reports carried out as part of the OP.

2.9.2 Executive Committee

The Steering Committee, in fulfilling its obligations, during 2010 and during the two meetings held in Palermo, selected the ordinary projects with regard to call for tenders 1/2009, with the support of the JTS.

Specifically, during the meetings of the 13 - 14 July 2010, the Steering Committee approved the list of eligible and non-eligible ordinary projects in relation to the first call for project proposals for the selection of ordinary projects held following the preliminary investigation for the verification of the eligibility of the 80 project proposals submitted as part of the first call for tenders for the Italy-Malta 2007-2013 OP. The preliminary examination and the verification of eligibility was carried out by the JTS in accordance with the OP's selection criteria - approved by the MC during its meeting held on 24 April 2009 in Catania - and in accordance with public notice no. 01/09 regarding the selection of ordinary projects, with the OP's implementation manual, and the guidelines published by the Programme's MA in the OP website's FAQ section and the email communication dated 9 June 2010 sent by the representatives of the Maltese National Coordination Authority and adopted as part of the protocol of the Regional Planning Department on the 14 June 2010 prot. no. 11181.

During the following meeting held on the 5 November 2010, the SC, after having shared and approved the counter-appeals presented by applicants for projects deemed "not eligible for further evaluation",- approved the lists of projects related to Axis 1, specific objectives 1.1, 1.2 and 1.3 for a total number of 5 projects, and to

Axis II, specific objectives 2.1, 2.2, 2.3 and 2.4 for a total number of 5 projects. Also, given the remaining funds in the specific objectives 1.2, 1.4, 2.2 and 2.4, and after deeming it fit to decide to proceed with a curtailment of the budget in order to make the costs/activities of the funded project proposals coherent and consistent, the SC took it upon itself to refer the proposed program of reallocation of resources and the consequent admission for funding of an additional no. 3 projects under Axis I and of no. 4 projects under Axis II in accordance with the rankings already approved.

During these meetings, the Steering Committee approved amendments to its internal regulations so as to provide greater functionality and efficiency of its own operation.

2.9.3 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 single Managing Authority, in addition to the SRTP, intends to utilise a computerized system (S.I.) which responds in a timely manner to the specific characteristics of a Programme in relation to the Cooperation Objective (type of transaction and beneficiaries, joint development between two countries, financial policies and procedures relating to national sources of the two Member States, need to monitor the implementation of the Programmes in adjacent and bordering NUTS III areas), in order to ensure a more effective and efficient computerised management and control of the same system in respect of the structure defined by the management and control system pursuant to art. 71 of Regulation (EC) 1083/2006.

Towards this end, in 2010, the single MA started the necessary procedures for the analyses for the implementation of the “Caronte” computerised system, used by the ERDF and ESF Regional Programmes in Sicily, as part of the Italy-Malta 2007-2013 OP. Simultaneously, in order to ensure that the Programme is provided with a computerised management and monitoring system that is accessible by different entities participating in the implementation, management control and monitoring of the OP at various levels; the MA also initiated a dialogue with the Region of Tuscany – the Managing Authority of the Cross-Border Cooperation Programme Italy-France Maritime, for a possible free use of the computerised system currently in use by them. This alternative choice is reflected in the findings of the meeting held in Rome on the 25 November 2010 convened by MISE-DPS in agreement with the Ministry of Economy and Finance - IGRUE, in relation to the finalisation of the methods for the collection of data related to the implementation of territorial cooperation programmes. In fact, during the said meeting it was revealed that the monitoring and management of cross-border programmes, including the one adopted for the Italy-France Maritime OP, showed a high level of functionality in the areas related to data collection related to the methods of territorial cooperation programme implementation and in the areas related to their transmission to the central national database.

2.9.4 Monitoring and Control System

As early as the second half of 2009, in carrying out its obligations under EU regulations the single MA has concentrated its work in defining the organizational framework and procedures as defined in the document "Description of the management and control systems" pursuant to art. 71 of Regulation (EC) No. 1083/2006. The complex task of defining a comprehensive framework of unique organisational and administrative procedures for both partner countries allowed the submission, to the Commission, of the final document, together with the report and the compliance opinion with art. 58-62 of Regulation (EC) 1083/2006 recently issued by the Ministry of Economy and Finance IGRUE on the 22 June 2010. On the 12 July of the same year, in line with the checks which were conducted, the Commission communicated, through note no. 6015 of the 12/07/2010 its acceptance of the submitted assessment documents that were in conformity, thus regarding the management and control systems for the Italy-Malta 2007-2013 Operational Programme as being in line with art. 58/62 of Regulation (EC) 1083/2006.

