

**European Fisheries Fund Programme 2007-2013**

**Malta**

## **Annual Implementation Report 2013**

**May 2014**

Funds and Programmes Division  
Parliamentary Secretary for the EU Presidency 2017 and EU Funds  
Ministry for European Affairs and the Implementation of the Electoral Manifesto



Fisheries Operational Programme 2007-2013  
Co-financed by the European Union  
European Fisheries Fund (EFF)  
Co-financing rate: 75% EU Funds; 25% National Funds



***Investing in sustainable fisheries***

## Table of Contents

List of Tables and Figures.....	3
List of Acronyms.....	4
1. Identification.....	6
2. Executive Summary.....	7
<i>Priority Axis 1</i> .....	9
<i>Priority Axis 2</i> .....	11
<i>Priority Axis 3</i> .....	13
<i>Priority Axis 5</i> .....	15
3. Overview of the Implementation of the Operational Programme by Priority Axis.....	18
3.1 <i>Information on the physical progress of the Priority Axes</i> .....	18
3.2 <i>Specific information for Priority Axes and Measures</i> .....	27
3.3 <i>Financial information</i> .....	30
3.4 <i>Qualitative Analysis</i> .....	31
3.5 <i>Monitoring Arrangements</i> .....	38
3.5.1 <i>Day to Day Management</i> .....	38
3.5.2 <i>Monitoring Committee</i> .....	39
3.5.3 <i>The Database</i> .....	39
3.5.4 <i>On-the-spot checks</i> .....	39
3.5.5 <i>Intermediate Body Network Meetings</i> .....	42
3.5.6 <i>Mid-Term Evaluation</i> .....	42
3.5.7 <i>Systems Audit Report</i> .....	42
3.6 <i>Significant problems encountered and measures taken to overcome them</i> .....	42
3.7 <i>Recommendations from the Commission</i> .....	43
3.8 <i>Assistance re-paid or re-used</i> .....	43
3.9 <i>Substantial Modifications under Art. 56</i> .....	43
3.10 <i>Changes in context and general conditions to the implementation of the OP</i> .....	43
4. The use made of Technical Assistance.....	44
5. Information and Publicity.....	46
6. Information and Compliance with Community Law.....	46
7. Complementarity with other instruments.....	47
7.1 <i>Consistency with other Funds and Programmes</i> .....	47
7.2 <i>EFF and the National Strategic Reference Framework 2007-2013</i> .....	48
7.3 <i>EFF and Operational Programme I Cohesion Policy 2007-2013</i> .....	48
7.4 <i>EFF and Operational Programme II Cohesion Policy 2007-2013</i> .....	49
7.5 <i>EFF and the Rural Development Plan 2007-2013</i> .....	49
7.6 <i>Concluding Remarks</i> .....	49

## List of Tables

Table 1.....	8
Table 2.....	18
Table 3.....	26
Table 4.....	28
Table 5.....	43
Table 6.....	44

## List of Figures

Figure 1.....	12
Figure 2.....	13
Figure 3.....	16
Figure 4.....	16
Figure 5.....	17
Figure 6.....	17
Figure 7.....	34

---

## List of Acronyms

AIR	Annual Implementation Report
AA	Audit Authority
ASA	Alternative Site Assessment
BFT	Blue Fin Tuna
BOQ	Bill of Quantity
CA	Certifying Authority
DFA	Department for Fisheries and Aquaculture
DG	Director General
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EFF	European Fisheries Fund
EMFF	European Maritime Fisheries Fund
EU	European Union
EUD-MRRA	European Affairs Directorate – Ministry for Resources and Rural Affairs
FCD	Fisheries Control Directorate
FEAP	Fishing Effort Adjustment Plan
FPD	Funds and Programmes Division
GT	Gross Tonnage
kW	Kilowatts
IAID	Internal Audit and Investigation Department
IB	Intermediate Body
IMCC	Inter-Ministerial Coordination Committees
IR	Irregularity Report
MA	Managing Authority
MEAIM	Ministry for European Affairs and the Implementation of the Electoral Manifesto
MEPA	Malta Environment and Planning Authority
MC	Monitoring Committee
MCS	Management and Control Systems

MGOZ	Ministry for Gozo
MoP	Manual of Procedures
MRRA	Ministry for Resources and Rural Affairs
MSDEC	Ministry for Sustainable Development, the Environment and Climate Change
NSP	National Strategic Plan
NSRF	National Strategic Reference Framework
OP	Operational Programme
OPM	Office of the Prime Minister
OTS	On the Spot Check
PA	Priority Axis
PSC	Project Selection Criteria
SoE	Statement of Expenditure
TA	Technical Assistance
TEN-T	Trans-European Transport Network
VIG	Visual Identity Guidelines

## 1. Identification

### Annual Report on Implementation of the Maltese Operational Programme as per Article 67 of Council Regulation 1198/2006 on the European Fisheries Fund

Member State: Malta

Operational programme	Programme number (CCI No):	2007MT14FP0001
Report on implementation	Reporting year:	<b>2013</b>
	Date of approval of the annual report by the monitoring committee:	<b>7<sup>th</sup> May 2014</b>

## 2. Executive Summary

The Annual Implementation Report (AIR) for the European Fisheries Fund (EFF) is written by the Funds and Programmes Division (FPD) as the Managing Authority (MA) of this fund. The EU Affairs unit within the Ministry for Sustainable Development, Environment and Climate Change (MSDEC), in its capacity of Intermediate Body (IB) of the Fisheries Operational Programme 2007-2013 (FOP) has also contributed in the completion of this report.

The year of 2013, has proved to be one of many changes and challenges. However the MA successfully managed to close the books for 2013 without any funds being de-committed by the end of year.

During 2013 the MA launched a total of 4 calls under Priority Axes (PA) 1 and 3, namely; (i) Permanent Cessation for Fishing Vessels (PA1); (ii) Investments on Board Fishing Vessels and Selectivity (PA1); (iii) Safety Training for Fishers (PA1); (iv) Upgrading of Landing Sites (PA3).

Despite the administrative capacity of the MA staff complement had decreased by one officer, the MA managed to achieve the yearly target as stipulated in the FOP. Officials were assigned specific tasks as per organisational chart of the MA. The Financial Control Unit continued to ensure that management verifications and checks are carried out by a Unit which is totally autonomous to the Management functions of the MA.

The principles of equal opportunities and environmental sustainability, which are horizontal objectives within the EFF OP and feature as fundamentally important in the Maltese Government's Agenda, were stressed in all documentation and calls launched in 2013. Furthermore, the MA's commitment towards equal opportunities and environmental sustainability are reflected in the project selection process where marks are specifically allocated to proposed investments that promote these priorities.

On the 8<sup>th</sup> March 2013, Malta underwent a change in administration which also brought about the creation of new ministries, a change in some names of ministries, and also the departments falling within their remit. The FPD which up until the 8<sup>th</sup> March general election fell under the Office of the Prime Minister's remit now forms part of the newly created Ministry for European Fund and the Implementation of the Electoral Manifesto (MEAIM). The Ministry for Resources and Rural Affairs has now been reconstituted to read Ministry for Sustainable Development, Environmental and Climate Change (MSDEC).

In 2013 a total € 2,303,368.84 (€ 1,727,526.63 EFF funds) was certified to the European Commission in three Statements of Expenditure. The first Statement of Expenditure (SoE) by Fund was sent to the Commission in August 2013 and the total EFF funds certified in this SoE amounted to €190,140.66. The second SoE by Fund is dated November 2013 and the total EFF funds certified in this SoE amounted to €149,753.50. The third SoE certified to the EC in December 2013 amount to € 1,387,632.47. As a result of these Statements of Expenditure, Malta reached the certification target for 2013, i.e. €1,271,388, hence no funds were de-committed.

Following the 8<sup>th</sup> EFF Monitoring Committee meeting held on the 18<sup>th</sup> April 2013, the members of the committee approved changes in the OP by means of a written procedure on the 5<sup>th</sup> July 2013. The changes in the OP focused mainly on the shift of budget between PAs, with funds being shifted mainly to PA1 and PA5. The revised OP was approved by the EC on the 11<sup>th</sup> June 2013<sup>1</sup>.

The total budgetary allocation to Malta is broken down as per the table below:

<b>Priority</b>	<b>Total Public</b> <b>a=(b+c)</b>	<b>EFF Contribution</b> <b>(b)</b>	<b>National Contribution</b> <b>(c)</b>	<b>EFF co-financing rate</b> <b>(d)=(b)/(a)*100</b>
<b>Priority Axis 1:</b>	3,913,983	2,935,488	978,495	75
<b>Priority Axis 2:</b>	1,213,314	909,986	303,328	75
<b>Priority Axis 3:</b>	5,309,806	3,982,355	1,327,451	75
<b>Priority Axis 5:</b>	726,000.00	544,500.00	181,500.00	75
<b>Total</b>	<b>11,163,103</b>	<b>8,372,329</b>	<b>2,790,774</b>	

Table 1: Budgetary Allocation under the EFF per Priority Axis (PA) as per EFF OP Version 4

<sup>1</sup> CCI-No.2007 MT14 F PO 001; Decision Number C(2013)7230



## Qualitative analysis

### Priority Axis 1 – Measure for the adaptation of the Maltese fishing fleet

#### *Measure 1.1 Public Aid for Permanent cessation of fishing activities*

Further to the adoption of management plans published in the Government Gazette of the 1<sup>st</sup> October 2013, the Fishing Effort Adjustment Plans were designed in line with Article 21 and 22 of the EFF Regulation<sup>2</sup>. All actions undertaken under this measure are implemented within the framework of a Fishing Effort Adjustment Plan (FEAP). The main objective of this measure is to reduce the fishing capacity of the Maltese registered fishing fleet through the permanent cessation of fishing activities.

A total of four Permanent Cessation Schemes were launched since 2010. The first call was launched in 2010, followed by a second call in 2011; the third call was launched in October 2012, whilst the final call was launched in November 2013. Through the first three schemes 20 fishermen benefited from EFF funds. Through the fourth scheme another 5 beneficiaries received funding; 4 of which had license for Bottom Otter Trawl and one for Lampara.

