



Swiss-Maltese Co-operation Programme 2007-2017

Annual Report for the period 1 May 2009 to 30 April 2010

INTRODUCTION

This is the Annual Report on the Swiss-Maltese Cooperation Programme 2007-2017 for the period 1 May 2009 to 30 April 2010. It covers a Swiss-Maltese Contribution totalling SFr 3.765 (€2.483) million, of which SFr 2.844 (€1.875) million¹ is Swiss funding and the remaining SFr 0.921 (€0.608) million are national co-financing.

In terms of implementation, the following important results were achieved during the 12-month reporting period:-

1. *Annual Meeting*

The first Annual Meeting took place at the Hotel Phoenicia in Malta on 11 June 2009.

An annual meeting is required to ensure the efficient and effective implementation of the Swiss-Maltese Cooperation Programme, serving to keep track of progress of implementation and providing a suitable forum within which any problems or issues encountered can be discussed and potential solutions proposed.

The agreed minutes of the meeting together with the first Annual Report for the period 29 April 2008 to 30 April 2009 are available on the internet site of the National Coordination Unit (NCU)².

2. *The project titled 'Establishing Positron Emission Tomography / Computed Tomography (PET/CT) scanning in the Maltese Islands'*

As stated in the first Annual Report, the PET/CT scanner outline proposal had received conditional approval from the Swiss authorities on 16 February 2009.

Following receipt of that approval, the National Co-ordination Unit (NCU) requested the Ministry for Health, the Elderly and Community Care to elaborate the final project proposal, in terms of articles 2.3 and 2.4 of Annex 2 to the bilateral Framework Agreement. The final proposal was to take account of Switzerland's requests contained in the letter granting conditional approval. This detailed proposal was submitted to the Swiss Agency for Development and Cooperation (SDC) on 26 June 2009, the indicative budget suggesting that the cost of the PET/CT system would absorb all the funds under the Swiss-Maltese Contribution allocated to the Health focus area.

As part of Switzerland's evaluation process of this final project proposal, an SDC delegation composed of Mr Mirko Manzoni, Programme Manager at the NMS Division and Dr Luca Giovanella, PET/CT expert from the Centre for Nuclear Medicine in Bellinzona undertook a clarification mission to Malta in November 2009. The purpose of the mission was to enable SDC to fully understand the social and economic background of the planned investment, to check certain technical aspects and to discuss the education and training requirements as a result of the planned installation.

The final project proposal was approved on 22 February 2010, subject to conditions with regard to the procurement and award of contracts and Swiss partners. Following this development, the NCU received from SDC the draft

¹ An additional allocation of up to SFr 0.150 (€0.099) million for Swiss administration of the Swiss-Maltese Cooperation Programme is managed by the Swiss Agency for Development and Cooperation (SDC)

² http://www.ppcd.gov.mt/swiss_fund or <http://www.swiss-contribution.gov.mt>

Project Agreement together with its four Annexes. These documents were vetted and, following agreement with SDC on certain financial implications of the condition relating to Swiss partners, the NCU returned the documents with feedback on 13 April 2010.

The next step prior to the commencement of project implementation on the ground would be signature of the Project Agreement (between SDC and the NCU) and of the corresponding Implementation Agreement (between the NCU and the Ministry for Health, the Elderly and Community Care). This is scheduled to take place in Malta on 11 June 2010. According to the Project Agreement the implementation period would be 1 May 2010 to 30 June 2012.

3. *The Technical Assistance Fund*

The Technical Assistance Fund amounts to SFr 50,000 (€€32,983.70³) and is being used by the Maltese authorities for the administration of the Swiss-Maltese Cooperation Programme.

The following actions are identified in Annex 1 to the Technical Assistant Fund Agreement as eligible for support:

- *Hiring of consultants for the preparation, monitoring and review of Project(s) financed by the Contribution and of the Cooperation Programme*
- *Participation in meetings with Swiss authorities held outside of Malta*
- *Organisation of Annual Meetings*
- *Publicity at Programme level*

Two activities under the Technical Assistance project were implemented during the reporting period. These were the first Annual Meeting (see above) and a meeting to discuss the definition and overall concept of the next phase of Swiss support to MEDAC (see below).

Implementation of activities under the actions headed 'Hiring of consultants for the preparation, monitoring and review of Project(s) financed by the Contribution and of the Cooperation Programme' and 'Publicity at Programme level' is closely tied to the implementation of the Health sector project 'Establishing Positron Emission Tomography / Computed Tomography (PET/CT) scanning in the Maltese Islands'. However, the respective Standard Project Agreement enabling that project to commence had not yet been signed at the cut-off date of this Report, meaning that no activities under the aforementioned Technical Assistance actions could be carried out.