The Managing Authority has carried on the necessary procedures to fulfil the recommendations of the Commission.

2.9.5 Verifications as per art. 62 of the EC Regulation 1083/2006

During the period 01/07/2009 to 30/06/2010, the Audit Authority carried out the checks on the operations management and control system, certified as at the 31/12/2009, as provided by art. 62 of EC Reg. 1083/2006.

Keeping in mind that as at the 31 December 2009 there was no certified expenditure in relation to the Programme, during the reference period the verification activities were focused on the effectiveness of the management and control system.

In this regard, on the 22/12/2010, following the completion of the audits, the AA submitted the Annual Monitoring Report and the audit opinion and expressed a positive opinion regarding the critical issues identified and notified to the MA, considering them as having been overcome in the light of the counter-measures provided, while at the same time reserving the right to conduct the required due diligence in respect of the setting up of the computerised system and the completion of the procedures for the selection of the auditors.

With reference to Republic of Malta, during the month of November 2010 an audit of the system has been carried on at the MNCA.

2.9.6 Evaluation Plan

Taking into consideration that no operations had started as at the 30/12/2010 for Axis I and II, during the SC meeting held in December 2010, the MA brought forward the opportunity for the restructuring of interim evaluations within a specified timeframe.

The proposed updating of the Operational Program Evaluation Plan, of the interim evaluation (ongoing) and of the final evaluation as at 2013 will be defined during 2011.

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 2010 no operations concerning this Priority were approved.

On the basis of the decisions taken by the Monitoring Committee (henceforth MC) during its meeting of December 2010, the Managing Authority has approved the lists of “eligible for financing projects”, “eligible but not fundable projects” and “rejected project” (DDG n.114 -25 march 2011 - recorded by the “Corte dei Conti” (Audit Court) on April 29, 2011). Therefore the data concerning physical, financial and procedural progress of the Axis I and II will be reported on the RAE 2011.

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 relation to Axis I, the four specific objectives set by the Axis have been activated through the public notice issued in January 2010.

Among the 80 project proposals received by the Managing Authority, 54 proposals fell within this axis. 32 proposals passed the verification of the formal admissibility: 10 proposals under objective 1.1; 1 proposal under objective 1.2. and 21 proposals under objective 1.3. No project proposal was submitted under objective 1.4.

Therefore, on the basis of the decisions taken by the MC during its meeting of December 2010, the resources allocated to the funding of specific Objectives 1.2 and 1.4 as per the notice were relocated to the remaining specific objectives, leading to eligibility for the financing of 8 operations, 4 of which relating to Specific Objective 1.1. Supporting research and innovation to support sustainable development paths, through public funding amounting to € 3,906,383.00, and additional financial operations in respect of Specific Objective 1.3. Joint Development of potential for tourism contributing to the improvement of the integrated tourist package offer, through public funding amounting to € 3,912,763.00.

The 8 operations eligible for total public funding amounting to € 7,819,146.00 will eventually ensure, in terms of commitments, the absorption of resources allocated through notice 1/2009 for Axis I.

The commencement of operations in the first half of 2011 will contribute to the achievement of the Programme's target annual expenditure for 2011.

Also in 2010, the MA began negotiations between the two countries for the identification and definition of the priority themes for the selection of strategic projects in relation to the Axis I & II. The public tender procedure will be completed by the end of 2011.

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 2010 no operations concerning this Priority were approved.

On the basis of the decisions taken by the Monitoring Committee (henceforth MC) during its meeting of December 2010, the Managing Authority with DDG n.114 -25 march 2011 - recorded by the "Corte dei Conti" (Audit Court) on April 29, 2011, has approved the "Project eligible for financing list", the "Project eligible but not fundable list", the "Project refused list".

As said in par. 3.1.1.1 about Axis I, also for Axis II the Managing Authority has approved the lists of "eligible for financing projects", "eligible but not fundable projects" and "rejected project" (DDG n.114 -25 march 2011 - recorded by the "Corte dei Conti" (Audit Court) on April 29, 2011).