The call was issued by a press release published on the MSDEC website (Ref.No: PR2652) on the 27<sup>th</sup> November 2013 and also published on the Government Gazette dated 28<sup>th</sup> November 2013. The results were published online (<http://vafd.gov.mt/results>) and rejection and award notices were sent to applicants by the IB. The IB signed a Grant Agreement with the five eligible applicants and the total public funds contracted under this scheme total €1,193,589.19 in public funds (€895,191.90 representing the EFF contribution). By the end of December 2013, five fishing vessels and their owners' Trawl and Lampara licences had been permanently deleted from the Maltese Fishing Vessel Register and from the Community Fleet Register.

The sum contracted was fully disbursed on the 20th December 2013 and the said amount was certified to the EC in the Statement of Expenditure (SoE) by Fund that was processed and sent by the Certifying Authority on the 24th December 2013. Further information in relation to this call can be found on the MA's website ([https://secure2.gov.mt/fpd/grant\\_schemes](https://secure2.gov.mt/fpd/grant_schemes)) and also on the website of the IB (<http://vafd.gov.mt/proposals>).

The permanent Cessation Aid Scheme launched in 2013 resulted in a further reduction of 1,772.90 kW and 273.93 GT (of 622.66 Kw and 43.16 GT referring to Lampara vessels and of

---

<sup>2</sup> Council Regulation (EC) No. 1198/2006

1150.24 kW and 230.77 GT referring to Bottom otter trawl vessels) from the Maltese Fishing Vessel Register. The results are based on the data of the respective Certificate of Malta Registry issued by Transport Malta and the Fishing Effort Adjustment Plan for Lampara and Bottom otter trawl fishery<sup>3</sup>.

When the results obtained by all four permanent cessation schemes (2010-2011-2012-2013) are analysed collectively, it transpires that the Maltese Fishing Vessel Register has been reduced by a total of 4757.13 Kw and 635GT.

### ***Measure 1.3 – Investments on board fishing vessels and selectivity***

This measure is intended specifically to improve the existing fishing fleet through modernisation and is managed in such a way that the resultant fishing capacity does not exceed the tonnage and power of the existing fishing fleet. Investments that could be financed under this measure could target safety on board<sup>4</sup>, working conditions on board, enhanced hygiene, improved product quality, improved energy efficiency and increased selectivity of fishing gear provided that these do not increase the ability of the vessel to catch fish.

A call under this measure was launched in March 2010 and 33 Grant Agreements were signed between the IB and Beneficiaries. When the FPD took over the role of MA of the EFF Programme thorough checks on all ongoing schemes and projects, including the Investments on Board Aid Scheme, were carried out. Following an MA on IB on the spot check (OTS) focusing on the said scheme, the MA identified a number of irregularities, most of which were related to procurement and the financing of ineligible equipment, halted all pending payments and instructed the IB to engage the services of a marine engineer to carry out technical checks on the equipment claimed under the scheme. Following the conclusions of the reports by the marine engineer, the MA issued a total of 23 irregularity reports related to investments under this scheme up until December 2013. The total sum unduly paid under this scheme totals € 102,447.82 (€71,787.42 as irregular amounts for 2012; € 30,660.40, as irregular amounts for 2013). The irregular amounts were all recovered during 2013.

A second scheme was launched on the 14<sup>th</sup> September 2013 under this measure, targeting investments on board fishing vessels and selectivity, to which only one application was submitted which was later declared as ineligible by the Project Selection Committee (PSC).

---

<sup>3</sup> The FEAP considers only the primary Engine Power, when the vessels are endowed with auxiliary engines, the kW is based on the Certificate of Malta Registry.

<sup>4</sup> Safety on board requirement which are over and above Subsidiary Legislation 425.07 – Schedule V and Council Directives 93/103/EC and 92/29/EEC

---

***Measure 1.4 – Socio-economic compensation for the management  
of the community fishing fleet***

This measure's main objective is to support sustainable management of the fishing fleet through, diversification of activities within the industry, upgrading the skills of the active fishers and by supporting the transfer of skills to occupations outside the fisheries industry. This measure aims at addressing these challenges by granting socio-economic compensation for the management of the community fishing fleet with the ultimate aim of ensuring the long-term sustainability of the environment in particular with specific training aimed at reducing the prevention of pollution at sea. Indirectly, such training would help reducing potential impacts on stocks and species in the waters where Maltese vessels operate, and thereby the specific stocks targeted by Maltese fishermen. Additionally, the training module aimed at encouraging diversification outside the fishing industry, also sought to elicit a reduction in the fishing effort by Maltese fishermen (an hour in alternative employment implies an hour less in fishing) and therefore indirectly enhancing the sustainability specific stocks targeted by Maltese fishermen.

In 2010 MRRA had contracted a service provider through an open tendering process to deliver training to Maltese registered fishers. Training started in December 2010 and continued during 2011. A total of 827 fishers were trained. This project was completed in 2011, with all payments being disbursed in 2011. In 2013 a total of € 111,853.64 was certified to the EC under this measure adding up to a total of € 224,401.04 with a corresponding EFF contribution of € 168,300.78. On the 28<sup>th</sup> June 2013, a restricted call closing on the 9<sup>th</sup> August 2013 was launched following talks between MSDEC and the MA about the need for a training course. Even though consultations indicating that a training course would take place were held, such induction never materialised since no applications were received in conjunction with this call.

## **Priority Axis 2 – Aquaculture, Inland Fishing, Processing and Marketing of Fishery and Aquaculture Products**

An Aid Scheme was launched in 2010 under Measure 2.3 (Investments in processing and marketing) to support processing facilities within the fisheries sector. Implementation for this aid scheme mainly took place during 2011. The two ongoing projects consisted of fish processing and packaging plants. Three Aid schemes targeting the 3 measures under Priority Axis 2 namely Measure 2.1 – Productive Investments in Aquaculture; Measure 2.2 – Aqua-Environmental Measures and Measure 2.3 – Investments in processing and marketing were launched on 9<sup>th</sup> August 2012. The budget made available under these Schemes totalled €1.5 million (€500,000 per Scheme which could be shifted from one Scheme to another depending on the applications received). Two applications were received under Measure 2.1 whilst an application under Measure 2.3 was received after the set deadline and was duly rejected. In

2013, the Project Selection Committee concluded the evaluation process and only one beneficiary under Measure 2.1 signed the Grant Agreement in May 2013.

### ***Measure 2.1 – Productive Investments in Aquaculture***

The project under this measure consisted of new aquaculture equipment such as cages, chains and other equipment necessary for investments in aquaculture. The beneficiary procured all the items as stipulated in the Grant Agreement. IB officials conducted OTS checks to verify that all items were delivered before end of December 2013.

On 30<sup>th</sup> October 2013, the Intermediate Body and the Managing Authority carried out an OTS check on the fish farms cages built in the area of St. Paul's Island. This consisted in verifying the successful completion of the project and also the inspection of the EFF Programme plaques affixed to the cages. All 24 cages have been built and the IB and MA took photos of each EFF Programme plaques affixed to them.

A total of € 195,769.38 (public eligible amount) was processed through the EFF Database under this measure in 2013.



*Figure 1. MA and IB officials carrying out OTS checks on-site*

### ***Measure 2.3 – Investments in processing and marketing***

A call under this Measure was issued on 28<sup>th</sup> September 2010 and closed on 2<sup>nd</sup> November 2010. There were two eligible applications and subsequently two Grant Agreements were signed between the IB and Beneficiaries. The total public eligible budget of these two Grant Agreements, which were signed in 2011, amounted to € 780,006. By the end of 2013, both projects had reached their closure date<sup>5</sup>.

<sup>5</sup> One of the projects under this measure has officially withdrawn from receiving EU funding on the 17<sup>th</sup> January 2014.

The two projects consist of investment in fish processing including the modernisation of premises in production methods and the improvement of hygiene with a view to support enhancement of quality and adding value to the sector or product.

The total public eligible amount (40% of the total cost of operations) paid and certified under this measure as at end 2013 amounts to € 161,060.06 and the total payments effected by Beneficiaries add up to € 241,590.03<sup>6</sup> (these figures factor in all the irregularities signalled and adjusted during 2013).

## Priority Axis 3 – Measures of Common Interest

### *Measure 3.1 – Fishing Ports, landing sites and shelters*

#### Fishing Ports

During 2011 a restricted call was issued under this Axis and the Wholesale Markets and Fishing Fleet Facilities Directorate responded with an application to install 12 service pillars in the Marsaxlokk fishing port for a total of €45,134.43 in public expenditure. These pillars are providing electricity and fresh water to be used for the maintenance and cleaning of fishing vessels. In 2012 the MA carried out checks to ensure that the service pillars are still in proper working condition in line with article 56 of the EFF Regulation. The beneficiary of this project has carried out further checks on 17<sup>th</sup> September 2013. Following such report, the FCD remarked that all service pillars are still in place and still have publicity plaques affixed to them, however a number of pillars need to be serviced for wear and tear induced by repeated usage and weathering.

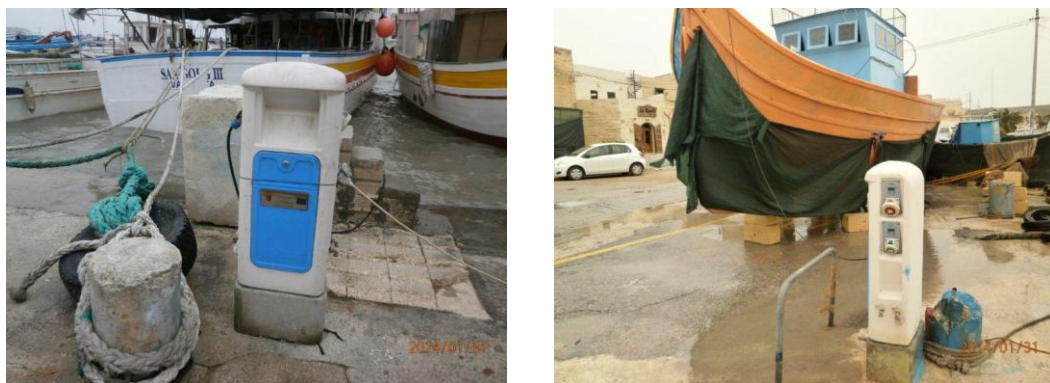


Figure 2. Service Pillars at Marsaxlokk

<sup>6</sup> The amount of €14,960 were successfully recovered in January 2014 from the withdrawn project under Measure 2.3

---

## **Fish-market**

Further to the restricted call for applications launched on the 16<sup>th</sup> July 2012 by the MA, the FCD submitted an application with the MA. The application's scope included the relocation of the auction sale activity to a more modern structure that is fully compliant with the current health and safety rules. The facilities at the new fish market are designed to improve the quality of fresh fish products at point of sale by including a wholesale fish market and fish processing plant under one roof. When FCD satisfied all conditions set by the Project Selection Committee in the Conditionality letter, the MA proceeded to the Grant Agreement stage and a Grant Agreement between the MA and the Beneficiary was signed on the 21st November 2012<sup>7</sup>. The grant requested in the Grant Agreement for the project was tagged at € 2,935,877<sup>8</sup> and the total project costs valued at €3,893,487.50 (€780,362.50 total non-eligible costs including non eligible VAT, studies and surveys and project management).

