



OFFICE OF THE DEPUTY PRIME MINISTER
MINISTRY FOR EUROPEAN AFFAIRS

PARLIAMENTARY SECRETARIAT
FOR THE EU PRESIDENCY 2017 AND EU FUNDS



EUROPEAN REGIONAL DEVELOPMENT FUND
COHESION FUND
MALTA 2007-2013

Operational Programme I Cohesion Policy 2007-2013

Investing in Competitiveness for a Better Quality of Life

Annual Implementation Report 2013
Monitoring Committee
3rd June 2014





Overview

- Summary of Main Achievements
- Financial Overview of OPI
- Analysis by Priority Axis
- Major Projects
- Significant problems encountered and measures taken to overcome them
- Territorial Earmarking
- Audits performed
- OP contribution to Lisbon Objectives
- OP contribution towards ERDF Horizontal Priorities
- Contribution to CSGs and NRP Themes
- Monitoring by the Managing Authority
- Capacity Building Activities
- Evaluation
- Information and Publicity



Summary of main achievements

Increase of over **€77.5** m in Commitment
Increase of over **€173.9** m in Contracting
Increase of over **€125.3** m in Payments
Increase of over **€159.2** m in Verifications
Increase of over **€163.5** m in Certifications
Increase of over **€82.7** m in Payments received

No. of completed projects in 2013 – **19**

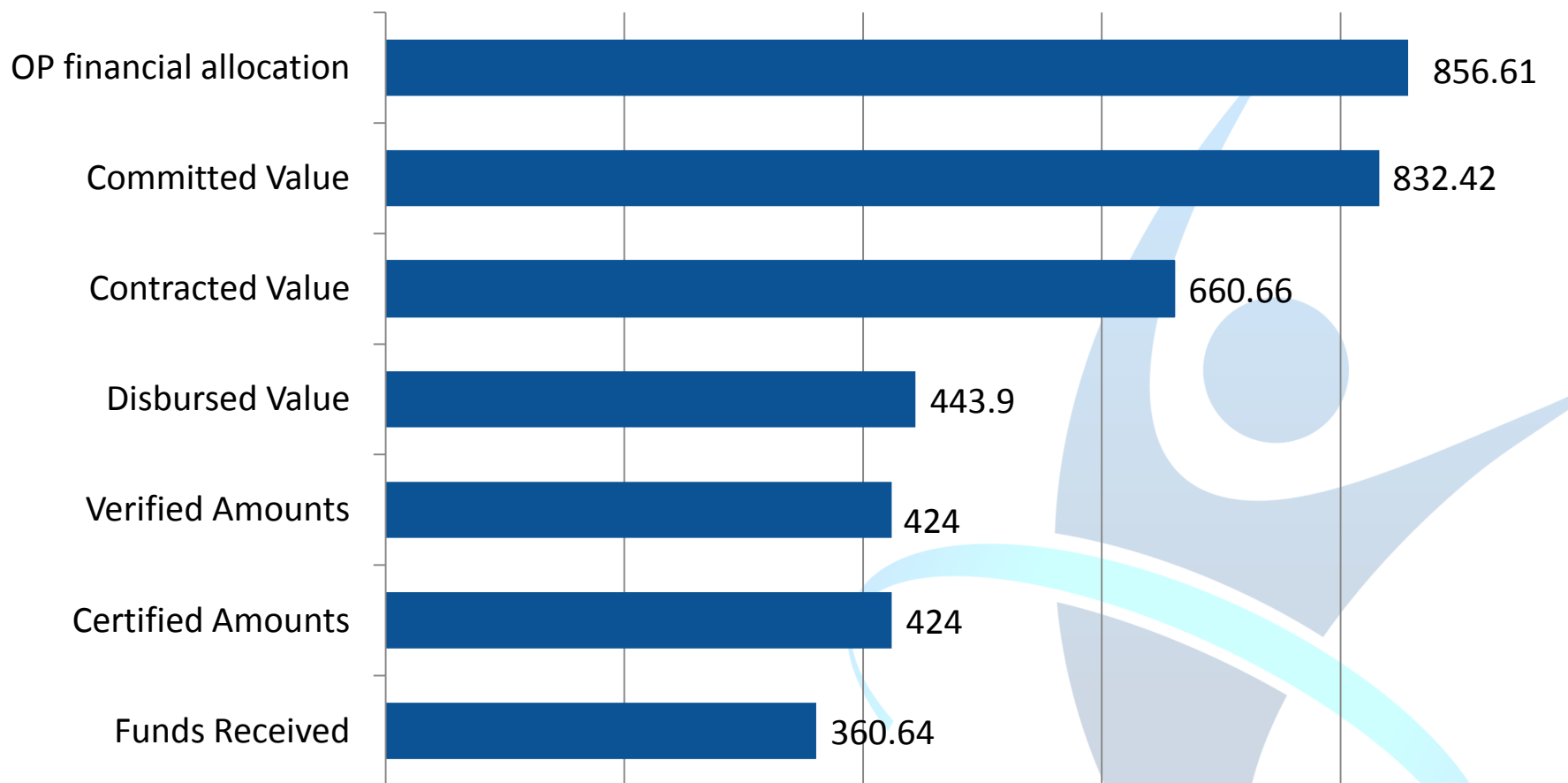
No. of new projects approved in 2013 – **14**

