

Operational Programme I Cohesion Policy 2007-2013

Investing in Competitiveness for a Better Quality of Life

Annual Implementation Report 2012

Monitoring Committee
19th April 2013



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Quick Overview

- 24 newly approved operations
- Increase of over €146 m in Commitment
- Increase of over €88 m in Contracting
- Increase of over €106 m in Payments
- Increase of over €80 m in Verifications
- Increase of over €76 m in Certifications
- Increase of over €74 m in Payments received from the Commission

N+3 for 2012:

- Target €246.2 m (EU Share): €160.4 m ERDF - €85.8 mCF
- Achieved €221.4 m (EU Share): €132.1 m ERDF - €89.3m CF

Overview of OPI



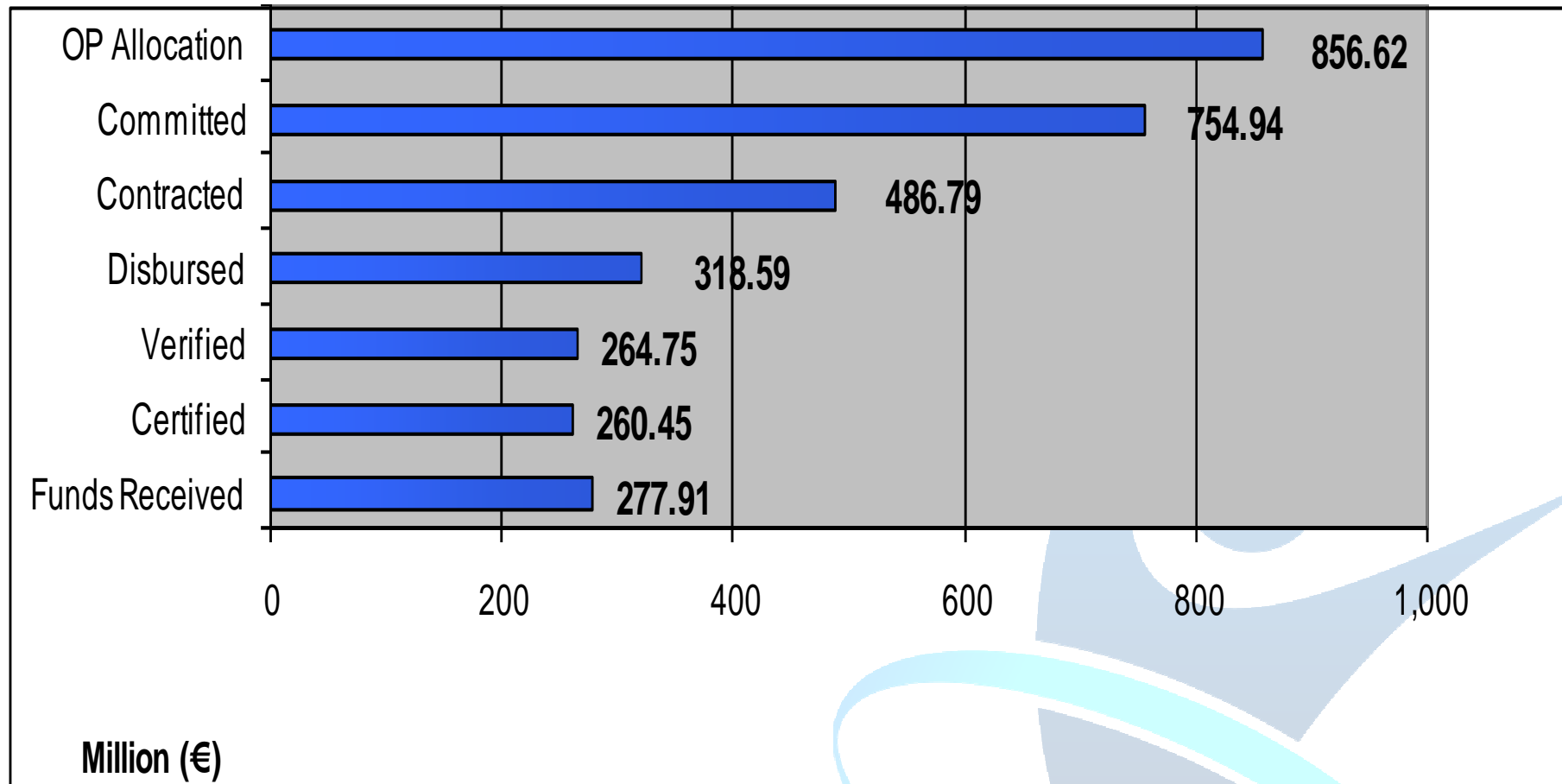
Fund		Priority Axis	OP Allocation	Community	National
ERDF	Operational Programme I: Investing in competitiveness for a better quality of life	1: Enhancing Knowledge & Innovation	120,000,000	102,000,000	18,000,000
		2: Promoting Sustainable Tourism	120,000,000	102,000,000	18,000,000
		4: Climate Change & Resource Efficiency	121,000,000	102,850,000	18,150,000
		6: Urban Regeneration & Improving the Quality of Life	149,000,000	126,650,000	22,350,000
		7: Technical Assistance	12,327,096	10,478,031	1,849,065
	ERDF		522,327,096	443,978,031	78,349,065