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

Among the 80 project proposals received by the Managing Authority, 26 proposals fell within this axis. 18 proposals passed the verification of the formal admissibility: 9 proposals under objective 2.1; 2 proposals under objective 2.2. 6 proposals under objective 2.3 and 1 proposal under objective 2.4.

As result of the evaluation of the project proposals, the final classification did not allow the total absorption of the resources allocated by the notice to the individual specific objectives of the Axis. Therefore, as for Axis I, during the meeting in December the 6th, the MC has reallocated resources to the specific objectives that has interested a greater number of offers.

These were therefore deemed to be eligible for specific objective 2.1. Contributing to environmental protection through the preservation, enhancement and monitoring of natural resources, no. 4 financial operations through

public funding amounting to € 3,499,955.00, for specific objective 2.2 Contributing to the development of renewable energy and energy efficiency, no. 1 financial operations to the amount of € 587,698.00, for specific objective 2.3. Promoting joint actions in the sphere of prevention of risks resulting from both natural and human causes no. 3 financial operations through public funding amounting to € 2,806,299.00; for specific objective 2.4. Contributing to the strengthening of cross-border institutional partnership in the areas identified under the Axis, one financial operation through public funding amounting to € 286,969.00.

The 9 operations eligible for total public funding amounting to € 7,180,851.00 will eventually ensure, in terms of commitments, the absorption of total resources allocated through the Axis Notice.

The commencement of operations within the first half of 2011 will contribute to the achievement of the Programme's target annual expenditure for 2011.

Also during 2010, the MA began negotiations with the MNCA for the identification and definition of the priority themes for the selection of strategic projects in relation to the Axis I & II. The public tender procedure will be completed within the last six months of 2011.

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

With reference to the financial indicators, the commitments amounted to € 626,426.56, which is equivalent to 29% of the total available, while payments amounted to € 210,608.36 (approximately equivalent 10% of the Axis resources) as highlighted in the following table below.

The financial implementation includes the expenditures of the beneficiary MNCA - years 2009-2010. The MNCA's expenditures will be reimbursed by MA on 2011.

As regards the implementation indicators, the following are the indicators reported in the OP, accompanied by the relative quantification for 2010, based on 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	4
Communication and Publicity events	Number	30		0	4
Operational Programme Guidelines	Number	5		1	3

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	626,426.56	246.061,89	29,4%	11,6%

3.3.1.2 Qualitative analysis

During 2010, the MA fulfilled the formalities necessary for the selection of the third component of the Joint Technical Secretariat of The Cross-Border Cooperation Programme Italy-Malta 2007–2013. In particular, it published the public notice for the Public selection of one expert for the performance of the roles and functions pertaining to the Joint Technical Secretariat (JTS), based on qualifications and an interview, for the implementation of the Operational Programme Italy-Malta 2007-2013 in the Official Gazette of the Sicilian Region, on the institutional site www.euroinfosicilia.it, on the site of the Planning and Priorities Coordination Division at the Office of the Prime Minister (www.ppcd.gov.mt) and in the regional and national press. The selection procedures were completed in November 2010 with the contracting of the third JTS component.

Also in February 2010, the Public Service Commission of Malta published the notice for the selection of the component of the Maltese Information Executive of the Italy-Malta Programme 2007-2013, which position was established by the MNCA. The selection procedure was completed in April 2010, through the contracting of the incumbent which will carry out its supporting activities to the Programme at the location indicated by the MNCA.

Therefore, for the year 2010, Axis III shows expenditures corresponding to payments equal to € 246.061,89 related to expenses linked to the daily running of the OP and to the activation of the JTS.

The overall certified expenditure as at the 31.12.2010 is equal to € 117,240,14.00 and the entire amount can be assigned to the MA as beneficiary, in respect of expenditure related to Axis III for the period 2009-2010.

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 with the art. 14 of the 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 and the Monitoring Committee. The Joint Technical Secretariat (JTS) is based at MA.

As previously explained in point 3.3., during 2010, the MA fulfilled the formalities necessary for the selection of the third component of the Joint Technical Secretariat of The Cross-Border Cooperation Programme Italy-

Malta 2007–2013. In particular, it published the public notice for the Public selection of one expert for the performance of the roles and functions pertaining to the Joint Technical Secretariat (JTS), based on qualifications and an interview, for the implementation of the Operational Programme Italy-Malta 2007-2013 in the Official Gazette of the Sicilian Region, on the institutional site www.euroinfosicilia.it, on the site of the Planning and Priorities Coordination Division at the Office of the Prime Minister (www.ppcd.gov.mt) and in the regional and national press. The selection procedures were completed in November with the contracting of the third JTS component.