N+3/2 for 2013 - Achieved





Financial Overview of OPI as at end 2013





Analysis by Priority Axis

Priority Axis 1: Enhancing Knowledge and Innovation

Financial Progress

	PA Allocation	Total No of Projects	Commitments (Public eligible)	Contracts (Public eligible)	Payments (Public eligible)
2013	€120,000,000	29	€122,032,940	€93,815,262	€74,029,388
2012	€120,000,000	22	€108,661,968	€91,748,058	€60,542,788



Priority Axis 1

New Calls for Proposals (under PA 1) launched in 2013

Call	Indicative Call Budget	Submissions	No. of projects approved	Value of projects approved
ERDF Call 17	€8,000,000	5	2	€8,000,000

Other projects approved in 2013

ERDF 305 – An electronic system prototyping facility at the University of Malta

ERDF 307 – MEMS characterization facilities

ERDF 309 - Strengthening of the organic, inorganic, physical chemistry facilities

ERDF 310 – Expanding the physics and applied interdisciplinary research capabilities at the faculty of science

ERDF 311 – National interactive science centre



Priority Axis 1

Aid Schemes

Projects financed from Aid Schemes – PA 1			
Intermediate Body	Grant Agreements signed	Value of Grant Agreements	Concluded Projects
Malta Enterprise	259	€15,223,125	238

No new calls were issued by Malta Enterprise in 2013



Priority Axis 1

Progress under the JEREMIE instrument as at end 2013

OP Contribution:	€12,000,000
Agreed Portfolio / Portfolio volume to build up:	€62,600,000
Funding Agreement:	Signed on 25 March 2010 between the Government of Malta and EIF. Addendum dated 13 th September 2013.
Amount committed / Actual portfolio volume / SME Drawn Amount:	€54,000,000 (86% of portfolio)
Amount disbursed:	€42,848,813 (67% of portfolio)



Priority Axis 1

Progress on Output Indicators

Indicator	Target	Result
No. of new/upgraded industrial zone projects by the end of 2015	7	7
No. of SMEs benefitting from the JEREMIE Financial Instrument	500	583
No. of projects (direct investment aid to SME)	450	326
No. of enterprises assisted (Non-SMEs)	9	6
No. of RTD projects	15	15
No. of new/modernized specialized learning facilities constructed/refurbished	22	23



Priority Axis 1 - Progress on Result Indicators

Indicator	Target	Result
No. of new enterprises (local and foreign) /expansions in sites upgraded	25	0
No. of start-up businesses supported (core indicator)	40	17
No. of SMEs launching new or improved product or processes	40	62
No. of SMEs improving their use of ICT for e-business	49	62
No. of SMEs improving their market penetration efforts	55	63
No. of SMEs assisted in environmentally sensitive technologies, operating systems and processes	35	19
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%	41.87%
% increase of students registrations of S&T related studies at Secondary level by 2015	10%	0%
Investment induced through JEREMIE Financial Instrument	€40m	€54m

Priority Axis 1 - Key Achievements in 2013

ERDF 017

Construction,
Finishing and
Equipping of ICT
Faculty Building

- Official opening of ICT faculty
- Students started the academic year 2013 – 2014 at the new faculty