Following up on the Government of Malta's commitment to invest in a new fish market, relocating and upgrading the amenities of the infrastructure and offering the possibility for new fisheries activities (processing) to thrive within the newly designated area, a contract for the demolition of the ex reverse osmosis plant and the construction and finishing works of the new fish market in Marsa was signed by the MRRA on the 26<sup>th</sup> July 2012.

The contractor commenced work on the project in September 2012 and by the end of 2012 excavation works were completed. The demolition and preliminary works included the demolition of the previously standing 3 buildings which formed the whole block, and the carting away of all the resulting materials and debris including disposal in an approved dump and licensed dump area. By the end of 2013, the building of the fish market approached its completion stage.

In 2013 a total of € 676,763.08 was certified to the EC under this project, with the corresponding EFF contribution amounting to € 507,572.31

## **Landing Sites Project**

The MA issued a restricted call on the 25th June 2012 and MRRA submitted an application for the financing of four mobile offices to be used in landings sites in designated ports located in Malta and the upgrading of a building in Mgarr, Gozo, which is to be used as a landing site. On the 5th September 2012 the MA's Project Selection Committee had recommended the project for approval with a number of conditions and the MA issued a conditionality letter

---

<sup>7</sup> An extension to the Grant Agreement was approved by the M.A. on 30<sup>th</sup> September 2013.

<sup>8</sup> The calculation of funding gap according to CBA carried out before the signing of Grant Agreement

accordingly. The Grant Agreement was eventually signed on the 5th June 2013<sup>9</sup>. By the end of 2013 the project was in its advanced stages and its completion date is earmarked for some time around May 2014. No payments were effected under this project as at December 2013.

During 2013, the MA launched a restricted call under this measure, for which a total of three project applications were received, two by the MSDEC and a third one by the Ministry for Gozo. Following an evaluation process by the EFF Project Selection Committee, the MA has, on the 20<sup>th</sup> December 2013, issued approvals for 3 proposals through conditionality letters addressed to the Project Leaders. Currently the Managing Authority is in the process of drafting the Grant Agreements to be signed between the MA and the beneficiaries (MSDEC & MGOZ). The total public eligible funds committed to the three projects amount to € 1,757,883.25, which total might be revised before the actual signing of the Grant Agreement

### **Promotional Campaign**

On the 8th November 2012 the MA launched an open call under Measure 3.2 of the Operational Programme; Measures of Common Interest (Measure 3.2 – Development of new markets and promotional campaigns). The call was publicised in the media and on the web site of the MA and an information session in connection with this call was held at the MA premises on the 20th November 2012. The MA received one application from MRRA within the deadline (which was the 14 December 2012) and as of the end of 2012 this application was being evaluated by the Project Selection Committee of the MA. The budget allocated to this project amounts to €1 million. On the 6<sup>th</sup> March 2013 the MA had issued a conditionality letter to MRRA following a number of clarifications. Due to departmental changes brought about by the change in government and switching of roles within the DFA, the procurement process took a slow turn during 2013 but as at the end of 2013, the calls for tenders were being drafted with the assistance of the Department of Contracts (DoC) and are envisaged to be launched by the second quarter of 2014.

### **Priority Axis 5 – Technical Assistance**

In 2013, as in previous years, Technical Assistance (TA) was used to enhance the administrative capacity of the public bodies entrusted with the implementation of the Programme; undertake studies in relation to the operation of the EFF; undertake capacity building measures; fund travelling commitments in order to further improve networking, participation in seminars which are crucial in the added efficiency for the implementation of the programme and participate in Fund Committees and Expert Groups organized by the European Commission. Additional funds were shifted to this PA, following a written procedure as approved on the 18th April 2013 by the EFF Monitoring Committee (MC). Further to this

---

<sup>9</sup> An extension to the Grant Agreement was approved by the MA on 22<sup>nd</sup> April 2013.

written procedure, the MA submitted the amended OP for the EC's approval via SFC2007. Together with this submission, the MA also pointed out the proposed budget shift would increase the budget allocated to PA5 to 6.5% of the total OP budget, thus exceeding the 5% threshold by 1.5%.

### Information and Publicity

All open calls launched in 2013 were widely publicised, information sessions were always held by the IB during the application process of aid schemes. Over and above the aforementioned exposure to calls, the MA promoted the achievements of the Fund in two promotional events; (i) Marsaxlokk Fish Fest held on the 14th September 2013 and the (ii) Għall Kenn tal-Port fil Menqa tal-Marsa held on the 13th October 2013. The information leaflet procured by the MA in 2012, containing information about the Fisheries OP for Malta, was distributed together with newly designed EFF themed jacket folders, to the public by MA officials in these two events. Three Roll-Up banners each themed with an EFF funded project or aid scheme were also procured through EFF TA in order to help disseminate the work being done through European funding. In 2013 a total of € 180,232.87 was certified to the EC under Technical Assistance, with the corresponding EFF contribution amounting to € 135,174.66.



Figure 3. Marsaxlokk Fish Fest held on the 14th September 2013



Figure 4. Set up at Għall Kenn Tal-Port fil Menqa Tal-Marsa held on the 13th October 2013





Figure 5. EFF Roll Up Banners



Figure 6. EFF Jacket Folders

### 3. Overview of the Implementation of the Operational Programme by Priority Axis

#### 3.1 Information on the physical progress of the priority axes<sup>10</sup> (Table 2: Information on the physical progress of the PA),

Priority Axis 1: Measure for the Adaptation of the Fishing Fleet			2010	2011	2012	2013	Total
Results	<i>Indicator 1:</i> Number of Long Liners to be scrapped by end 2015 under this operational programme: Blue Fin Tuna – 20 Swordfish - 19 which represent the scrapping of boats adding up to a capacity of 361.85 GT and 2,984.23 kW .	Achieved	1,040.67 kW & 133.65 GT resulting in a 0.57% overall reduction in fishing vessel licences (8.99% Blue Fin Tuna and 3.50% Swordfish licence reduction) according to the OP data (base year 2006)	988.45 kW & 104.55 GT resulting in a 1.0% overall reduction in fishing vessel licences (6.74% Blue Fin Tuna and 2.33% Swordfish licences) according to the OP data (base year 2006)	955.11 kW & 123.65 GT resulting in a 1.35 % overall reduction in fishing vessel licences (5.61% Blue Fin Tuna and 1.95% Swordfish licences) according to the OP data (base year 2006)	1,772.90 kW & 273.93 GT resulting in a 1.71 % overall reduction in fishing vessel licences (Bottom Otter Trawlers and Lampara Licences) according to the OP data (base year 2006)	4,757.13 kW & 635 GT. A 1.71% overall reduction was achieved for fishing vessel licences.
		Output Target: Number of schemes launched to aid the cessation of fishing activities by Long Liners licensed to fish for Blue Fin Tuna and Swordfish - 2	1	1	1	1 <sup>11</sup>	4

<sup>10</sup> Data has been provided by the EU Affairs Unit within the MSDEC.

<sup>11</sup> Permanent Cessation Scheme Call 4 – was also open for Bottom Otter Trawlers and Lampara vessels.

		Baseline: Number of Long Liners which in 2006 were licensed to fish for BFT (89) and Swordfish (257). These formed part of the Maltese Fishing register of 1,404 fishing vessels - 98,529 kW; 15,166 GT	N/A	N/A	N/A	N/A	N/A
<i>Indicator 2:</i> Number of vessels to be modernised by end 2015 under this Operational Programme – 15 vessels.	Achieved		N/A	33 Grant Contracts under the investment on board fishing vessels & selectivity were signed	N/A	N/A	33 Grant Contracts under the investment on board fishing vessels & selectivity were signed
	Output Target: Number of Schemes launched to modernise fishing vessels - 1		1	N/A	N/A	1 <sup>12</sup>	1
	Baseline: Number of vessels in the Fishing Vessel Register in 2006 which had already undertaken modernisation during the period 2004-2006 - 7		N/A	N/A	N/A	N/A	N/A

<sup>12</sup> No eligible applications were received for this call.

<i>Indicator 3:</i> Number of vessels with engines replaced by end 2015 under this Operational Programme – 2	Achieved	N/A	N/A	N/A	N/A	N/A	N/A
	Output Target: Number of Schemes launched to modernise fishing vessels - 1	1	N/A	N/A	N/A	N/A	1
	Baseline: Total engine power of all vessels in the Fishing Vessel Register in 2006 - 98,529 kW	N/A	N/A	N/A	N/A	N/A	N/A
<i>Indicator 4:</i> Number of fishers having received training during the period 2007-2013 under this operational programme – 800	Achieved	N/A	827 fishers received training.	N/A	N/A	827 fishers received training	
	Output Target: Number of projects for the training of fishers by end 2015 under this Operational Programme -1	N/A	1 <sup>13</sup>	N/A	1 <sup>14</sup>	2	
	Baseline: Number of fishers which had received	N/A	N/A	N/A	N/A	N/A	

<sup>13</sup> A number of modules were given in 2010 whilst the rest were given in 2011.