Overview of OPI (cont)

Fund		Priority Axis	OP Allocation	Community	National
Cohesion Fund	Operational Programme I: Investing in competitiveness for a better quality of life	3: Developing the TEN-T	145,000,000	123,250,000	21,750,000
		5: Safeguarding the Environment & Risk Prevention	189,288,259	160,895,020	28,393,239
	Cohesion Fund		334,288,259	284,145,020	50,143,239
	Total OPI		856,615,355	728,123,051	128,492,304

OP Situation

in summary as at end December 2012



Implementation by Priority Axis

- PA 1: Enhancing Knowledge and Innovation

PA Allocation	Total No. of Projects	Commitments	Contracts	Payments
€120,000,000	22	€108,061,968	€91,748,058	€60,542,788

Projects financed from Aid Schemes – PA 1			
Intermediate Body	Grant Agreements signed	Value of Grant Agreements	Concluded Projects
Malta Enterprise	308	€20,968,349	123

Implementation by Priority Axis (cont)



Progress under the JEREMIE instrument as at end 2012

OP Contribution:	€10,000,000
National Share:	€1,500,000
Agreed Portfolio / Portfolio volume to build up:	€51,040,000
Holding Fund:	European Investment Fund (EIF)
Funding Agreement:	Signed on 25 March 2010 between the Government of Malta and EIF
Financial Intermediary:	Bank of Valletta (BoV)
Operational Agreement:	The Operational Agreement for the implementation of a First Loss Portfolio Guarantee instrument was signed between EIF and BoV on 6 April 2011.
Amount committed / Actual portfolio volume / SME Drawn Amount:	€40,319,700 (79% of portfolio)
Amount disbursed:	€27,082,905 (67% of portfolio)
OP contribution disbursed:	€5,306,034

Implementation by Priority Axis (cont)



- Progress on Indicators:

Indicator	Target	Result
No. of new/upgraded industrial zone projects by the end of 2013	5	6
No. of SMEs receiving grants	450	355
No. of RTDi projects	15	11
No. of new/modernized specialized learning facilities constructed/refurbished	22	22
No. of SMEs benefitting from the JEREMIE Financial Instrument	500	434
No. of start-up businesses supported (core indicator)	40	12
No. of SMEs launching new or improved product or processes	40	49
No. of SMEs improving their use of ICT for e-business	49	38
No. of SMEs improving their market penetration efforts	55	50
No. of SMEs assisted in environmentally sensitive technologies, operating systems and processes	35	16
No. of enterprises involved in networking and new collaboration with other businesses and academia	10	28
% increase of students taking up S&T related studies at the Vocational/Higher education levels at targeted intervention Institutions	45%	34.07%
Investment induced through JEREMIE Financial Instrument	€40m	€27.5m

Implementation by Priority Axis (cont)

New Calls for Proposals (under PA 1) launched in 2012

Call	Indicative Call Budget	Submissions	Status
ERDF Call 15	€12m	7	Closed

Newly Approved Projects under the Aid Scheme in 2012

Intermediate Body	Calls Launched	No. of Projects Approved
Malta Enterprise	Call 4 – ERDF 127	14
	Call 4 – ERDF 128a	28
	Call 4 – ERDF 128b	7
	Call 3 – ERDF 130	6
	Call 4 – ERDF 134	20

Implementation by Priority Axis (cont)

- PA 2: Promoting Sustainable Tourism

PA Allocation	Total No. of Projects	Commitments	Contracts	Payments
€120,000,000	21	€119,282,367	€66,836,299	€45,109,346

Projects financed from Aid Scheme – PA 2			
Intermediate Body	Grant Agreements signed	Value of Grant Agreements	Concluded Projects
TSDU	104	€7,914,343.13	72

Implementation by Priority Axis (cont)

- Progress on Indicators:

