



**Operational Programme I  
Cohesion Policy 2007-2013**


*Investing in Competitiveness for a Better Quality of Life*

**Annual Implementation Report  
2007**

**Monitoring Committee  
22<sup>nd</sup> May 2008**

Operational Programme I – Cohesion Policy 2007-2013  
Event partially financed by the European Union  
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**Overview**

- Overview of the Implementation
- Financial Information
- Problems Encountered
- Monitoring Arrangements
- Information and Publicity

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**Overview of the implementation**

- Finalisation and Official Launch of the Operational Programme
- Setting up of the Implementation System
- Calls for Project Proposals under ERDF Operational Programme I
- Project Selection
- Preparation of Major Project Applications
- JASPERS and JEREMIE
- Evaluation
- Indicators, physical progress and financial information
- Administrative capacity

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**Overview of the implementation**

**Finalisation and Official Launch of the Operational Programme**

- The negotiations on the Operational Programme I (OP I) were finalised in the second quarter of 2007.
- The final official submission of OP I was made to the European Commission on 29 May 2007.
- Approved by a Commission Decision on 26th June 2007. The official launch event was held on Wednesday 18th July 2007 in Valletta.
- Receipt of the first advance payment of €15,983,186.12 (€ 8,879,560.62 for ERDF and € 7,103,625.50 for Cohesion Fund) on 12th July 2007.

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**Overview of the implementation**

**Setting up of the Implementation System**

- The PPCD within the Office of the Prime Minister has been designated as the MA in terms of Article 59 of EC Regulation 1083/2006.
- PPCD was the main driver of the Programme during 2007 involved mainly in concluding negotiations, launching the programme, setting up the implementation system, launching calls for projects and starting the project evaluation process.

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**Overview of the implementation**

**Setting up of the Implementation System cont...**

- During 2007, the Certifying Authority was mainly involved in opening the relevant accounts to receive the Funds from the Commission as well as receiving the advance payment of € 15,983,186.12 (€ 8,879,560.62 for ERDF and € 7,103,625.50 for Cohesion Fund) was received on 12th July 2007.
- The Audit Authority primarily focused on the drafting of the Audit Strategy which comprises the system audits and audits on operations that will be carried out throughout the programming period, the methods to be used, the sampling methods for audits on operations and the indicative plan to ensure that main bodies are audited throughout the programming period.

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**Overview of the implementation**

**Setting up of the Implementation System cont...**

- In compliance with Article 63 of Council Regulation (EC) 1083/2006, Malta has established a Monitoring Committee.
- The MC held two meetings in 2007.
- MC 19th July 2007 – approval of terms of reference and considered and approved the selection criteria for selecting operations.
- MC 5th December 2007 – approval of the eligibility and selection criteria for the Aid Schemes under Article 87 of the Treaty. The OP I Technical Assistance indicative planned budget breakdown and the Communication Plan 2007-2013 were also presented, discussed and approved .

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**Overview of the implementation**

**Setting up of the Implementation System cont...**

- In line with Articles 60 (c), 66 (3) and 76 (4) of EC Regulation 1083/2006, PPCD has developed an electronic system.
- The core functionality of the Structural Funds Database (SFD 07-13).
- The SFD 07-13 is a completely new system built on the lessons learnt from the system used for the 2004-2006 programming period.
- In 2007 a number of focused meetings both with stakeholders and developers were held.
- A new Systems Administrator was appointed in December 2007.

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**Overview of the implementation**

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MALTA 2007-2013

**Calls for Project Proposals under ERDF Operational Programme I**

– **Call 1 - 25th July 2007**

**Priority Axis 1:** Focus Areas – *Enterprise Infrastructure and Investment in RTDI and RTDI-related Infrastructure and ICT*

**Priority Axis 2:** Focus Areas – *Product Development and Niche Market Development and Branding*

**Priority Axis 6:** Focus Areas – *Internal Mobility and Education, Social and Health-related Infrastructure.*

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**Calls for Project Proposals under ERDF Operational Programme I cont...**

- The call was published via a press release with advertisements in a number of leading newspapers (Maltese and English).
- Application forms and guidance notes were prepared by the MA.
- Information sessions for the first call for project proposals were held on 6<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> August, 2007. A total of 163 individuals attended the information sessions.
- A list of frequently asked questions was posted on the PPCD website for additional guidance to applicants.
- The calls for proposals remained open for six weeks and seventy-four **(74)** applications were received.