<sup>14</sup> No applications were received following a restricted call issued on the 9<sup>th</sup> August 2013

		training on professional skills and for occupations outside sea fishing skills during the period 2004-2006 - Nil					
--	--	--	--	--	--	--	--

Priority Axis 2: Aquaculture, Processing and Marketing of Fishery and Aquaculture Products			2010	2011	2012	2013	Total
Results	<i>Indicator 5:</i> Number of new species cultivated by end of 2015 - 1	Achieved	N/A	N/A	N/A	1	1
		Output Target: Number of projects supporting the diversification of cultivated species under this operational programme -1	N/A	N/A	N/A	1 <sup>15</sup>	1
		Baseline: Number of different species currently being cultivated in 2006 - 3	N/A	N/A	N/A	N/A	N/A
	<i>Indicator 6:</i>	Achieved	N/A	N/A	N/A	1	1

<sup>15</sup> New species being farmed: *Argyrosomus Regus*

	Number of fish farms having been assisted under this operational programme to export closed-cycle species by 2015 - 2	Output Target: Number of projects by different fish farms aimed at increasing the export of closed-cycle species under this operational programme - 2	N/A	N/A	N/A	1	1
		Baseline: Number of fish farms exporting closed-cycle species in 2006 - 2	N/A	N/A	N/A	N/A	N/A
	<i>Indicator 7:</i> Number of existing processing and packaging facilities, modernised under this operational programme by end 2015 – 2	Achieved	2 ongoing projects	N/A	N/A	1	1
		Output Target: Number of schemes launched to enhance processing and packaging facilities of the aquaculture and fisheries industries under this operational programme by end 2015 -2	1	N/A	1	N/A	2
		Baseline: Number of processing and packaging facilities in place in 2006 - 5	N/A	N/A	N/A	N/A	N/A

--	--	--	--	--	--	--	--

Priority Axis 3: Measures of Common Interest			2010	2011	2012	2013	Total
Results	<i>Indicator 8:</i> Number of ports having the necessary facilities for the landing and storage of fish – 4.	Achieved	N/A	N/A	1	N/A	1
		Output Target: Number of upgrading projects on infrastructural facilities undertaken by end 2015 under this Operational Programme - 4	N/A	N/A	1	N/A	N/A
		Baseline Number of ports having necessary landing and storage facilities in 2006 - 1	N/A	N/A	N/A	N/A	N/A
	<i>Indicator 9:</i> The relocation of the fish market by 2015	Achieved	N/A	N/A	1 ongoing project	1 ongoing project	1
		Output Target Number of projects addressing the relocation of fish	N/A	N/A	1	N/A	1

		market facilities by end 2015 - 1					
		Baseline Number of fish market areas in 2006 - 1	N/A	N/A	N/A	N/A	N/A
<i>Indicator 10:</i> A nominal increase in the national per capita consumption of fish from 2006 to 2015.	Achieved		N/A	N/A	N/A	N/A	N/A
	Output Target Number of marketing and promotional campaigns organised during the period 2007-2015 -1		N/A	N/A	N/A	1 Project Approved	1 Project Approved
	Baseline Average national per capita consumption of fish (kg/year) during period 2000-2006 – 6.58 Kg		N/A	N/A	N/A		N/A

<b>Priority Axis 5: Technical Assistance for the administration and implementation of the OP</b>			<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
Results	<i>Indicator 11:</i> To facilitate the	Achieved	n+2 target reached	n+2 target reached	n+2 target reached	n+2 target reached	n+2 target reached



	overall implementation of the Programme in order to optimise the programme's quality and efficiency, whilst ensuring effective application of Regulations and procedures.	Output Target: Number of studies / (ex-ante and interim) evaluations / research undertaken (aquaculture strategy) - 3	N/A	3	N/A	1	4
		Output Target: Number of FTEs working on the implementation of the OP- 5	N/A	N/A	5.5 <sup>16</sup>	6 <sup>17</sup>	6
		Output Target: Number of Publicity measures undertaken by 2015 – 1	N/A	N/A	2	2	4
		Baseline	N/A	N/A	N/A	N/A	N/A

<sup>16</sup> Only officials who's salary was co-financed under TA were taken into consideration

<sup>17</sup> Two officers of which resigned from their position during 2013 (1 MA official resigned in May; 1 IB official resigned in August 2013)

### 3.2 Specific Information for priority axes and measures

#### The Fishing Effort Adjustment Plan for Bottom Otter Trawlers, Lampara, and Blue Fin Tuna

A Fishing Effort Adjustment Plan (FEAP) for BFT was prepared in line with Article 22 of Regulation 1198/2006 and approved in October 2010. This FEAP was updated in October 2012 and subsequently in November 2013, before the fourth permanent cessation call was issued in November 2013. The revisions entailed a clarification of the link between the FEAP and the EU's recovery plan, updated targets and editorial changes mainly linked to the change in the management structures of the EFF Programme. In view of the fourth permanent cessation scheme launched in November 2013, management plans for Lampara, Bottom Otter Trawling and Dolphin Fish fisheries were published in line with Article 19 of Council Regulation (EC) 1967/2006 on the Government Gazette of the 1<sup>st</sup> October 2013<sup>18</sup>. These management plans take into account biological, economic and social objectives and were implemented for vessels operating within the 25 NM FMZ<sup>19</sup>. Such management plans provide a coherent plan for safeguarding the long-term future of the FMZ. FEAPs for BFT, Bottom Otter Trawlers and Lampara were also approved in November 2013. The call was open for Bottom Otter Trawlers, Lampara and BFT. As at 2013, Lampara fleet operating within the FMZ consisted of 17 boats (out of which 1 vessel was scrapped under the fourth cessation scheme), and the Bottom Otter Trawler fleet consisted of 12 vessels (out of which 4 were scrapped under the fourth cessation scheme). No Blue Fin Tuna vessels were scrapped under the fourth scheme. The table below is an analysis of the results in implementing the fishing effort adjustment plan using the indicators defined in the EFF OP (Version 4)<sup>20</sup>:

Objective	Baseline	Target by 2015	Achieved during 2013
Public aid for permanent cessation of fishing activities.	Number of Long Liners which in 2006 were licensed to fish for Blue fin tuna (89) and Swordfish (257). These formed part of the Maltese fishing register of 1,404 fishing vessels (GT 15,166; Kw 98,529).	Number of Long Liners to be scrapped by end 2015 under this operational programme: Blue Fin Tuna – 20 Swordfish - 19 which represent the scrapping of boats adding up to a capacity of 361.85 GT and 2,984.23 kW	GT scrapped - 273.93.  Kw reduced from Fishing Vessel Register (FVR) - 1,772.90.

Table 3: Analysis of results

<sup>18</sup> <http://gazzetta.247.com.mt/downloads/2013/10/1/1/Government-Gazette-No-19146.pdf>

<sup>19</sup> NM FMZ stands for Nautical Mile Fisheries Management Zone

<sup>20</sup> Fisheries Operational Programme – Version 4 – July 2013 (Version 5 of the EFFOP is awaiting EC approval)

Through the 4<sup>th</sup> Permanent Cessation call that was launched in November 2013 and taking into consideration 2010, 2011 and 2012 figures, 4757.13 KW and 635GT of were permanently removed from the fishing vessel register; to date a 1.7% reduction was achieved for fishing vessels licences. The results of BFT and Swordfish licences did not change through the fourth scheme therefore the reduction under these licences are unchanged at 955.11 kW and 123.65 GT.

#### **The Fishing Effort Adjustment Plan for Small Scale Fishing**

The FEAP for Small Scale Fishing (for fishing vessels smaller than 12 metres) was also adopted in 2010. The said Plan has been implemented and a total of three small scale fishing vessels have been demolished through the first permanent cessation call.

### 3.3. Financial information (all financial data shall be expressed in Euro)

#### Regions eligible under the convergence objective

Table 4: Financial Information under each Priority Axis

	Expenditure paid by the beneficiaries included in payment claims sent to the MA <sup>21</sup> €	Corresponding public contribution €	Corresponding EFF contribution €	Expenditure paid out by the body responsible for making payments to the beneficiaries <sup>22</sup> €	EFF committed by the MA <sup>23</sup> €	Total payment requested from the Commission Specify the basis for calculating the Community contribution <sup>24</sup> €	Total payments received from the Commission <sup>25</sup> €
<b>PA1</b>	3,788,566.97	3,732,782.25	2,799,586.67	3,736,493.96	3,847,304.96	2,799,586.65	419,742.46
<b>PA2</b>	796,145.17	357,251.57	267,938.66	658,122.63	1,064,587.53	267,938.63	- 5,494.43
<b>PA3</b>	1,953,438.16	1,758,575.22	1,318,931.41	1,758,575.18	5,309,807.15 <sup>26</sup>	1,318,931.38	1,106,547.31
<b>PA4</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>PA5</b>	436,504.09	429,860.60	322,395.37	431,870.74	726,000	322,395.24	110,119.23
<b>TOTAL</b>	<b>6,974,654.39</b>	<b>6,278,469.64</b>	<b>4,708,852.11</b>	<b>6,585,062.51</b>	<b>10,947,699.64</b>	<b>4,708,851.90</b>	<b>1,630,914.57</b>

<sup>21</sup> Figures under this column include taxes.

<sup>22</sup> This column includes the public contribution only.

<sup>23</sup> This column includes the EFF share of the Grant Agreements with Beneficiaries under every Priority Axis, with the exception of Technical Assistance. Cumulative amounts including all Grant Agreements signed from the beginning of the programme.

<sup>24</sup> Article 76 (1) of Council Regulation (EC) No 1198/2006

<sup>25</sup> Funds received in 2013 for payments certified in 2012 and 2013. A first advance payment to the amount of EUR 586,063.03 was executed on 23<sup>rd</sup> December 2008, (bank value date). A second advanced payment to the amount of EUR 586,063.03 was requested on 17<sup>th</sup> June 2009 and was executed on 14<sup>th</sup> September 2009 (bank value date).

<sup>26</sup> Four conditionality letters were issued by the MA during 2013 further committing the amount of EUR 2,856,849 under PA3.

### 3.4 Qualitative Analysis

#### Priority Axis 1

##### **Measure 1.1**

A total of four Permanent Cessation Schemes were launched since 2010. The first call was launched in 2010, followed by two other calls in 2011 and 2012 respectively and the last call was launched in November 2013. 20 fishing vessels were scrapped under the first three schemes whilst another 5 beneficiaries benefited from EFF funds through the fourth permanent cessation scheme.

The five Grant Agreements signed under the fourth permanent cessation scheme contracted a total of € 1,193,589.19 in public funds (€ 895,191.90 representing the EFF contribution). By the end of December 2013, five fishing vessels and their owners' Lampara and Bottom Otter Trawler licenses had been permanently deleted from the Maltese Fishing Vessel Register. The said five vessels were hoisted ashore and transported to Palumbo Shipyards - Cospicua where they were disabled electrically and mechanically and will be scrapped by having their engines dismantled and an access be cut underwater. The scrapped boats will be dealt with in line with national and EU regulations.