Analysis by Priority Axis

Priority Axis 2 : Promoting Sustainable Tourism

Financial Progress

	PA Allocation	Total No of Projects	Commitments (Public eligible)	Contracts (Public eligible)	Payments (Public eligible)
2013	€120,000,000	21	€119,639,245	€87,339,661	€64,710,726
2012	€120,000,000	21	€120,000,000	€74,750,642	€45,109,346



Priority Axis 2

Aid Scheme

Projects financed from Aid Scheme – PA 2			
Intermediate Body	Grant Agreements signed	Value of Grant Agreements	Concluded Projects
TSDU	100	€7,118,230.42	100

A new call was issued in 2013 – 88 applications submitted



Priority Axis 2

Progress on Output/ Result Indicators

Indicators	Target	Result
No. of assisted tourism and cultural projects	20	20
Surface area of rampart elevation plan restored (m ²)	150,000	112,142
No. of projects implemented by enterprises	110	100
% overall increase in the number of paying visitors at upgraded Sites	4%	0.17%
% of total tourists visiting upgraded cultural sites	14%	0.19%
% average increase in tourist departures for the established niche segments	3%	0%
No. of enterprises adopting new products and processes	90	53

Priority Axis 2 - Key Achievements in 2013

ERDF 39 - Restoration and Rehabilitation of Historical Fortifications of Malta and Gozo

ERDF 244 - Fort St Elmo Heritage Experience



- 112,000 sq.m of fortifications restored
- Restoration and consolidation of Citadella and Mdina complete
- Opening of Interpretation Centre
- Major works at Valletta and Birgu completed
- Ongoing works related to the rehabilitation of the fort to a military museum and a 'History of Valletta' museum

Priority Axis 2 - Key Achievements in 2013 (2)

ERDF 033 – Tourism Zone Upgrade with Landscaped Urban Spaces

Opening of the
Malta National
Aquarium





Analysis by Priority Axis

Priority Axis 3 : Developing the TEN – T

Financial Progress

	PA Allocation	Total No of Projects	Commitments (Public eligible)	Contracts (Public eligible)	Payments (Public eligible)
2013	€145,000,000	5	€145,000,000	€128,948, 771	€58,189,714
2012	€145,000,000	5	€156,140,004	€63,670,271	€41,940,204



Priority Axis 3

Progress on Output Indicators

Indicator	Target	Result
Kms of roads upgraded (core indicator)	20kms	12.41kms
Sq m of new/refurbished infrastructure	76,200 m ²	65,909m ²
Construction of new sea passenger terminal	1	1



Priority Axis 3

Progress on Result Indicators

Indicator	Target	Result
% increase in satisfaction rate of transport operators/users	10%	138.5%
Reduction in journey time (minutes)	-5mins	-7.85mins
% reduction in traffic accidents in the areas of intervention	10%	0%
% increase in cargo per annum	2%	0%
% increase in sea passengers per annum	2.5%	7.39%



Priority Axis 3

List of Major Projects Approved

- CF 117 – Improvement of the TEN-T road infrastructure (phase 1)
- CF 125 – Improvement of the TEN-T road infrastructure (phase 2)



Key Achievements in 2013

Priority Axis 3

CF 117

Improvement of the TEN-T Road Infrastructure (Phase I)



- 12.4 km of upgraded roads
- 4 stretches of road completed by end 2013

Key Achievements in 2013 (2) Priority Axis 3

CF 198

Cirkewwa Ferry Terminal



- 48,534 sq. meters of new/refurbished infrastructure
- 7.85 minutes reduction in journey time
- 4.1m passengers and 1.1m vehicles crossed between the two islands



Analysis by Priority Axis

Priority Axis 4 : Climate Change and Resource Efficiency

Financial Progress

	PA Allocation	Total No of Projects	Commitments (Public eligible)	Contracts (Public eligible)	Payments (Public eligible)
2013	€121,000,000	33	€76,977,064	€49,803,894	€33,863,528
2012	€121,000,000	30	€44,318,337	€29,352,568	€19,656,597



Priority Axis 4

New Calls for Proposals (under PA 4) launched in 2013

Call	Indicative Call Budget	Submissions	Status
ERDF Call 18	€25m	21	Ongoing



Priority Axis 4

ERDF 133 – ERDF Energy Grant Scheme

Projects financed from Aid Scheme – PA 4			
Intermediate Body	Grant Agreements signed	Value of Grant Agreements	Concluded Projects
ME	197	€10,702,610	178