Also in February 2010, the Public Service Commission of Malta published the notice for the selection of the component of the Maltese Information Executive of the Italy-Malta Programme 2007-2013, established by the Maltese Coordinating Authority. The selection procedure was completed in April, through the contracting of an incumbent which will carry out its supporting activities to the Programme at the location indicated by the MNCA.

In addition, as part of the implementation of the Technical Assistance Plan and the Communication Plan in accordance with the provisions of Regulation (EC) 1828/2006 on information and publicity, following a regular public call for tenders the MA purchased information and communications services for the selection processes which had been started – the selection of the operations in relation to Axes I and II of the Programme, the selection of the third JTS component, the long list of auditors and newspaper advertisements. This was complemented by the purchasing of real services for the fulfilment of the launching of the first call for tenders for ordinary projects. Finally, a translation agency was contracted to translate the Programme documents into English.

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

In an effort to commence its planned initiatives in the field of communication and information as described in the approved Programme Communication Plan, and in order to ensure transparency with regard to the Programme's decision-making process and implementation and monitoring procedures, making effective the citizens' right to full and proper access to information, during the first two months of 2010, the Programme's Managing Authority, in collaboration with the Maltese Coordinating Authority, held the Programme's opening seminar which included the first call for tenders for ordinary projects, and its related in-depth seminars tailored for the potential beneficiaries of the OP, in both countries.

In particular, the two events held in Catania and Valletta featured the presentation of the Programme by the MA, and a relaying of the solid experience gained as a result of the cooperation between the two countries by the MNCA. The Ministry of Economic Development participated in the proceedings in Catania by presenting a contribution about the role of the Department for Economic Development and Cohesion Policy within the cooperation objective planning context. During the course of the proceedings, the first call for tenders for ordinary projects was presented together with the related forms for the submission of applications.

During the meetings held in Catania and Valletta, two workshops explaining the procedures to participate to the first call for ordinary project were carried out, as a further information and publicity activity. The aim was to inform potential beneficiaries of the OP. The turnout was: 321 participants in Catania and 118 participants in Valletta.

During the workshops held for the beneficiaries, the JTS presented information about the related in-depth procedures and forms for the submission of projects, and about the requirements for the awarding of tenders in relation to quality sub-criteria.

Further information was provided during the forum as part of the proceedings, and requests for clarification raised by the participants relating to networking and partnerships in Sicily and Malta were also accommodated, these being relevant to the interests of the beneficiaries.

Due to its function as an informational and communicative tool in relation to the Programme, the website of the 2007-2013 Italy-Malta OP, www.italiamalta.eu, was also presented. Particular attention was given to the sections of the site from which beneficiaries of the Program will be able to access documents and information which are most relevant to them.

Other seminars were held in Malta on 22 and 23 February. During these bilateral meetings with potential partners, information useful to the establishment of networks and partnerships has been provided.

During the infoday organized by the PPCD in collaboration with Interact in November and concerning the presentation of cooperation programmes involving Malta, the Programme Italy-Malta 2007-2013 was presented.

The website has been enhanced with specific sections on beneficiaries' registration, news, documents, collecting EU legislation, national and regional (Italian and Maltese), forums, FAQs, and contacts.

The website is constantly updated with information about the OP and with the publication of documents useful for its implementation. Information on the Italia Malta Programme was also uploaded on the MNCA's website - www.ppcd.gov.mt. Call for proposal and notices are posted on the website of the Department of Planning - Sicilian Region - www.euroinfosicilia.it.

From January 2010 to December 2010 the accesses to the website of the OP were 30,621 while those who registered were 182. The following table shows the downloaded item.

Classifica	Titolo	Download
1	Bando n. 1/09 per la selezione di progetti ordinari	3569
2	Allegato A - Criteri di selezione dei progetti ordinari dettaglio criteri sub-qualità	2427
3	Decreto di indizione bando n. 1/09	1068
4	PO Italia-Malta 2007-2013	1050
5	scheda registrazione	1019
6	scheda idea progettuale/proposal idea form	1012
7	Programma evento 25 gen 2010	974
8	Call n.1 for project proposals	839