Indicator	Target	Result
No. of assisted tourism and cultural projects	20	20
Surface area of rampart elevation plan restored (m ²)	150,000	83,361
No. of projects implemented by enterprises	110	104
% overall increase in the number of paying visitors at upgraded Sites	4% increase	0.17%
% of total tourists visiting upgraded cultural sites	14% increase	0.11%
No. of enterprises adopting new products and processes	90	53

Implementation by Priority Axis (cont)

Newly Approved Projects (under PA 2) in 2012

Call	No. of Projects Approved	Public Eligible Value
ERDF Call 10	4	€42 m

Newly Approved Projects under the Aid Scheme in 2012

Intermediate Body	Calls Launched	No. of Projects Approved
TSDU	None launched in 2012	33

Implementation by Priority Axis (cont)

- PA 3: Developing the TEN-T

PA Allocation	Total No. of Projects	Commitments	Contracts	Payments
€145,000,000	5	€156,140,004	€63,670,271	€41,940,204

Implementation by Priority Axis (cont)

- CF 117 - Improving the TEN-T Road Infrastructure Phase I (PA 3):

Public Eligible	Contracts	Payments	Certified
€57,588,381	€42,848,966	€28,582,951	€25,565,547

- **Approved by EC in February 2010.**
- **As at end 2012 progress was registered in all 6 roads. 4 roads were open to the public as at end of year.**

Implementation by Priority Axis (cont)

- CF 125 – Improvement of the TEN-T Road Infrastructure - Phase II (TM)

Forecasted Public Eligible Value

€49.8million

- **Still at project preparation stage by end 2012,**
- **Design studies finalised,**
- **Necessary MEPA permit obtained,**
- **Tender documents for the two (2) works tenders and the pre-construction road satisfaction survey prepared.**

Implementation by Priority Axis (cont)

- Progress on Indicators:

Indicator	Target	Result
Kms of roads upgraded (core indicator)	20kms	9.31kms
Sq m of new/refurbished infrastructure	76,200 m ²	17,375 m ²
Construction of new sea passenger terminal	1	1

Implementation by Priority Axis (cont)

Newly Approved Projects (under PA 3) in 2012

Call	No. of Projects Approved	Public Eligible Value
CF Non-Major Call 3	1	€27 m



Implementation by Priority Axis (cont)



- PA 4: Climate Change & Resource Efficiency

PA Allocation	Total No. of Projects	Commitments	Contracts	Payments
€121,000,000	31	€44,318,337	€29,352,568	€19,656,597

Projects financed from Aid Scheme – PA 4			
Intermediate Body	Grant Agreements signed	Value of Grant Agreements	Concluded Projects
ME	210	€12,205,932	84

Implementation by Priority Axis (cont)

Indicator	Target	Result
Annual penetration rate of installed PV, micro-wind and solar (in kW _{peak} /annum or equivalent in energy saving) generating systems starting in 2008 (kW _p /annum)	1,500	11,211
No. of energy efficiency schemes	2 - 3	2
Total annual electricity generated from small scale PV and micro-wind installations (MWh/annum)	14,000	16,816
Total energy savings per year (MWh/annum)	40,000	7,776

Implementation by Priority Axis (cont)

New Calls for Proposals (under PA 4) launched in 2012

Call	Indicative Call Budget	Submissions	Status
ERDF Call 14	€40m	19	Ongoing

Newly Approved Projects (under PA 4) in 2012

Call	No. of Projects Approved	Public Eligible Value
ERDF Call 12	2	€5 m
ERDF Call 13	14	€1.7 m

Implementation by Priority Axis (cont)

- PA 5: Safeguarding the Environment & Risk Prevention

PA Allocation	Total No. of Projects	Commitments	Contracts	Payments
€189,288,259	5	€104,309,856	€73,731,829	€67,937,571

Implementation by Priority Axis (cont)

- Progress on Indicators:

Indicator	Target	Result
No. of solid waste treatment plants constructed	2	2
No. of liquid waste treatment plants constructed	1	1
No. of landfills rehabilitated	4	3
No. of Storm Water Management (risk prevention) Project	1	1
No. of waste projects	2	1
Total RES recovered from waste by 2013 (GWhrs/annum)	17.0	5.82
Area rehabilitated (km ²)	0.015	0.113
% decrease in national; sewerage effluent discharge	80%	80%
Status of coastal waters in the South of Malta	Class 1	Class 1
M3 of increased rain water harvesting and re-use potential in catchment areas	300,000	50,000

Implementation by Priority Axis (cont)

- CF 116 - Malta South Sewage Treatment Infrastructure (PA 5):