No further calls were issued in 2013

Payments in 2013 amounted to €5,450,42

Payments certified to the CION in 2013 amounted to €5,602,175



Priority Axis 4 Progress on Output Indicators

Indicator	Target	Result
No. of projects dealing with Resource Efficiency	1-2	2
Annual penetration rate of installed PV, micro-wind and solar (in kWpeak/annum or equivalent in energy saving) generating systems starting in 2008 (kWp/annum)	1,500	21,422
No. of RES/ Energy Efficiency schemes	2 - 3	3
No. of studies	1	0
Solar water heaters – m2 installed	1,500	1,448
No. of RES projects	30	28



Priority Axis 4 Progress on Result Indicators

Indicator	Target	Result
Total annual electricity generated from small scale PV and micro-wind installations (MWh/annum)	14,000	30,756
Total energy savings per year (MWh/annum)	40,000	8,462
Reduction greenhouse emissions (CO ² and equivalents, kt)	3	0
Additional water resources through further treatment of sewage effluent	5Mm ³	0
% decrease in energy consumed for volume of water treated	50%	0



Key Achievements in 2013

Priority Axis 4

ERDF 088/ ERDF 288

Promotion of renewable energy sources in the domestic sector



- 11,739 households benefitting from financial support to cover part of the costs PV installations



Analysis by Priority Axis

Priority Axis 5 : Safeguarding the Environment & Risk Prevention

Financial Progress

	PA Allocation	Total No of Projects	Commitments (Public eligible)	Contracts (Public eligible)	Payments (Public eligible)
2013	€189,288,259	6	€178,719,483	€157,059,063	€104,409,857
2012	€189,288,259	6	€189,106,585	€116,100,141	€85,169,270



Priority Axis 5 Progress on Output 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	3



Priority Axis 5 Progress on Result Indicators

Indicator	Target	Result
Landfill volume saved on an annual basis as at 2015 (m ³)	130,000	0
Total RES recovered from waste by 2013 (GWhrs/annum)	17.0	10.15
Area rehabilitated (km ²)	0.3	0.16
% decrease in national; sewerage effluent discharge	80%	80%
Status of coastal waters in the South of Malta	Class 1	Class 1
M ³ of increased rain water harvesting and re-use potential in catchment areas	300,000	50,000
Frequency of flooding within area of intervention	1 every 5 years	0



Priority Axis 5

List of Major Projects Approved

- CF 116 – Malta south sewage treatment infrastructure
- CF 118 – Rehabilitation and restoration of closed landfills
- CF 119 – Mechanical and biological treatment plant in the north of Malta
- CF 120 – National flood relief project



Key Achievements in 2013 Priority Axis 5

CF 120

National Flood Relief Project



- 12,236 meters of tunnels excavated
- Implementation progressed on all 4 tunnels



Analysis by Priority Axis

PA 6 – Urban Regeneration and Improving Quality of Life

Financial Progress

	PA Allocation	Total No of Projects	Commitments (Public eligible)	Contracts (Public eligible)	Payments (Public eligible)
2013	€149,000,000	28	€177,720,890	€133,082,983	€103,013,629
2012	€149,000,000	24	€136,108,123	€102,963,256	€62,074,228



Priority Axis 6 - Progress on Output 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	7.64
No. of projects promoting Modal Shift	2	2
No. of new e-services for the public and the business community	72	72
No. of projects [health]	2	5
No. of environmental monitoring projects	1	1
No. of refurbished existing learning and training facilities with new equipment	110	118
No. of Constructed learning and training facilities	6	7
Sq.m of modernized learning and training facilities (with new equipment) within intervention areas by 2013	18,200	20,368
Sq. m of newly constructed learning and training facilities within intervention areas by 2013	20,000	34,799



Priority Axis 6

Progress on Result indicators

Indicator	Target	Result
Average % redevelopment of units in regeneration areas of total national regeneration	1.27	0
Road surface condition of upgraded roads	1.0 -1.5	1.0-1.5
% increase in use of non car modes	8%	0.8%
Pupils/students/trainees benefiting from upgraded and modernized facilities/services (per annum)	56,000	62,996
% increase in use of e-services	26%	8.2%
% of total patients [within intervention areas] using new/upgraded equipment/services	60%	0%
No. of new services offered in the health sector	3	8
National environmental monitoring programmes established	4	4



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Key Achievements in 2013

Priority Axis 6

ERDF183

*Vertical Connection:
Better Accessibility
through Innovation
and Cleaner
Transport*