The call for applications was published on the 14<sup>th</sup> November 2013 through a number of measures including promotion on the IB website, press release published on 27<sup>th</sup> November 2013 (Ref. No: PR2652) and 28<sup>th</sup> November 2013. Two information sessions were held on the 15<sup>th</sup> November 2013 (one in Malta and another one in Gozo). A follow up information session was also held on the 29<sup>th</sup> November 2013 to help any prospective applicants fill in and submit their applications correctly and in due time. The results were published online on the IB's and MA website s (<http://vafd.gov.mt/results> - [https://secure2.gov.mt/fpd/fish\\_results](https://secure2.gov.mt/fpd/fish_results)) and rejection and award notices were sent to applicants by the IB. Applicants were informed of their right to appeal the decision of the evaluation committee. Five appeals were lodged and following the Project Selection Appeals Board deliberations all appeals submitted were rejected and on the 6<sup>th</sup> December 2013 the PSAB confirmed the results of the scheme.

The Permanent Cessation Aid Scheme launched in 2013 resulted in a further reduction of 1,772.90 kW and 273.93 GT from the Maltese Fishing Vessel Register. When the results obtained by all four permanent cessation schemes (2010-2011-2012-2013) are analysed collectively, it transpires that the Maltese Fishing Vessel Register has been reduced by 4757.13 kW and 635 GT. Furthermore, fishing vessels licenses have been reduced by 1.7 % when compared to the OP data (base year 2006).

### Measure 1.3

The Aid Scheme under Measure 1.3 of the OP, targeting investments on board fishing vessels and selectivity, was launched in March 2010. The measure was intended specifically to improve the existing fishing fleet through modernisation actions such as improvements of safety on board, improvements of the working conditions on board, the enhancement of hygiene, the improvement of product quality, the improvement of energy efficiency and an increase in the selectivity of fishing gear provided that these do not increase the ability of the vessel to catch fish. Grant Agreements were signed in 2010. The Internal Audit and Investigation Department (IAID) which is also the Audit Authority carried out a sample audit on operations on two beneficiaries and identified a number of irregularities. Such irregularities were also signalled through the checks carried out by the MA. The total sum unduly paid under this scheme totals € 102,447.82 (€71,787.42 as irregular 2012; € 30,660.40, as irregular amounts for 2013). The irregular amounts were all recovered during 2013.

In 2012 the MA and the IB held meetings with the intention to launch a second Aid Scheme to be launched under this PA. The two Fisheries Cooperatives were invited to attend these meetings and the representatives of one of the Cooperatives accepted the invitation and took part in a meeting held on the 21st November 2012. In this meeting it was agreed that the Cooperatives are to play a vital role in the drafting of the Guidelines of the upcoming call, especially when drafting the list of equipment that would be eligible for financing. The MA and IB took into consideration lessons learnt from the first call and strove to facilitate the implementation of the call both for the IB and also for Beneficiaries within the national and Community legal parameters. The second scheme under Measure 1.3 of the Operational Programme, targeting investments on board fishing vessels and selectivity, was launched on the 14<sup>th</sup> September 2013. The scheme was published on the Government Gazette dated 17<sup>th</sup> September 2013 and on local newspapers<sup>27</sup>. Moreover, the launch was also promoted during the Fish Fest held in Marsaxlokk on the 14<sup>th</sup> September 2013 and at “Għall Kenn tal-Port fil Menqa tal-Marsa” on the 13<sup>th</sup> October 2013. Two information sessions; one in Malta and one in Gozo both held on the 16<sup>th</sup> September 2013, were also carried out to explain to the fishermen the procedure of applying for EU funds under EFF. In spite of the above mentioned wide-spread publicity, only one application was submitted which was later declared as ineligible by the Project Selection Committee.

### Measure 1.4

In 2010, a service provider was commissioned to provide training courses to fishers. The main objective of this training was to provide fishers with better knowledge of health and safety measures at sea as well as diversification of activities. Over 800 persons attended the

<sup>27</sup> Times of Malta (14/09/2013); Il-Mument (15/09/2013); Kulhadd (15/09/2013); it-Torca (15/09/2013), The Malta Independent on Sunday (15/09/2013); Illum (15/09/2013)

training which started in December 2010 and continued until March 2011. A total of 827 persons were certified. In 2013 a total of € 111,853.64 was certified to the EC under this measure in relation to the training course in subject, adding up to a total of € 224,401.04 with a corresponding EFF contribution of € 168,300.78.

In 2012 the MA held a number of meetings with MRRA about a second training course targeting navigational skills. The restricted call was eventually launched on the 28th June 2013 to which the MSDEC was invited to submit a project application for consideration by the MA.

The eligible action under this call was for the provision of training to upgrade the professional skills for fishers and for young fishers in particular. The invitation was being extended in conformity with the Management and Control Systems (MCS)<sup>28</sup> of the EFF 2007-2013, whereby the MA may opt for a restricted call inviting relevant ministry/public organisation to submit an application for projects under PA1, Measure 1.4 without going through an open call. The call closed on the 9<sup>th</sup> August 2013; however, following consultations between MSDEC and the Fishers Cooperatives, whereby the latter declared that there was no particular interest shown by the fishers to apply for such training, the ministry did not submit any applications. It is also important to note that before the inception of the application process, there was considerable interest shown for such training to be provided<sup>29</sup>.

#### Financial update of Priority Axis 1

As of the end of 2013 the total amount paid under this Axis amounts to € 3,736,493.96<sup>30</sup> of which € 2,802,370.47 represents the EFF contribution. The total amount received from the EC in 2013 was € 419,742.46<sup>31</sup>.

#### Equal Opportunities under Priority Axis 1

The Project Selection Criteria award extra points to initiatives which promote gender equality in line with Article 11 of the EFF Regulation.

### **Priority Axis 2**

The first Aid Scheme under Measure 2.3 (Investment in processing and marketing) was launched in 2010. Implementation took place during 2011 and 2012 and checks were carried

---

<sup>28</sup> Management Control System – Version 2 (January 2012)

<sup>29</sup> Reference is being made to the EFF MC minutes of the 18<sup>th</sup> April 2012

<sup>30</sup> Includes a total of €-110,811.27 irregular amounts

<sup>31</sup> This figure denotes the total amounts received by the CA for PA1 for amount certified in 2012 and 2013. A total of € 455,377.50 were received from the EC for payments certified in December 2012 under PA1.

out by the IB and MA during between 2011 and 2013. For 2013, the IB carried out a total of 4 OTS for this measure.

Another three aid schemes targeting 3 different measures under PA2 were launched in August 2012, namely; Measure 2.1 Productive Investments in Aquaculture; Measure 2.2 – Aqua-Environmental Measures and Measure 2.3 – Investments in processing and marketing. The budget made available under these Schemes totalled €1.5 million (€500,000 per Scheme which could be shifted from one Scheme to another depending on the applications received). Two applications were received under Measure 2.1 whilst an application under Measure 2.3 was received after the set deadline and was duly rejected. In 2013, the Project Selection Committee concluded the evaluation process and only one beneficiary under Measure 2.1 signed the Grant Agreement in May 2013. The total Public Eligible amount allocated for this project totals to € 411,777.58 (€ 308,883.19 EFF contribution) of which € 195,769 were paid during 2013 (€146,827.04 EFF contribution).

#### Financial update of Priority Axis 2

As at end of 2013, a total of € 658,122.63 was paid via Treasury under this Axis of which € 493,591.97 represents the EFF contribution. The total of amounts verified by the MA as at end of 2013 is € 357,251.57 (€267,938.66 representing the EFF contribution). The amounts were certified by the CA under this Axis in 2013 totalled € 357,251.57 (€ 267,938.66 EFF contribution) a figure which includes a total of € -7,325 adjustments and irregularities incurred under Measure 2.3. No amounts have yet been received by the EC for payments certified in 2012 at the time of writing of this report.

#### Equal Opportunities under Priority Axis 2

The Aid Scheme launched under this Measure was in line with Article 11 of the EFF Regulation (described under PA2). In fact, extra points were awarded for initiatives promoting gender equality in the fisheries industry as per the revised Project Selection Criteria<sup>32</sup>.

### **Priority Axis 3**

Following the calls launched by the MA in 2013 under Priority Axis 3 most of the budget allocated to this PA in the EFF OP was committed.

Further to a restricted call issued by the MA on the 25<sup>th</sup> June 2012, MRRA submitted an application for the financing of four mobile offices to be used as landing sites in designated ports located in Malta and the upgrading of a building to be also used as a landing site in Mgarr Gozo. The Grant Agreement was signed on the 5<sup>th</sup> June 2013; however, due to the

---

<sup>32</sup> An extension to the Grant Agreement was approved by the MA on 22<sup>nd</sup> April 2013



temporary nature of the mobile offices, the latter had to be dropped from the tender following a refusal of issuing of a permit by the MEPA. The Department for Fisheries and Aquaculture (DFA) which is the unit in charge of the implementation of the Landing Sites project, also falling within the remit of MSDEC, requested for such mobile offices to be removed from the Grant Agreement. By the end of 2013 the project was in its advanced stages and its completion date is earmarked for some time around May 2014. No payments were effected under this project as at December 2013.

On the 29<sup>th</sup> July 2013, the MA launched a restricted call under Measure 3.1, for which a total of three project applications were received, two by the MSDEC and a third one by the Ministry for Gozo. The proposed landing sites are to be located in the following designated ports: Marsalforn (Gozo), Marsaxlokk, Marsa and St. Pauls Bay. Slipways will be built at Xemxija and Marsascalea. The landing site located in Marsa is being planned in order to facilitate the operation of the newly relocated fish market. Following an evaluation process by the EFF Project Selection Committee, the MA has, on the 20<sup>th</sup> December 2013, issued approvals for grants through conditionality letters addressed to the Project Leaders. Currently the Managing Authority is in the process of drafting the Grant Agreements to be signed between the MA and the beneficiaries (MSDEC & MGOZ). The total public eligible funds committed to the three projects amount to € 1,757,883.25, which total might be revised before the actual signing of the Grant Agreement

A restricted call for the building of a fish market and the infrastructure of a marketing and processing plant was issued by the MA on the 16<sup>th</sup> July 2012. FCD submitted an application with the MA. The application's scope included the relocation of the auction sale activity to a more modern structure that is fully compliant with the current health and safety rules. The facilities at the new fish market are designed to improve the quality of fresh fish products at point of sale by including a wholesale fish market and fish processing plant under one roof. The site chosen for the new fish market is in Marsa. The facilities at the new fish market are designed to improve the quality of fresh fish and fish products at point of sale by including a wholesale fish market and fish processing plant under one roof. The MA's Project Selection Committee awarded the project a positive score and the MA issued a conditionality letter.