On 26 June 2009, the NCU submitted a revised Technical Assistance Fund project proposal (Annex 1 to the TA Fund Agreement) and accompanying budget for approval or otherwise by SDC. SDC approved the modifications on 10 July 2009. The purpose of the modifications was to include the hiring of consultants for project preparation in the list of activities eligible for support and to make the necessary budgetary provisions accordingly.

A Reimbursement Request for SFr 40,000 in terms of article 4.1 (a) of the Technical Assistance Fund Agreement was drawn up by the NCU and submitted by the Certifying Authority to the Swiss authorities on 18 February 2010. All the funds were received at the Central Bank of Malta by 21 April 2010.

³ Exchange rate used: €1 = SFr 1.5159

Finally, the NCU submitted the Technical Assistance Fund Annual Report to SDC on 25 February 2010.

4. The additional SFr 2 million and the next phase of Swiss support to MEDAC

During the first Annual Meeting that took place on 11 June 2009, Switzerland had invited Malta to propose a suitable project that could be considered for support utilising the additional SFr 2 million that were mentioned in article 3 (4) of the bilateral Framework Agreement and that were being kept in reserve for high priority projects. It was understood that although not specifically written in the MoU between the EU and the Swiss Federal Council, these extra funds were earmarked for Malta should Government wish to propose a high-priority project because this balance had been created at Malta's insistence in order to compensate for the use of the 'old' Cohesion Fund distribution key in allocating the Swiss Contribution between the EU beneficiary states.

On 21 July 2009, as the process to draw up concrete proposals in the area of health was under way, Switzerland came forward with an offer to utilise these additional SFr 2 million to pay the Swiss contribution to the Mediterranean Academy for Diplomatic Studies (MEDAC) after expiry of the existing agreement. This Swiss proposal was made during meetings between SDC, the NCU and the Ministry of Foreign Affairs that took place in Malta to discuss the modalities of future cooperation with MEDAC.

The MEDAC and health proposals were studied by the Maltese authorities and the options were put forward for a decision at the highest levels. On 1 September 2009 SDC was notified that the Maltese Government had decided that the additional SFr 2 million would be utilised in the Health sector.

Following this, another round of meetings involving SDC, the NCU and the Ministry of Foreign Affairs took place in Malta on 18 September 2009. During these meetings, which focused on the latest developments and ongoing discussions in Switzerland concerning the additional SFr 2 million, SDC informed the Maltese authorities that Switzerland was in favour of the additional funds being used to finance the Swiss contribution to MEDAC as a high priority project. In this regard, SDC followed up the meeting with a letter to the NCU on 25 September 2009 confirming the suggestion of the Swiss authorities to the Maltese Government to reconsider its decision to utilise the funds in the Health sector.

On 19 January 2010, the NCU informed SDC that the Maltese authorities had considered Switzerland's request of the 25 September 2009 and they agreed that the additional SFr 2 million would be utilised to support MEDAC for four academic years, commencing in September 2010.

Upon this decision by the Maltese Government, SDC invited the NCU and MEDAC to a meeting in Berne on 1 March 2010 in order to discuss and define the overall concept of the next phase of Swiss support to MEDAC. As an outcome, an outline proposal taking into account what was agreed at the meeting in Berne was forwarded to SDC on 26 March 2010. Switzerland conditionally approved this proposal on 19 April 2010.

The next step would be the submission of the final project proposal in terms of articles 2.3 and 2.4 of Annex 2 to the bilateral Framework Agreement. It is important to reiterate that at the cut-off date of this Report, the approval of the final proposal by Switzerland was still dependent on the agreement of the European Commission to allocate the additional SFr 2 million to Malta.

If that decision is made in Malta's favour, it would also be necessary to amend Annex 1 of the bilateral Framework Agreement, in order to introduce a second Focus Area, 'Research and Development'.

In the meantime however, the NCU and MEDAC were working on the final proposal document which should take account of Switzerland's requests contained in the letter granting conditional approval.

The Project Agreement would be signed following the approval by Switzerland of the final proposal.

5. Other

The NCU created the uniform resource locator www.swiss-contribution.gov.mt on 13 October 2009. Visitors to this website address are automatically redirected to www.ppcd.gov.mt/swiss_fund which is the page dedicated to the Swiss-Maltese Cooperation Programme on the internet site of the NCU.