Public Eligible	Contracts	Payments	Certified
€67,968,030	€ 67,968,030	€ 67,968,030	€66,804,833

- **Approved by the Commission in November 2010.**
- **Formally completed in 2012.**
- **The project continued to register the performance indicators: 80% decrease in national sewerage effluent discharge; 18 new jobs; 2.71 GWhrs/annum RES through anaerobic sludge digestion**

Implementation by Priority Axis (cont)

- CF 118 - Rehabilitation and Restoration of Closed Landfills (PA 5):

Public Eligible	Contracts	Payments	Certified
€26,224,382	€8,331,465	€4,088,752	€677,509

- **Approved by the Commission in July 2010.**
- **Works continued on the Maghtab Landfill with 80% of works implemented with respect to Phase I.**
- **Works tenders for the Rehabilitation and Restoration of the Qortin Landfill and the Marsascala Landfill commenced during the second quarter of 2012.**

Implementation by Priority Axis (cont)

- CF 119 – Malta North Mechanical & Biological Treatment Plant (WSM) (PA 5):

Forecasted Public Eligible Value

€ 32.8 M

- **Final application endorsed by the PSC in October 2012.**
- **The main design and build tender notice was published in December 2012 and closed in April 2013.**
- **The project application was submitted and is being currently being assessed by the CION.**

Implementation by Priority Axis (cont)

- CF 120 - National Flood Relief Project (PA 5):

Public Eligible	Contracts	Payments	Certified
€52,809,134	€34,990,693	€10,164,629	€598,087

Submitted to the CION in August 2012 and approved in February 2013

- **Contracts for**

(i) Construction for Reservoir at Wied Ghollieqa, Gzira,

(ii) Services of a Resident Engineer,

(iii) Design & Build of the B’Kara, Gzira and Wied is-Sewda Tunnels,

(iv) Zebbug Tunnel,

(v) Design & Build of Qormi & Marsa Canal & Bridges,

(vi) Construction of M’Scala / Zabbar Tunnel and

(vii) Publicity to Provide and Manage Publicity Filming / Photography Services

were all awarded in 2012.

Implementation by Priority Axis (cont)

New Calls for Proposals (under PA 5) launched in 2012

Call	Indicative Call Budget	Submissions	Status
ERDF Non-Major Call 4	N/A	1	Ongoing

Newly Approved Projects in 2012

Call	No. of Projects Approved	Public Eligible Value
CF Non-Major Call 3	1	€2.6 m

Implementation by Priority Axis (cont)

- PA 6: Urban Regeneration and Improving the Quality of Life

PA Allocation	Total No. of Projects	Commitments	Contracts	Payments
€149,000,000	24	€136,108,123	€102,963,256	€62,074,228

Projects financed from Aid Scheme – PA 2			
Intermediate Body	Grant Agreements signed	Value of Grant Agreements	Concluded Projects
DSWS	17	€434,314	6

Implementation by Priority Axis (cont)

- Progress on Indicators:

Indicator	Target	Result
No. of projects ensuring sustainability and improving the attractiveness of towns and cities	1	1
Km of upgraded roads (non TEN-T)	7	7.2
No. of projects promoting Modal Shift	2	2
No. of new e-services for the public and the business community	72	65
No. of projects [health]	2	2
No. of environmental monitoring projects	1	1
No. of refurbished existing learning and training facilities with new equipment	110	148
No. of Constructed learning and training facilities	6	7

Implementation by Priority Axis (cont)

- Progress on Indicators (cont):

Indicator	Target	Result
Sq m of modernized facilities refurbished (with new equipment/constructed within intervention areas by 2013)	18,200	15,014
Sq m of newly constructed learning and training facilities	20,000	7,402
Road surface condition of upgraded roads	1,0	1,0
Pupils/ students/ trainees benefiting from upgraded and modernized facilities/services (per annum) (core indicator)	56,000	56,364
% increase in use of e-services	26%	8.2%
% of total patients [within intervention areas] using new/upgraded equipment/services	60%	100%
No. of new services offered in the health sector	3	5

Implementation by Priority Axis (cont)

- ERDF 196 - Mater Dei Hospital Oncology Centre (PA 6):

Public Eligible	Contracts	Payments	Certified
€44,302,722	€31,882,972	€4,140,586	€4,140,586

- **Submitted to the CION in January 2012 and approved in April 2012**
- **Works on the ground ongoing**
- **All the remaining tenders related to this project are expected to be issued in 2013.**

Implementation by Priority Axis (cont)