Following the conditionality letter issued to the FCD by the MA, the Grant Agreement was signed between the MA and the Beneficiary on the 21<sup>st</sup> November 2012<sup>33</sup>. The grant requested in the Grant Agreement for the project was tagged at € 2,935,877, the total project costs valued at € 3,893,487.50 (€780,362.50 total non-eligible costs including non eligible VAT, studies and surveys and project management). The MA carried out checks on this project on 10<sup>th</sup> October 2012, during which a number of arithmetical errors were noted in the BOQs of the works contract. After re-calculating the BOQs the MA noted a discrepancy in

---

<sup>33</sup> An addendum to the Grant Agreement was approved by the MA on 30<sup>th</sup> September 2013.

totals. In fact, a letter was issued on the 8<sup>th</sup> February 2013, instructing the FCD to rectify this situation and amend the Bill of Quantities (BOQs). Further to the DoCs approval, such totals were revised accordingly. A first extension of the Grant Agreement was issued for 75 days whereby the FDA requested for the project deadline to be extended until the 16<sup>th</sup> March 2014. The reasons for this extension were quoted as complication arising from the Abattoir infrastructural alterations. The MA approved such request on the 30<sup>th</sup> September 2013. Apart from this extension, another extension is currently being discussed and from the time plan presented by the beneficiary the project is earmarked to be completed around the second quarter of 2014. On the 10<sup>th</sup> October 2013, the MA carried out a physical OTS to monitor the progress of works on-site and concluded that the construction phase of the project has reached near completion phase. Below are some pictures witnessing such progress.



*Figure 7: Construction of the New Fish Market*

An open call under Measure 3.2 was launched by the MA on the 8<sup>th</sup> November 2012. The measure dealt particularly with the development of new markets and promotional campaigns. This call is of fundamental importance to the Maltese fishing sector, especially because awareness of the benefits of consuming fresh fish is generally low amongst the Maltese population whilst consumption itself is largely restricted to three main species; BFT, Dolphin fish and Swordfish. There exists a pressing need for the promotion of the health benefits of eating fish and even more of eating fresh fish. There is also a need to expand the consumption of some ‘underutilised’ fish species as this will, amongst other things, help ease the pressure on the main species consumed so far and decrease discards. This is especially relevant for Swordfish and Tuna, both of which are under considerable pressure in terms of fish stock. After wide-spread publicity provided for this campaign and following an information session held on the 20<sup>th</sup> November 2012 held by the MA, one application was received from MRRA. The budget allocated to this project amounts to €1 million. Several factors contributed in the delay of launching of this campaign to the general public one of which being the change in administration which took place on the 8<sup>th</sup> March and all the changes it brought about with it, mainly in the nomenclatures of ministries and role-changes within the DFA. The MA issued a conditionality letter to MRRA on the 6<sup>th</sup> March 2013 for the project to be launched.

As at the end of 2013, the tenders were being drafted in conjunction with the Department of Contracts (DoC) and are envisaged to be launched by the second quarter of 2014. The tenders under this project include: a call for publicity/promotional campaign (DoC tender); a call for a campaign concept; a call for the post campaign market research study and evaluation report.

### Equal opportunities under Priority Axis 3

So as to ensure that equal opportunities are well integrated in projects selected under this Priority Axis a representative of National Commission for the Promotion of Equality (NCPE) sits on the MA's Project Selection Committee. This ensures that projects selected are aligned with national policies and priorities in the field of equal opportunities.

### Financial update of Priority Axis 3

In 2013, a total of € 618,380 in public funds was paid via Treasury under this Axis, of which € 463,785 represented the EFF contribution. This brings the total amount paid so far under this Axis to € 1,758,575.18 of which € 1,318,931.39 represents the EFF contribution. In 2013, the amount of (public) funds verified (by the MA) to the CA under this Axis was € 1,713,440.79 (of which € 1,285,080.59 is the EFF contribution) bringing the total of amounts verified by the MA as at end of 2013 to € 1,758,575.22 (€ 1,318,931.41 representing the EFF contribution). The amount certified by the CA under this Axis in 2013 was € 676,763.05 (of which € 507,572.29 is the EFF contribution). In 2013, a total of € 777,508.27 was received from the EC for payments certified in December 2012 under this PA.

### **Priority Axis 5**

As during previous years, TA was put to good use to successfully implement the EFF OP whilst also helping with paving the way for the new regulation (European Maritime and Fisheries Fund – EMFF). Administrative capacity is one of the main pillars which help in achieving of a successful implementation of the programme. Other operations falling under TA included the organisation of the Monitoring Committee which is held on a yearly basis and the publication of calls launched under their respective PAs amongst others.

A list of all the expenditure incurred during 2013, under this Priority Axis can be found in Section 4 below.

During 2012, the MA has committed a total of € 80,000 for the drafting of the EMFF Operational Programme 2014-2020 and also the SEA and Ex-ante Evaluation of the EMFF. Contracts for both tenders were signed in 2013.

### Financial update of Priority Axis 5

In 2013, a total of € 179,499.62 in public funds was paid via Treasury under this Axis, of which € 134,624.72 represented the EFF contribution. This brings the total amount paid so far under this Axis to € 431,870.74 of which € 323,903.19 represents the EFF contribution. In 2013, the amount of (public) funds verified (by the MA) to the CA under this Axis was € 180,233.05 (of which € 135,174.72 is the EFF contribution) bringing the total of amounts verified by the MA as at end of 2013 to € 429,860.60 (€322,395.37 representing the EFF contribution). The amount certified by the CA under this Axis in 2013 was € 257,745.73 (of which € 193,309.30 is the EFF contribution). In 2013, a total of € 58,134.64 was received from the EC for payments certified in December 2012 under this PA.

### **3.5 Monitoring Arrangements**

The setting up of an effective and efficient monitoring system ensures the adequate implementation of the OP. In accordance with Article 63 of Council Regulation (EC) 1198/2006, the MA had set up a monitoring system that permits the supervision of implementation as well as monitors the achievement of the physical and financial indicators of the Programme. Covenants signed in 2012 between the MA and the Department of Contracts, the Malta Environment and Planning Authority, the State Aid Monitoring Board and the National Commission for the Promotion of Equality help in having a clear definition of the roles of these entities in matters pertaining to the EFF Programme. The MA also signed a Covenant with the IB so as to have the respective roles and responsibilities clearly defined and listed in one document. Same as in previous years, the MA continued to carry out its monitoring activity of the Programme, making full use of a number of tools at its disposal, in particular:

#### 3.5.1 Day-to-Day Management

One of the main tasks of the MA is the monitoring of ongoing projects and schemes in order to ensure the correct utilisation and efficient implementation of the programme. Further to the indispensable work carried out during 2011 and 2012, a total of 23 OTS were carried out by the MA during 2013. These OTS varied from on-site visits of ongoing projects and schemes and also checks on documentation and procurement processes. These checks prove to be crucial for the MA in order to carry out its monitoring tasks. Daily formal and informal monitoring is carried out through various means such as emails, phone calls and bi-lateral meetings with the IB and Beneficiaries. Such operations help the MA to monitor closely the

implementation of operations co-financed through the EFF. Monitoring is also carried out on the EFF Database (see section 3.5.3) whereby MA officers regularly check and follow up any payments and progress of EFF funded projects and Aid-schemes.

### 3.5.2            *Monitoring Committee*

According to Article 63 of Council Regulation (EC) 1198/2006, the Member State shall set up a MC for the OP. Such MC shall draw up its rules of procedure within the institutional, legal and financial framework of the Member State concerned and adopt them in agreement with the MA in order to exercise its missions in accordance with this Regulation. One MC meeting was held; on the 18<sup>th</sup> April 2013. This was the second MC steered by the FPD as the EFF MA. The following topics were on the agenda:

- Amended Terms of Reference for the EFF MC;
- Approval of 2012 Annual Implementation Report;
- Update on OP Implementation;
- Approval of Budget Shifts

### 3.5.3            *The Database*

The main and most important element of the Database is its ability to track and monitor the financial management of funds from programme to invoice level. It is a platform of information sharing between the MA, the CA, Treasury, AA, the Line Ministry and the IB. In 2013, no particular updates were felt necessary to be carried out on the database, since the main modifications necessary were implemented during 2012, namely the inclusion of the debtors' ledger report, amendments to the SoE report by Fund generated by the CA and other minor amendments which improved the overall operation of the system. Daily monitoring of payments and projects was crucial in helping the MA reaching its commitment targets. The system currently in use proved to be an efficient system by which the MA, IB and Beneficiary managed to monitor and implement step by step each and every payment.

Due to the introduction of the new EMFF regulation from 2014 onwards, the MA was already in discussion with MITA (Malta Information Technology Authority) as to how the new database will reflect the changes which the regulation will introduce upon being approved by the EC. Such discussions kicked-off towards the end of 2013, and are still in progress since the EMFF regulation has not yet been fully approved by the EC at the time of writing of this document.

### 3.5.4            *On-the-Spot (OTS) Checks*

According to Article 59 of the EFF Regulation 1198/2006, the MA of an OP shall be responsible for managing and implementing the OP in accordance with the principle of sound financial management and, in particular, for verifying that the co-financed products and services are delivered and that the expenditure declared by the beneficiaries has actually been incurred and complies with relevant Community and national rules. With regards to verification of operations, the MA carries out OTS checks on the IB, whereas the latter is bound to carry out 100% verification checks on all beneficiaries of the Aid Schemes (Article 13 (1)) of the Covenant between the IB and the MA states: “ *The IB shall fulfil the obligations under paragraph 1 above by: (a) carrying out 100% administrative (ex-ante)<sup>[1]</sup> checks in respect of each application for reimbursement by Beneficiaries; (b) carrying out on-the-spot checks (at least one physical and documentary on-the-spot check on every Beneficiary per scheme) on individual operations*”).

