

15th December 2022

MA Circular 4/2022

To: Permanent Secretaries

Directors Programme Implementation Implementing EU Funded Projects in Malta

Re: Detection and prevention of Conflict of Interest for EU Funded Projects in Malta

The Planning and Priorities Coordination Division has been subject to a Thematic Audit by the European Commission which aimed to address a specific cross-cutting risk area and horizontal topics related to conflict of interests.

The main objective of the audit was to obtain reasonable assurance that the management and control systems in place, covering European Funds following the entry into force of the Article 61 of the Financial Regulation (EU, Euratom) 2018/1046 of 18 July 2018¹ are compliant with the regulatory framework and are functioning effectively especially with regards to the measures in place and applied to avoid conflicts of interests.

In this regard, the **Ministry responsible for EU funds** is highlighting the points hereunder which are not exhaustive but are considered as a minimum requirement to avoid risks of conflict of interest within a framework of a strong ethical and integral management culture, where everyone is responsible for their actions and where conflicts of interest are not tolerated.

Quality basic check on Declaration of Conflict of Interest

The Ministry responsible for EU funds would like to remind all Line Ministries to carry out quality basic checks on the Declaration of Conflict of Interest as submitted by the Beneficiaries for the project team and evaluation committees appointed for an EU funded project within their Ministry's remit. These quality checks shall include the assessment of the Curriculum Vitae vis-à-vis the signed declarations. Line Ministries are to make use of the template (attached to this circular as Annex I) for this verification.

It is of utmost importance that when a possible conflict of interest is disclosed or where a third party reports a possible conflict of interest, the officer concerned should be obliged to refrain from dealing with the relevant assignment.

¹ Financial Regulation (EU, Euratom) 2018/1046 of 18 July 2018¹ on the financial rules applicable to the general budget of the Union

Recruitment of Officers working on EU Funded Projects

The Ministry responsible for EU funds would like to remind all Beneficiaries and Line Ministries about the obligation for members on selection boards appointing officials on EU funded projects to sign the declaration of Conflict of Interest. This can be subject to verification by respective competent authorities in Malta.

Timely endorsement of the relevant declarations by Evaluation Committee Members

The Ministry responsible for EU funds would like to remind all Contracting Authorities dealing with the implementation of EU Funded projects in Malta of the importance of a timely endorsement of the relevant Declarations of Conflict of Interest by the Evaluation Committee members. Indeed, Evaluation Committee members are to sign the Declaration of Conflict of Interest during the first meeting of the Evaluation and as soon as the members have enough information on the competing bids to allow a complete and full assessment on the existence or otherwise of a situation of conflict of interest.

In view of this, the respective Managing Authorities reserves the right to carry out checks on the compliance of these requirements.

Whistle Blower and reporting of suspected irregularity/fraud

By means of the Protection of the Whistleblower Act (CAP 527), Act VIII of 2013 as amended by Act LXVII of 2021, the Ministry responsible for EU Funds would like to remind all those entities implementing EU Funded Projects in Malta that there is the possibility to file a report on any suspected irregularities/fraud or regarding alleged improper practices that one may face in the implementation of EU Funded projects. Suspected frauds or irregularities can be reported through the following link:

<https://eufunds.gov.mt/en/report%20suspect%20fraud/Pages/Report-Fraud.aspx>

The Ministry responsible for EU Funds would also like to bring to your attention the uploaded document on the following link for information of how the Whistleblower is protected under the Whistleblower Act (CAP 527), Act VIII of 2013 as amended by Act LXVII of 2021.

<https://eufunds.gov.mt/en/report%20suspect%20fraud/Documents/Guidelines%20re%20Whistleblowing%20Procedures.pdf>

Part-time and Ancillary Employment

As per Section 6.2.3 of the Public Service Management Code, officers who work or are involved in EU Funded projects in Malta and intend to perform private work or private investments, need to submit a request for permission in this regard. This request for permission should be processed through the Director responsible for People Management of the Ministry concerned, who shall retain records of all these cases.

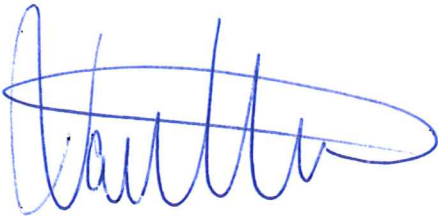
It is of utmost importance to ascertain that the request of ancillary or part time employment submitted by the staff does not constitute a case of conflict of interest with their current tasks/employment before the approval is granted.

An updated declaration of conflict of interest to reflect the above is also being annexed to this circular (Annex II).

The Managing Authority shall carry out its verifications to ensure that no conflict of interest exist between the officer working on the EU Funded project and any private or ancillary work being carried out by the same officer.

Engagement of professionals on EU Funded Project

The Ministry responsible for EU funds would like to remind all beneficiaries especially those implementing large operations that professionals such as Engineers, Architects etc. working on a project with the role of certification of works etc. need to be independent from the contractor implementing the works they are certifying.



Mr Jonathan Vassallo
Permanent Secretary EU Funds