Barakka Lift completed and fully operational





Analysis by Priority Axis

Priority Axis 7: Technical Assistance

	PA Allocation	Commitments	Contracts	Payments
2013	€12,327,095	€12,327,095	€10,608,996	€5,689,326
2012	€12,327,096	€12,327,096	€8,203,097	€4,094,500



Priority Axis 3 – Implementation of major project

CF 117 - Improving the TEN-T Road Infrastructure Phase 2

Public Eligible	Contracts	Payments	Certified
€46,447,990	€43,501,171	€37,021,378	€36,062,516

Status – nearing completion



Priority Axis 3 – Implementation of major project

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

Public Eligible	Contracts	Payments	Certified
€49,840,345	€49,080,000	€0	€0

Status – initial phase of implementation



Priority Axis 5 – Implementation of major project

CF 116 - Malta South Sewage Treatment Infrastructure

Public Eligible	Contracts	Payments	Certified
€67,968,030	€ 67,968,030	€ 67,968,030	€67,968,030

Status – complete



Priority Axis 5 – Implementation of major project

CF 118 - Rehabilitation and Restoration of Closed Landfills

Public Eligible	Contracts	Payments	Certified
€26,224,382	€16,604,276	€8,332,860	€7,573,401

Status – ongoing implementation



Priority Axis 5 – Implementation of major project

CF 119 – Malta North Mechanical & Biological Treatment Plant

Public Eligible	Contracts	Payments	Certified
€31,412,157	€27,487,666	€6,148,105	€5,669,602

Status – initial phase of
implementation



Priority Axis 5 – Implementation of major project

CF 120 - National Flood Relief Project

Public Eligible	Contracts	Payments	Certified
€42,844,902	€35,286,273	€18,801,525	€18,579,627

Status – ongoing implementation



Priority Axis 6 – Implementation of major project

ERDF 196 – Mater Dei hospital oncology centre

Public Eligible	Contracts	Payments	Certified
€44,302,722	€33,196,384	€17,602,832	€17,602,832

Status – ongoing implementation



Significant problems encountered and Measures taken to Overcome Them (1)

Identified Problems	Measures Undertaken
<i>Time-consuming Project Selection Process</i>	<ul style="list-style-type: none">• The newly composed committee provided maximum availability for project selection meetings
<i>Bottlenecks in the Public Procurement Process</i>	<ul style="list-style-type: none">• Special Unit set up to prioritise the vetting of EU-funded tenders• Additional capacity at the DoC
<i>Planning and Environmental Permitting Process</i>	<ul style="list-style-type: none">• Holding of consultations <i>a priori</i> with the relevant stakeholders• Co-operation with MEPA through participation in High Level monitoring meetings



Significant problems encountered and Measures taken to Overcome Them (2)

Identified Problems	Measures Undertaken
<i>Timely Payment and Verification Process</i>	<ul style="list-style-type: none">• Simplification of the templates used for verification purposes• Simplification of Salary claims• Introduction of the Adjustment Checklist• Weekly meetings with Dept. of Contracts to discuss pending issues which directly affect the processing of payments• Additional capacity at the Treasury Department
<i>Aid Schemes</i>	<ul style="list-style-type: none">• Internal notes issued to reflect NAO, IAID, Commission Auditors and ECA recommendations and findings.• Introduction of the 'Issues template'



Territorial Earmarking Gozo 10% Commitment

OP Allocation	€856,615,354.11
10% of OP Allocation: earmarked amount	€85.6 million
Amount Committed (Gozo) as at December 2013	€84.8 million or 9.9% of OP allocation
Unallocated amount	€0.83 million



Audits performed on the OP in 2013

- Performance Audit by the European Court of Auditors
27th May – 5th June, 2013

A performance audit was held with an objective to analyse the economy, efficiency and affectiveness of selected projets investing in RES energy production capacity.

- European Court of Auditors Mission
February 2013

An audit mission was undertaken with an objective to obtain reasonable assurance that the work carried out by the Maltese Audit Authority was compliant with the requirements of Council Regulation (EC) No 1083/2006.

- Annual Control Report
December 2013



OP towards Lisbon Objectives

- 41.44% of OPI's total EU financial allocation is committed towards Lisbon earmarked categories this translates into €301.73m
- Total earmarked commitments for Lisbon Agenda (Community amount) by December 2013 amount to €286.76m which is equivalent to 95% of the Programme's earmarking target.