Throughout 2013, a series of OTS checks were carried by the MA on the IB and also on final beneficiaries. Using checklists for both OTS checks on the IB and OTS check on final beneficiaries, the MA carried out the following checks:

[a] On the 15<sup>th</sup> February 2013, the MA carried out a documentary OTS check on the Beneficiary (IB) to check that the data used to calculate the premiums allocated to the aid scheme beneficiaries who benefitted from the 3<sup>rd</sup> Permanent Cessation (EFF 111) call tally with those found at FCD.

[b] On the 26<sup>th</sup> February 2013, the MA carried out 5 documentary OTS checks on the IB whereby receipts and sales vouchers pertaining to beneficiaries who benefitted from the 3<sup>rd</sup> Permanent Cessation Scheme (EFF111) were checked.

[c] On the 28<sup>th</sup> February 2013, the MA carried out 6 documentary OTS checks on the FCD whereby receipts and sales vouchers pertaining to beneficiaries who benefitted from the 1<sup>st</sup> Permanent Cessation Scheme (EFF111) were checked.

[d] On the 9<sup>th</sup> April 2013, the MA carried out a Follow-Up OTS check on the IB on Measure 1.3.

[e] On the 30<sup>th</sup> July 2013, the MA carried out a Follow-Up OTS check on the FB on PA2 in relation to EFF Publicity.

[f] On the 1<sup>st</sup> October 2013, the MA carried out a physical OTS check to ensure that Heritage Malta posses the items taken from vessels that benefitted from 3<sup>rd</sup> Permanent Cessation Call (EFF111).

---

[g] On the 2<sup>nd</sup> October 2013, the MA carried out a documentary OTS check on the procurement process used by the IB to engage a Marine Engineer to certify works related to the Investments on Board Fishing Vessels and Selectivity Scheme (EFF131). This OTS was followed up by another check on the 5<sup>th</sup> November 2013.

[h] On the 10<sup>th</sup> October 2013, the MA carried out a physical OTS check at the new fish market (EFF312). The progress of construction was checked and found to be in an advanced stage.

[i] On the 14<sup>th</sup> October 2013, the MA carried out a documentary OTS check on the procurement process adopted by the Beneficiary for PA2.

[j] On the 30<sup>th</sup> October 2013 the MA carried out a physical OTS check at St. Paul's Bay to verify that the cages bought by the beneficiary through Measure 2.1 (PA2) were actually on site.

[k] On the 1<sup>st</sup> November 2013 the MA carried out a documentary OTS check on the procurement process carried out by DFA officers to procure a publicity billboard to be used on-site at the new fish market project (EFF 312).

[l] On the 12<sup>th</sup> November 2013 the MA carried out a documentary OTS check on the beneficiary of PA2 Measure 2.3 in order to check line items listed in the BoQs as submitted at application stage by the applicant.

[m] On the 14<sup>th</sup> November 2013 the MA carried out a documentary OTS check on two tenders issued by DFA for the Upgrading of Landing Site Facilities at Mgarr, Gozo.

[n] On the 16<sup>th</sup> December 2013 the MA carried out a documentary OTS check on the DFA related to the Fish Market project. During this check three invoices which were pending certification were checked.

[o] On the 19<sup>th</sup> December 2013, the MA carried out a physical OTS check at the IB premises relating to the 4<sup>th</sup> Permanent Cessation Call. A follow up check was also carried out on the 20<sup>th</sup> December 2013, on-site where the vessels were taken ashore.

Other checks were carried out by the IB during 2013; namely on Measure 2.1 (30<sup>th</sup> July 2013; 09<sup>th</sup> September 2013; 30<sup>th</sup> October 2013), Measure 2.3 (19<sup>th</sup> February 2013; 20<sup>th</sup> June 2013; 08<sup>th</sup> July 2013; 20<sup>th</sup> September 2013) and Measure 1.1 (20<sup>th</sup> December 2013).

### 3.5.5 Intermediate Bodies Network

An IB network was established (in 2010) by the MA for Structural Funds to discuss implementation issues and also to ensure complementarity between the Funds. This forum gave entities implementing Aid Schemes the opportunity to come together to share experiences, enhance coordination as well as ensure a degree of consistency in the implementation of measures. FPD, in its capacity of EFF MA, attended the meetings held on 15<sup>th</sup> May 2013 and 24<sup>th</sup> October 2013. During these meetings, issues of common concern, such as demarcation between different Programmes, OTS checks, double funding and findings arising from audits were among the issues discussed.

### 3.5.6 Mid-Term evaluation

N/A

### 3.5.7 Systems Audit Report

Following four audits on operations reports and three systems audits issued by the IAID during 2013, the AA had established that the management and control systems in place at the MA are satisfactory and effective and only minor improvements are needed. In fact no problems of systematic character were identified during the systems audits carried out. The issues highlighted in the 2012 reports were tackled during 2013 and the necessary actions are in place in order to avoid any future similar findings.

The Annual Control Report of 2013 published in December 2013 is based on the Systems Audit and the Audit on Operations carried out on the New MA, the IB, and the CA. Both audits found no errors which are systematic in nature.

## **3.6 Significant problems encountered and measures to overcome them**

- *Capacity*



In 2013, capacity proved to be a challenge for both the MA and IB. Both experienced a reduction in staff due to officers leaving for other jobs within the Government of Malta. Nonetheless, the MA together with the IB managed to pull through any obstacle by ending the year on a positive note since the N+2 de-commitment target was successfully reached. During 2013, calls for EU Fund Officers, Project Managers and Senior Managers within the public service were launched and both MA and IB have applied for officers to be engaged with their respective units in order to fill-in the current vacancies. Meanwhile Mr Clint Tanti – the former Senior Manager – still continued to shadow the Unit even though he moved to another Unit within the same Ministry.

- *Technical capability*

During 2013, the MA and IB carried out a number of OTS checks on beneficiaries mostly on beneficiaries of PA1 and PA2. Internal expertise within the Government of Malta was sought for certain checks such as Fisheries Protection Officers and Marine Engineers.

- *Enhancement of the Database*

No enhancements were carried out on the EFF Database during 2013.

### **3.7 Recommendations from the Commission following annual examination of the Operational Programme**

Further to the EC communication on the 11<sup>th</sup> December 2013, Annual Examination meeting referred to in Article 69 of the EFF Basic Regulation 1198/2006, has taken the shape of a written procedure.

### **3.8 Assistance Re-paid or Re-issued**

N/A

### **3.9 Substantial modification within the meaning of Article 56 of Regulation (EC) No. 1198/2006**

There were no substantial modifications within the meaning of Article 56 of Regulation (EC) No. 1198/2006.

### **3.10 Changes in the context and general conditions to the implementation of the Operational Programme**

As stated in the introductory section of this report, as of the 8th March 2013, the Funds and Programmes Division falls within the remit of the MEAIM whereas the IB falls within the remit of MSDEC. This is due to the fact that upon the election of the new government new Ministries were set up and some Ministries were renamed to properly fit the new Government's strategy. These changes led to minor revisions in the Fisheries Operational Programme and also the Manual of Procedures. Version 3 of the Manual of Procedures (issued in June 2013) can be found under the Links and Downloads section of the MA web site ([https://secure2.gov.mt/fpd/links\\_downloads](https://secure2.gov.mt/fpd/links_downloads)) and also on the IB's web site (<http://vaafd.gov.mt/documents>).

#### 4. The use made of Technical Assistance

Support from the EFF under the TA axis is provided for a number of measures, such as to support the effective and efficient implementation of the Programme in line with Regulations, undertake studies in relation to the operation of the EFF, capacity building measures, and carrying out studies to facilitate and support the management of the OP. TA was also used to contract tenders in relation with the preparation of the European Maritime Fisheries Fund Operational Programme and Partnership Agreement. Such tenders include the Drafting of the EMFF OP and Ex-Ante evaluation and Strategic and Environmental Assessment. The TA budget is managed by the MA on a demand driven basis. The percentage of total TA expenditure in relation to the OP budget as at end of 2013 amounts to 2.31%<sup>34</sup>. The following is a list of all items paid under this PA during 2013:

Description of item:	Net Amount	VAT <sup>35</sup>	Total
Provision of Consultancy Services for Drafting of Malta's Partnership Contract/Agreement (PA covers all 5 CSF Funds therefore the value of this contract is distributed amongst all 5 Funds accordingly.	€ 66.95	€ 12.05	€ 78.10
Hiring of a Meeting Room for the 8th EFF Monitoring Committee	€ 593.22	€ 106.78	€ 700.00
Provision of (design and printing) of 200 A4 full colour EFF themed jacket folders	€ 345.00	€ 17.25	€ 362.25
Interpretation Services availed of during the 8 <sup>th</sup> EFF Monitoring Committee	€ 86.88	€ 0.00	€ 86.88

<sup>34</sup> The EFF's contribution allocated to the OP spent and certified under TA amounts to € 193,309.30

<sup>35</sup> VAT is not eligible for EFF funding as per Article 55 (a) of the EFF Regulation.