New Calls for Proposals launched in 2012

Call	Indicative Call Budget	Submissions	Status
ERDF Call 16	€12m	14	Ongoing

Newly Approved Projects under the Aid Scheme

Intermediate Body	Calls Launched	No. of Projects Approved
DSWS	None launched in 2012	10

Implementation by Priority Axis (cont)

- PA 7: Technical Assistance

PA Allocation	Commitments	Contracts	Payments
€12,327,096	€12,327,096	€8,203,097	€4,094,500

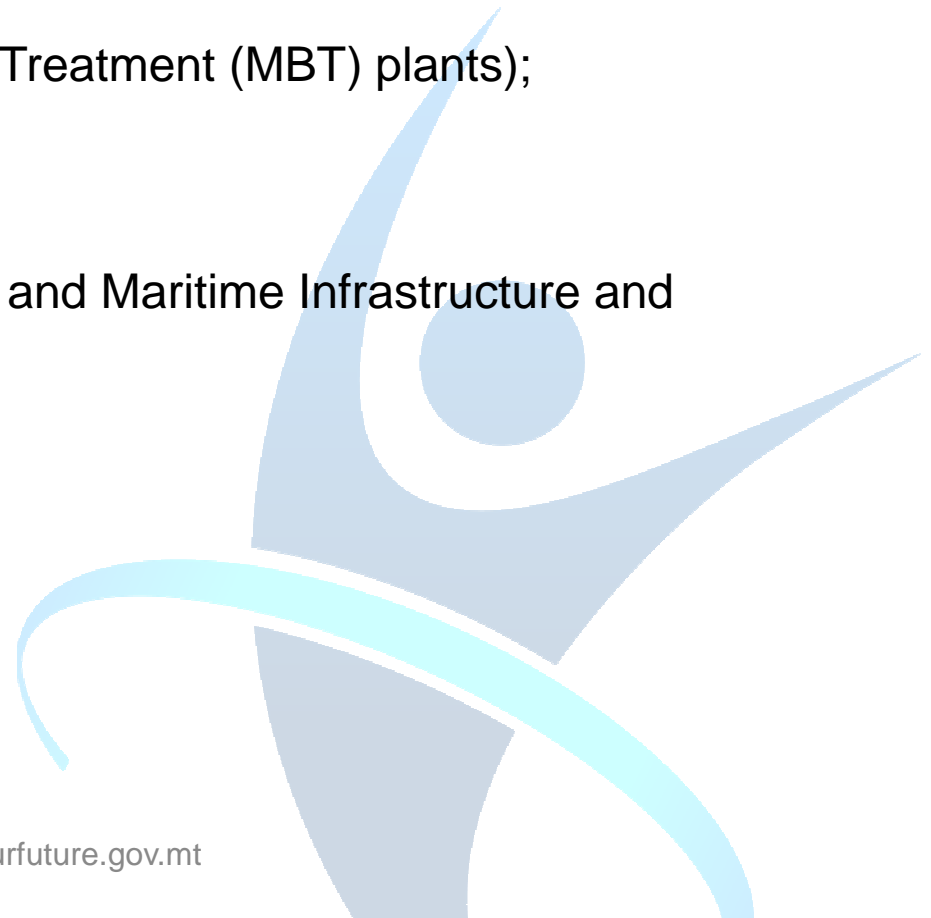
- **Ninety-nine (99) requests for the use of TA submitted by the various units within the MA and by other horizontal stakeholders,**
- **Support for the recruitment / procurement of additional capacity for the IBs and the Treasury Department**
- **Financing the contract for the Thematic Evaluation and for the provision of Consultancy Services for Cohesion Policy for 2014-2020**
- **Financing of capacity building actions**

JASPERS Assistance



For the 2007-2013 Programme the projects identified for assistance were in the following areas:

- Solid Waste (Mechanical and Biological Treatment (MBT) plants);
- Flood relief;
- Trans European Network (TEN-T) Road and Maritime Infrastructure and Promotion of Modal Shift;
- Enterprise promotion infrastructure;
- The Health sector; and
- Horizontal tasks.