OP contribution towards ERDF Horizontal Priorities

Objective	Projects contributing to this theme	Example of activities proposed under new projects
Sustainable Development	√	<ul style="list-style-type: none">• (i) energy efficient technologies (ii) maximisation of natural lighting (ii) rainwater catchment (iii) water consumption reduction measures (iv) waste minimisation.• PA 4 and CF projects focus on reducing tons of GHG and CO₂ emissions through improved incineration and water polishing processes, LED light fittings and reduced journey times of vehicles.
Equal opportunities	√	<ul style="list-style-type: none">• Physical accessibility to sites• Accessible educational and vocational learning facilities (through ramps, widened corridors, height adjustable benches)
Partnership	√	<ul style="list-style-type: none">• Projects from partner organisations as well as NGOs are currently under implementation.• 1st PPP project finalised in 2013 (Public Aquarium)• Involvement of Local Councils and Expert entities in the Cultural and Educational Sectors



ERDF programmes – Contribution to CSGs and NRP Themes

Contribution of projects to the CSGs	National Reform Programme Strategic Themes	Example of activities approved/endorsed by the CION in 2013
Strengthen the synergies between the environment protection and growth	Environment	National Flood Relief Project
Expansion and improvement of transport infrastructure	Competitiveness	Improvement of the TEN-T Road Infrastructure (PHASE II)
Address Europe's intensive use of traditional energy sources	Energy	Promotion of Renewable Energy Sources in the Domestic Sector
Increase and improve investment in RTD	R&D ; Education	National Interactive Science Centre (NISC)



Monitoring and Reporting by the Managing Authority

- Day-to-Day management verifications

Check Type	Number of Visits	Number of Hours
Administrative Verifications	267	1,336
Physical on-the-Spot Checks	37	117
Total	304	1,453

- Upgrading the Structural Funds Database 07-13
- Bi-annual Project Progress Reports
- Ministerial Project Steering Committees (18 meetings)
- Intermediate Bodies Network (2 meetings)
- Intermediate Bodies Steering Committees (7 meetings)
- Project Progress Meetings (18 meetings)
- Monitoring Committee (2 meetings)
- Annual Review Meetings



Capacity Building Activities

Strengthening Administrative Capacity

- In 2013, TA funded the travel costs of sixty five (65) participants

Training provided locally

Training	Participants	No. of Participants
Verification Templates	MA	43
Induction Training for New Beneficiaries and New Recruits	Beneficiaries, MA	85



Evaluation at Programme Level

Thematic Evaluation

The first draft Thematic Evaluation report was submitted to the Managing Authority in Q4 2013.

External Evaluations

Study on Sustainability of Structural Funds and Article 57 of Regulation 1083/2006. (March 2013)

Benchmarking the Procurement System of Member States' Survey (March 2013)

Expert Evaluation Network: Analysis of the 'number of jobs' impact indicator (April 2013)

Survey to identify the extent of the use of TA by Member States for different forms of salary support and identify good practices and recommendations (October 2013)



Information and Publicity

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

Annual Information Activity

The main event of 2013 was the participation of the MA in the Notte Bianca – Lejl Imdawwal held on 5th October 2013.



Photo - DOI - Jeremy Wonnacott



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Information and Publicity (cont)

Investinginyourfuture.gov.mt

- A series of 11 thematic advertorials were published on local newspapers for 11 weeks. Each week represented a different theme found on the Investing in Your Future website
- 180 projects were featured on the website
- 20,810 visits



Information and Publicity (cont.)

- Other Initiatives

Europe Day

RegioStars 2014

Open Days 2013 – Financial Engineering Conference

European Year of Citizens

Professional Photographic Services

Local Information and Publicity Networks

Initiatives undertaken by the IBs



Photo - DOI - Clodagh Farrugia O'Neill





Concluding Remarks

As at end 2013:

- 123 operations under implementation
- Assistance to 11,739 households across Malta & Gozo
- 574 private Beneficiaries benefiting from ERDF Aid Schemes
- €832m committed public eligible funds
- €661m contracted
- €444m disbursed
- €424m or 50% of the OP certified to CION



Thank you

Operational Programme I – Cohesion Policy 2007-2013
European Regional Development Fund (ERDF)
Cohesion Fund (CF)

Investing in your future