Adverts	€ 2,457.63	€ 397.53	€ 2,855.16
Re-imbusement of travel expenses in respect of meetings attended abroad	€ 6598.18	€ 0.00	€ 6598.18
Design and Provision of 3 Roll-up EFF themed banners	€ 372.00	€ 66.96	€ 438.96
Salaries	€ 164,862.90	€ 0.00	€ 164,862.90
Tender for the Purchase of Office Furniture	€ 1,051.27	€ 189.23	€ 1240.50
EFF Database Enhancements carried out in 2012	€ 2,823.32	€ 508.20	€ 3,331.52
Additional Hardware for the Funds and Programmes Division – EFF	€ 959.27	€ 172.68	€ 1,131.95
Rental of informative Stand and furniture for Event (Għall Kenn tal-Port fil Menqa tal-Marsa)	€ 585.00	€ 105.30	€ 690.30
<b>GRAND TOTAL</b>	<b>€ 180,801.62</b>	<b>€ 1,575.98</b>	<b>€ 182,376.70</b>

Table 5: items paid under PA5 for 2013

The following table lists the TA funds that were contracted but that had not been paid by the end 2013:

TA used for:	Net Amount	VAT	Total
Drafting of Malta's Fisheries Operational Programme for the European Maritime and Fisheries Fund 2014-2020	€ 33,250.00	€ 5,985.00	€ 39,235.00
Ex-Ante Evaluation and Strategic Environmental Assessment (SEA) on the EMFF 2014-202	€ 33,300.00	€ 5,994.00	€ 39,294.00
Newspaper Adverts	€ 869.35	€ 156.49	€ 1,025.84
Salaries	€ 7,421.06	€ 0.00	€ 7,421.06
Partnership Agreement – final payment	€ 602.52	€ 108.45	€ 710.97
Travel	€ 4,061.41	€ 0.00	€ 4,061.41

Desktop Lease	€ 1,984.30	€ 357.17	€ 2,341.47
Office Furniture Treasury Department EFF Section	€ 1,100.00	€ 198.00	€ 1,298.00
Physical Storage Solutions	€ 1,191.08	€ 214.39	€ 1,405.47
<b>GRAND TOTAL</b>	<b>€ 81,795.42</b>	<b>€ 12,656.33</b>	<b>€ 94,451.75</b>

Table 6: items not yet paid under PA5 for 2013

## 5. Information and Publicity

In accordance with Article 51 of the EFF Regulation, Malta shall provide information on and publicise the OP and operations and the Community contribution. The information shall be addressed to the general public and it shall aim to highlight the role of the EU and ensure the transparency of assistance from the EFF.

All calls for proposals launched during 2013, including the Guidance Notes for applicants, application forms and results were published in line with Programme documentation. The MA webpage dedicated solely for the EFF, was set up during 2012, and which is now online includes information ranging from regulations, publications, calls for proposals ([https://secure2.gov.mt/fpd/calls\\_tenders](https://secure2.gov.mt/fpd/calls_tenders)) and other useful documents ([https://secure2.gov.mt/fpd/links\\_downloads](https://secure2.gov.mt/fpd/links_downloads)). The Visual Identity Guidelines were also revised and re-issued during 2013. This document can also be found in the links aforementioned.

The MA promoted the achievement of the Fisheries OP for Malta in line with Article 28 of the EFF Implementing Regulation by attending two promotional events organised by two different local councils, namely: (i) Marsaxlokk Fish Fest held on the 14th September 2013 and the (ii) Għall Kenn Tal-Port fil Menqa tal-Marsa held on the 13th October 2013. An information leaflet which was procured during 2012 was disseminated to those attending the events. In order to help in publicizing the fund, the MA also took the initiative to procure three EFF themed roll-up banners which were used during both events.

## 6. Information about compliance with Community Law

The MA and the IB ensured that organisations that fall within the scope of the Public Procurement Regulations were in line with the relevant National Legislation in force on the 1<sup>st</sup>

June 2010, i.e. Legal Notice 296/2010. Entities and natural persons which do not fall within the remit of the Public Procurement Regulations were still required to follow the spirit of the Regulations when implementing projects under the EFF Programme and Beneficiaries benefiting from Aid Schemes were still required to provide quotations so as to ensure value for money for the measures financed under the Programme. In fact, the European Court of Justice (ECJ) has confirmed in its case law that the Internal Market rules of the EC Treaty apply also to (publicly financed) contracts agreed to by Beneficiaries outside the scope of the Public Procurement Directives. The ECJ stated explicitly that although certain contracts are excluded from the scope of the Community directives in the field of public procurement, the organizations which conclude them are nevertheless bound to comply with the fundamental rules of the Treaty, including adequate advertising especially in cases of relevance to the internal market. To this effect two internal notes to the IB were issued by the MA<sup>36</sup>.

## **7. Complementarity with other instruments**

EU regulations governing the EFF 2007 – 2013 Programme, EAFRD and the Structural Funds specify that the respective strategies and Operational Programmes must set out how the different funding streams will complement each other. In Malta the MA for Structural Funds is the PPCD within the MEAIM, the MA for the EAFRD is the Rural Development Unit within MSDEC whilst the MA for the EFF 2007 – 2013 Programme is the FPD within MEAIM. All these Managing Authorities come together in the Inter-Ministerial Coordination Committees (IMCCs) to ensure complementarity between the different Programmes, to share best practises and also to ensure that there are no overlaps and cases of double funding. There are two different IMCCs: the one focusing on EU Infrastructure and Productive Funding and the other one dealing with the EU Human Capital Investment Funding Programmes. These are Chaired by the Head of the ERDF Units and the Head of the ESF Units respectively.

The EFF MA has attended both IMCCs held in 2013: on the 15<sup>th</sup> May 2013 and the 30<sup>th</sup> October 2013.

Over and above its participation in IMCC meetings, during 2013 the EFF MA carried out a check on the list of all projects being financed under different EU Funds so as to ensure that there are no cases of double funding. Following such exercise no cases of double funding were identified.

### **7.1 Consistency with other Funds and Programmes**

---

<sup>36</sup> Internal Note 01/2013; Internal Note 02/2013 and Internal Note 03/2013

The above mentioned IMCC meetings are a crucial tool to avoid any double-funding instances with other funds as well as a useful forum to discuss common issues and share best practices. In some instances these EFF initiatives and other funding programmes address similar or complementary the types of activities and therefore it is important that there is no overlap between actions that will be funded. In order to avoid this, the OP has taken into account the priorities and measures of the different funding programmes and has sought to address those areas exclusively eligible for funding from the EFF.

## **7.2 EFF and the National Strategic Reference Framework 2007-2013 (NSRF)**

The link between the NSRF Strategic Objectives and the EFF focuses on two main areas namely; the issue of competitiveness of the fisheries sector and sustainable environmental development. Under the EFF OP, the importance of having a competitive sector will be actively pursued. Similarly, the importance of the physical and natural environment is underlined through the specific objectives highlighted in the National Strategic Plan (NSP) and the EFF OP. As a result, NSRF Strategic Objective 1 *Sustaining a growing knowledge-based competitive economy* and NSRF Strategic Objective 2 *Improving Malta's attractiveness and the quality of life* are consistent with the EFF OP. NSRF objective 3 *Investing in human capital* will contribute to the upgrading of human resources in the sector, particularly at the vocational level in order to make the sector a more viable career choice.

## **7.3 EFF and Operational Programme I Cohesion Policy 2007-2013**

Operational Programme I, *'Investing in Competitiveness for a Better Quality of Life'* has two objectives: (1) Sustaining a growing, knowledge-based, competitive economy and (2) Improving Malta's attractiveness and quality of life. The central themes of the EFF OP are to improve the competitiveness of the fishing industry in a sustainable manner as well as improving the quality of life via the protection of the natural environment and the enhancement of the working environment of people in the industry.

Objective 1 of OP I is supported by Priority Axis 1 *'Enhancing knowledge and innovation'* and Priority Axis 2 *'Promoting sustainable tourism'*. The EFF OP also envisages training to fishers under Measure 1.4<sup>37</sup> and the development of environmentally friendly tourism activities<sup>38</sup> as part of its thrust.

Objective 2 of the OP I is sustained through Priority Axis 3 *'Developing the TEN-T'*, Priority Axis 4 *'Mitigation and Adaptation to Climate Change'* and Priority Axis 5 *'Safeguarding the environment'* and Priority Axis 6 *'Urban regeneration and improving the quality of life'*. In

<sup>37</sup> Measure 1.4 – Socio-economic compensation for the management of the community fishing fleet.

<sup>38</sup> One of the Eligible Actions listed under Measure 1.4 is 'the provision of training to fishers for occupations outside sea fishing.'

terms of the EFF OP there are no parallel actions taking place in terms of investment in TEN-T and mitigation and adaptation to climate change. In terms of actions to safeguard the environment, OP I is mainly focused on the development of physical infrastructure aimed at managing solid and liquid waste and storm water. With regards to the EFF OP, actions to safeguard the environment are aimed at changing behaviours and practices rather than at the development of physical infrastructure. Measures for safeguarding the environment fall within the remit of Priority Axis 2 of the EFF OP

#### **7.4 EFF and Operational Programme II Cohesion Policy 2007-2013**

Operational Programme II '*Empowering people for more jobs and a better quality of life*' has as an overall objective of raising the overall employment rate. This target will be achieved through the attainment of two operational objectives; (1) Investing in human capital and (2) strengthening the labour market structures. Investment in human capital aims at improving the quality of education and skills level of the labour force to achieve the necessary flexibility in the labour market for it to be in a better position to respond to the needs of Malta's economic growth and development. This objective includes support to enterprises to help them face the ever changing challenges of the market and sustaining a growing competitive economy. In this sense the EFF OP provides complementary supporting actions to the private sector under Priority Axis 2 '*Aquaculture, processing and marketing of fishery and aquaculture products*'.

The operational objective of strengthening labour market structures aims to increase the employment rate by ensuring that those facing difficulties or barriers to enter work or to retain employment are given the necessary support. The EFF OP aims at safeguarding jobs in the fishing industry and at increasing adaptability of the persons employed in the sector, although it has to be noted that the actions / measures proposed are not specifically designed as support to people facing difficulties to enter the work force and are thus somewhat distinct. IMCC meeting mentioned earlier also regularly monitor that no overlap or double funding takes place.

#### **7.5 EFF and the Rural Development Plan 2007-2013**

The EFF and EAFRD have little in common since both objectives and target groups differ significantly. The possible exception is aquaculture in land based systems where a combination of agriculture and aquaculture development is pursued in particular for leisure/recreational purposes. However, such initiatives will not be funded through the EAFRD programme.

#### **7.6 Concluding remarks**

This report is a clear testimony of the ongoing challenges faced by the MA, the IB, the CA and all the other stakeholders of the EFF; more over it is also a confirmation of the increased co-operation amongst the mentioned stakeholders in order to tackle any issues encountered along the implementation of the programme. The certification target as listed in the EFF OP (Version 4) was successfully reached thanks to the continuous effort by all those involved in the process. The MA has made sure to address and tackle any of the audit findings as listed in the ACR compiled by the AA as previously mentioned in Section 3.5.7.

The MA is looking forward to continue building on the targets reached during 2013 and once again to commit the budgetary allocation for 2014 by the end of the year. Projects envisaged to reaching such commitments include 3 new landing sites, promotional campaigns, and the completion of the fish market and Technical Assistance amongst others.

The MA would like to thank all those involved in the implementation of the Programme during 2013.