Problems Encountered and Measures Taken

1. Project Selection Process
2. Public Procurement Process
3. Planning and Environmental Permitting Process
4. Payment Process
5. Aid Schemes



Financial Information (cont)

in summary as at end December 2012



Fund	OP Allocation	% Committed (of OP Allocation)	% Contracted (of OP Allocation)	% Paid (of OP Allocation)
ERDF	€522,327,096	81%	59%	37%
CF	€334,288,259	99%	54%	38%
Total	€856,615,355	88%	57%	37%

Financial Information (cont)

in summary as at end December 2012



Fund	OP Allocation (EU)	% Verified (of OP Allocation)	% Certified (of OP Allocation)	% Received (of OP Allocation)
ERDF	443,978,031	31%	30%	37%
CF	284,145,020	31%	31%	40%
Total	728,123,051	31%	30%	38%

Audits

- Audit by the European Commission
11-19 June, 2012
- Audit by the European Court of Auditors
10 -14 December, 2012



10% Gozo commitment

in summary as at end December 2012

	No. of Projects	Value of Projects	% increase in commitments from 2011
Gozo – based projects	22	€44,695,443	68%
Gozo – based component	14	€24,195,294	1%
Gozo – based enterprises	63	€4,378,914	26%

OP towards the Lisbon Objectives

- €337,489,889 are earmarked for Lisbon Agenda related projects
- By end December 2012, commitments (Community amount) summed up to €263,769,301 which is equivalent to 78% of the Programme's earmarked amount

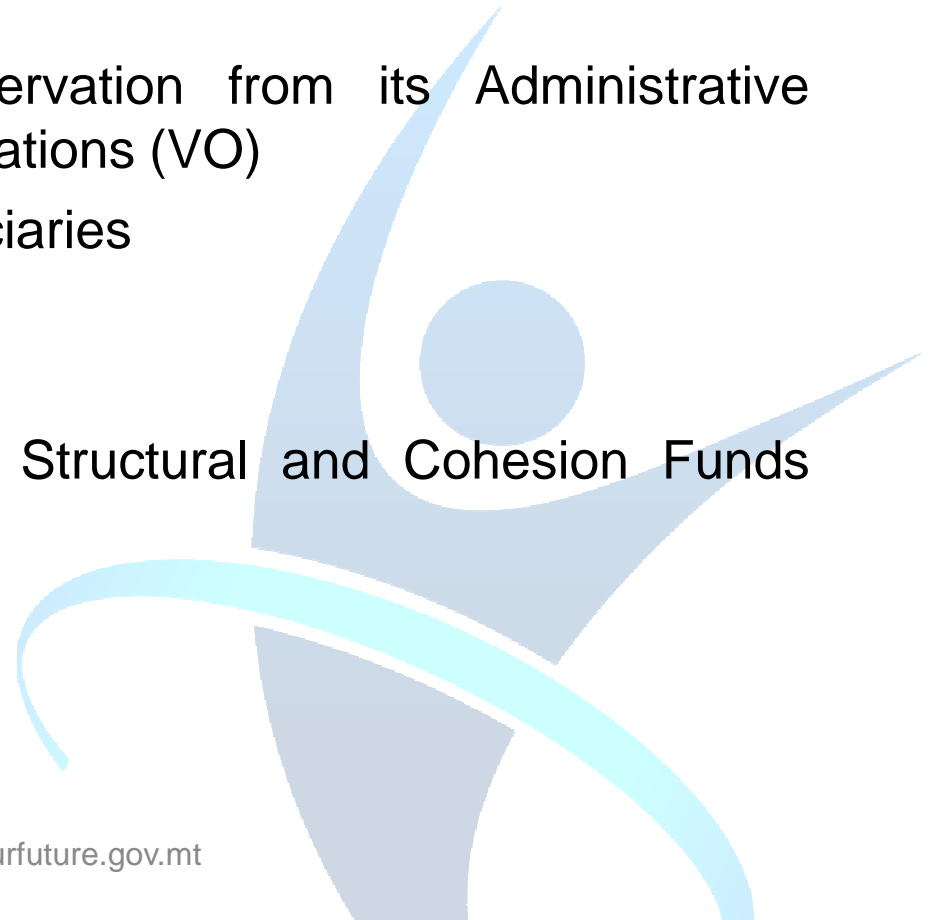
Strengthening Administrative Capacity

- OPI unit: increase of 4 FTE
- Financial Control unit: increase of 1 FTE
- Treasury Department: increase of 2 FTE
- Certifying Authority: decrease of 1 FTE
- Intermediate Bodies: replacements with no net effect

Strengthening Administrative Capacity (cont)

Local training

- SFD Train-the-Trainer
- The Managing Authority's Observation from its Administrative Verifications on Voluntary Organisations (VO)
- Induction Training for New Beneficiaries
- Training for New Recruits
- 1st Level of Control & Audits
- Cost Benefit Analysis (CBA) of Structural and Cohesion Funds Projects
- CDRT courses



Strengthening Administrative Capacity (cont)