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**Project Selection**

- The Project Selection Committee (PSC) was set up by Cabinet in the last quarter of 2007 to evaluate proposals and select projects.
- The PSC is presided over by the Managing Authority.
- During 2007, the OP I PSC met twenty-four (24) times.
- Requests for additional clarifications were sent for all projects.
- An appeals procedure was also established whereby a Projects Selection Appeals Board (PSAB) was set up and presided over by the Principal Permanent Secretary.
- As at end 2007, the project selection process was still ongoing.

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**Preparation of Major Project Applications**

- According to Article 39 of Regulation 1083/2006 major projects are those whose total cost:
  - Exceeds **EUR 25 million** in the case of the environment.
  - Exceeds **EUR 50 million** in other fields.
- Malta has identified six major projects in OPI.
- One application (Priority Axis 4) was informally sent to the EC.

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**Overview of the implementation**

**JASPERS and JEREMIE**

Jaspers (Joint Assistance to Support Programmes in European Regions) and JEREMIE (Joint European Resources for Micro to Medium Enterprises) are two Initiatives of the European Commission designed to help Member States in the preparation of major projects and financial engineering instruments respectively. Malta has indicated its intention to use JEREMIE in order to implement the actions under Focus Area *Financial Engineering*, under Priority Axis 1.

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**Overview of the implementation**

**JASPERS**

- During 2007, Malta signed the first Action Plan with the EIB regarding assistance from JASPERS. The projects identified for assistance were:
  - Storm Water Management Infrastructure;
  - Restoration of Historical Fortifications;
  - Upgrading of the Ten-T Road Network;
  - Modifications of Boilers at the Delimara Power Station to Reduce Emissions;
  - Mechanical Biological Treatment Plants;
  - Rehabilitation of Landfills;
  - Upgrading of Maritime Infrastructure

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**Overview of the implementation**

**JEREMIE**

- With regard to JEREMIE, an Analysis of the SME Access to Finance in Malta (funding gap analysis) was conducted and finalized by the EIF in 2007.
- Two meetings were held in Malta with the EIF and the relevant stakeholders to discuss the documents as well as to map a way forward for Malta to mobilise JEREMIE.
- A draft agreement has been forwarded to the Maltese Authorities and this agreement was still under discussion as at end of 2007.

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**Overview of the implementation**

**Evaluation**

- During 2007, Malta revised the ex-ante evaluation for OP I which was drafted in 2006. The 2007 revision concerned mainly the evaluation of the Programme indicators which was finalized in May 2007.
- Work on the Evaluation Plan began in earnest. During the last quarter of 2007, the document was sent informally to the EC and as at end of 2007, discussions were still ongoing.

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**Overview of the implementation**

**Indicators, physical progress and financial information**

- Information about quantifiable indicators (data) and financial information (i.e. Priority Axes by source of funding expressed in Euro) cannot be provided in the AIR 2007 since no operations were implemented in 2007, except in respect of the Technical Assistance.
- Expenditure was incurred from the National pre-financing allocation and has not yet been claimed from the Structural Funds. The only Funds received are related to the advance payment in terms of Article 82 of Regulation 1083/2006.

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**Overview of the implementation**

**Administrative capacity**

- Apart from a number of calls that have been issued to increase capacity, a number of capacity building measures in line with the Training Strategy have also been undertaken during 2007. These include:
  - Induction training sessions for 26 new EU fund and Programme Managers.
  - A training seminar on 'Structural Funds Implementation and Related Responsibilities' for Directors Programme Implementation.
  - A training seminar on 'Appraisal, Audit and Controls: How to Detect and Correct Irregularities'.
  - A seminar entitled 'The Role of the European Court of Auditors as the EU's External Auditor and the Control Framework Applied by the EU Commission'.
  - A seminar entitled 'Workshop on the New Structural Funds Regulation for 2007-2013'.
  - Moreover, staff (from the different stakeholders) working on OP I have also attended a number of meetings and/or training seminars that were organised abroad.