FINANCIAL TABLE ILLUSTRATING ACTUAL AND ESTIMATED EXPENDITURE (Excluding VAT)

NB: Figures in Euro based on a conversion rate of CHF 1.5159

| Acquisition of a Positron Emission Tomography (PET) / Computerised Tomography (CT) Scanner | | | | | |
|---|---------------------------------|--------------------|-------------------------------------|--------------------|---------------------------------------|
| Year / Quarter | Actual Realised Payments | | Future Estimated Expenditure | | Total Expenditure (Cumulative) |
| | Swiss Funds | Malta Funds | Swiss Funds | Malta Funds | |
| 2009 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| 2010 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| 2011 | | | | | |
| Quarter 1 | - | - | €460,625 | €148,906 | €609,531 |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | €460,625 | €148,906 | €1,219,062 |
| 2012 | | | | | |
| Quarter 1 | - | - | - | €11,875 | €1,230,937 |
| Quarter 2 | - | - | €921,250 | €297,813 | €2,450,000 |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| 2013 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |

| | | | | | |
|--------------|---|---|------------|----------|---|
| 2014 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| 2015 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| 2016 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| 2017 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| TOTAL | | | €1,842,500 | €607,500 | |

| Technical Assistance Fund | | | | | |
|---------------------------|--------------------------|-------------|---|-------------|--------------------------------|
| Year / Quarter | Actual Realised Payments | | Future Estimated Expenditure ⁴ | | Total Expenditure (Cumulative) |
| | Swiss Funds | Malta Funds | Swiss Funds | Malta Funds | |
| 2009 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | €215.25 | - | - | - | €215.25 |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| 2010 | | | | | |
| Quarter 1 | €606.40 | - | - | - | €821.65 |
| Quarter 2 | - | - | €349.63 | - | €1,171.28 |
| Quarter 3 | - | - | €14,230.14 | - | €15,401.42 |
| Quarter 4 | - | - | - | - | - |
| 2011 | | | | | |
| Quarter 1 | - | - | €989.51 | - | €16,390.93 |
| Quarter 2 | - | - | €349.63 | - | €16,740.56 |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| 2012 | | | | | |
| Quarter 1 | - | - | €6,596.25 | - | €23,336.81 |
| Quarter 2 | - | - | €4,699.35 | - | €28,036.16 |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | - | - | - |
| 2013 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | €989.51 | - | €29,025.67 |
| 2014 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |

⁴ Future estimated expenditure amounts as agreed on 10 July 2009 between SDC and OPM.

| | | | | | |
|-------------|---------|---|------------|---|------------|
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | €989.51 | - | €30,015.18 |
| 2015 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | €989.51 | - | €31,004.69 |
| 2016 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | €989.51 | - | €31,994.20 |
| 2017 | | | | | |
| Quarter 1 | - | - | - | - | - |
| Quarter 2 | - | - | - | - | - |
| Quarter 3 | - | - | - | - | - |
| Quarter 4 | - | - | €989.51 | - | €32,983.71 |
| TOTAL | €821.65 | - | €32,162.06 | - | |

AUDIT

The Internal Audit and Investigations Division (IAID) in the Cabinet Office within the Office of the Prime Minister has been appointed as Audit Organisation for the projects to be implemented under the Swiss-Maltese Cooperation Programme. IAID is a public institution of recognised professional reputation and in line with the International Standards Board (IAASB) of the International Federation of Accountants.

In view of the fact that no substantive activities or financial transactions were executed, no financial audits on the Swiss-Maltese Cooperation Programme were carried out during the reporting period.

STRATEGIES AND ACTIVITIES TO INFORM THE GENERAL PUBLIC ABOUT THE SWISS-MALTESE CO-OPERATION PROGRAMME AND THE PROJECT/S IMPLEMENTED

Publicity is key to generate public awareness of the Swiss-Maltese Contribution. With the aim of providing the general public with information about the Contribution and the support provided by Switzerland through the Cooperation Programme, a list of potential activities to be undertaken has been defined by the NCU. These include:

- Billboards;
- Press releases;
- Articles in newspapers;
- Interviews on local radio and/or TV stations;
- Publicity on local radio.

The above should constitute publicity at Programme level and would be financed through the Technical Assistance Fund. All publications would refer to the Technical Assistance Fund as a "Swiss-Maltese Grant".

The Executing Agencies responsible for the implementation of the projects in the 'Health' and 'Research and Development' focus areas would carry out publicity at project level.

Annex 1

National Coordination Unit

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|--------------------------|--|
| Name: | Planning & Priorities Co-Ordination Department |
| Address: | Office of the Prime Minister 12, St Paul Street Valletta |
| Postcode: | VLT 1210 |
| Country: | Malta |
| Contact Name: | Stephen Calleja |
| Telephone Number: | (+356) 2200 1862 |
| E-mail: | stephen.calleja@gov.mt |

Executing Agency (PET/CT scanner)

| | |
|--------------------------|--|
| Name: | Ministry for Health, the Elderly and Community Care |
| Address: | Palazzo Castellania 15, Merchants Street Valletta |
| Post Code | VLT 2000 |
| Country | Malta |
| Contact Name: | Tonio Cassar |
| Telephone Number: | (+356) 2248 1847 |
| E-mail: | tonio.n.cassar@gov.mt |

Annex 2 – Tenders, contract awards and successful bidders

No tenders were launched by the cut-off date of this Annual Report, i.e. 30 April 2010.