Training abroad

- European Public Procurement Rules, Policy and Practice
- Implementing the Structural Funds Regulations in 2007-2013 and 2014-2020
- State Aid in the EU: Latest Development on Policy and Practice and Introductory Workshop
- Performance Audit in the Public Sector Planning, Preparing and Carrying out Value for Money Audits

Monitoring by the MA

- SFD 2007-2013 (more than 500 active users)
- Day-to-Day
- Project Progress Reporting (144 reports)
- Ministerial Project Steering Committees (23 meetings)
- Intermediate Bodies Steering Committees (4 meetings)
- Project Progress Meetings (192 projects reviewed)
- Monitoring Committee
- Annual Review Meeting
- Strategic Report 2012



Evaluation

- Thematic evaluation
- Ex-Ante Evaluation 2014-2020
- Strategic Environmental Assessment 2014-2020
- External Evaluations
- Capacity building



Information and Publicity



The MA continued to ensure a steady flow of information on the implementation of the Programme.

The main event of 2012 was the launch of the Investing In Your Future (IYYF) website as part of the Annual Information Activity.

Information and Publicity (cont)

Annual Information Activity – IYYF Website

The MA opted for the creation of a new website, www.investinginyourfuture.gov.mt complementing the official website (www.ppcd.gov.mt).

This was launched in December 2012.

The IYYF website is envisaged to remain updated and 'live' until the end of the programming period.

Information and Publicity (cont)



Annual Information Activity – IYF Website (cont)

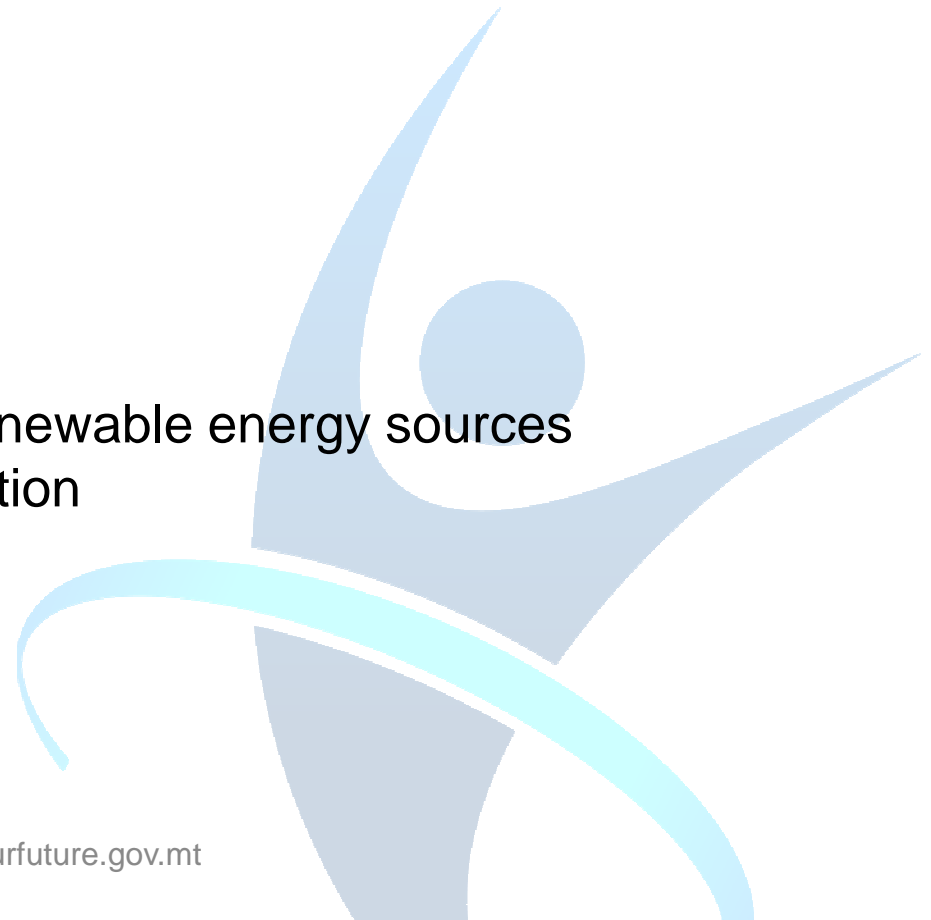


Information and Publicity (cont)

Annual Information Activity – IYF Website (cont)

The themes under which the projects are grouped are:

- Heritage & tourism
- Equal opportunities
- Health
- Research, science & technology
- Education
- Life-long learning & employment
- Environment, climate change & renewable energy sources
- Waste management & risk prevention
- Public infrastructure
- Public administration
- Private sector.