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**Financial information**

Priority Axes by source of funding (€)

	Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority	Corresponding public contribution	Private expenditure	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from the Commission
Priority Axis 1: Enhancing Knowledge and Innovation	0,00	0,00	N/A	0,00	0,00
Priority Axis 2: Promoting Sustainable Tourism	0,00	0,00	N/A	0,00	0,00
Priority Axis 3: Developing the TEN-T	0,00	0,00	N/A	0,00	0,00
Priority Axis 4: Upgrading Services of General Economic Interest	0,00	0,00	N/A	0,00	0,00
Priority Axis 5: Safeguarding the Environment	0,00	0,00	N/A	0,00	0,00
Priority Axis 6: Urban Regeneration and Improving the Quality of Life	0,00	0,00	N/A	0,00	0,00
Priority Axis 7: Technical Assistance Of which ESF type expenditure	695,36	695,36	N/A	0,00	0,00
Of which ERDF type expenditure	63.060,08	63.060,08	N/A	0,00	0,00
<b>Grand Total</b>	<b>63.755,44 *</b>	<b>63.755,44 *</b>	<b>N/A</b>	<b>0</b>	<b>0</b>


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**Financial information cont...**

Cumulative breakdown of allocations of the Community contribution by category.

Priority Theme	Form of Finance	Territory	Economic Activity	Location	Amount €
85 – Preparation, implementation, monitoring & inspection	01 – Non repayable aid	03 - Islands	00 – Not applicable	MT0 - Malta	69,212.4
86 – Evaluation & studies; information & communication	01 – Non repayable aid	03 - Islands	00 – Not applicable	MT0 - Malta	15,414.32
<b>Total</b>					<b>84,626.72</b>


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### Problems encountered and measures taken to overcome them

- Delays in the project selection process due to long evaluation process given the number of projects received and the complexity of the projects.
- Delays were also encountered due to limited human resources.
- Assistance is being sought from Jaspers also with regard to CBAs.
- New staff was recruited in 2007 in a number of organisations.
- Further to the above, no serious problems have been identified under the procedure in Article 62 (1) (d) (i) of Regulation (EC) No 1083/2006.

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### Monitoring arrangements

#### Monitoring Committee

- The MC discussed and approved the criteria for approving operations under the:
  - *Grant Scheme for Sustainable Tourism Projects by Enterprises and other organizations;*
  - *Grant Schemes for the Manufacturing and related Services Industries;*
  - *Grant to Industry on Occupational Health and Safety, Scheme for Child Care Facilities and*
  - *Grant for Non-domestic and domestic Schemes for Renewable Energy Sources (RES) / Energy Efficiency (EE).*
- Presentation of the ERDF Technical Assistance plan and the Draft Communication Strategy.

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### Information and Publicity

#### Measures taken to provide information and publicity on the OP cont...

- The following measures have also been undertaken to provide information and publicity on the OP I during 2007:
  - Participation of PPCD staff on local radio and TV to provide information on the ERDF OP I to the general public;
  - Design of the Malta's official logos for the 2007-2013 funds and the drafting of the Visual Identity Guidelines for the official logos;
  - Organisation and launch of Operational Programme I in July 2007;
  - Printing and distribution of OP I to various stakeholders, NGOs and other interested parties;

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### Information and Publicity

#### Measures taken to provide information and publicity on the OP cont...

- Organisation of information sessions in respect of project application forms;
- Submission of the Communication Plan for OPI and OPII;
- Initial preparations for procuring and fixing of flagpoles as required by the Commission Regulation (EC) 1828/2006;
- Set up of Email Helpdesk which has received and processed over 100 queries during 2007;
- Distribution of publications on ERDF provided by the European Commission – Publications Office.

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Thank you for your attention



	<p>Operational Programme I – Cohesion Policy 2007-2013 <i>Investing in Competitiveness for a Better Quality of Life</i> Event part-financed by the European Union European Regional Development Fund Co-financing rate: 85% EU Funds; 15% National Funds.</p>	
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*Investing in your future.*