Information and Publicity (cont)

Annual Information Activity – IIYF Website (cont)

553 people visited this site

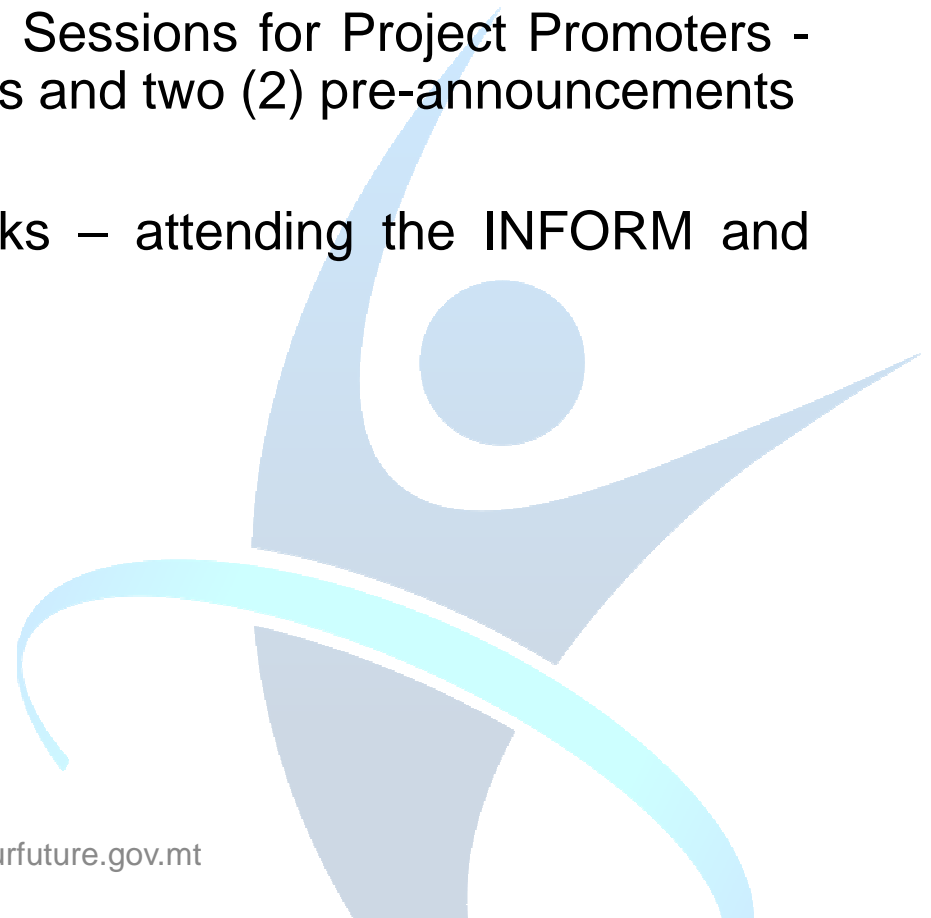
- Visits: 688
- Unique Visitors: 553
- Pageviews: 3,030
- Pages / Visit: 4.40
- Avg. Visit Duration: 00:03:24
- Bounce Rate: 40.55%
- % New Visits: 78.63%



Information and Publicity (cont)

Other Publicity Measures undertaken in 2012

- Calls for Projects and Information Sessions for Project Promoters - three (3) calls for Project Proposals and two (2) pre-announcements
- Information and Publicity Networks – attending the INFORM and LIIP networks
- Website and Social Network page



Information and Publicity (cont)

Information and Publicity by Intermediate Bodies in 2012

- ME - One call for project proposals, covering 5 of the schemes, was published in February 2012. 8 information sessions held addressing a total of 155 participants. Adverts on local newspapers; radio advertising spots; online (web) adverts; press releases and various articles
- TSDU – DVD featuring best practice projects submitted under Call 3. Promotional Diaries and Desk Calendars for 2013 showcasing projects from the past three calls.
- DSWS – No publicity measures were undertaken.

Concluding Remarks

As at end 2012 there were:

- 101 operations and 9 Aid Schemes under implementation; of which 33 were completed
- 644 grants signed under the Aid Schemes; of which 221 were completed
- 434 SMEs benefitting from the JEREMIE Instrument with 482 loans taken
- 5,960 households are benefitting under one of the ERDF - approved projects

Concluding Remarks (cont)

- € 754,944,479 (or 88%) of the Programme was committed
- € 318,586,933 (or 37%) of the Programme was paid
- € 264,751,574 (or 31%) of the Programme was verified
- € 260,450,806 (or 30%) of the Programme was certified