

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

*Investing in Competitiveness for a Better Quality of Life*

**Annual Implementation Report  
2008**

**Monitoring Committee  
12 May 2009**

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## Introduction

- The Annual Implementation Report was prepared in line with Article 67 of Regulation (EC) No 1083/2006.
- The report outlines information on:
  - physical progress made in implementing the OP;
  - steps taken by the MA and other stakeholders to ensure the quality and effectiveness of implementation;
  - any significant problems encountered in implementing the OP and any measures taken to overcome them.

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## Calls Launched in 2007



- The first call for proposal was published in July 2007 for projects under Priority Axis 1, 2 and 6.
- Approval letters started being issued during Q1 2008.
- Out of a total of € 170 million allocated for this call, € 168 million were committed on 26 approved projects.

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## Calls for applications during 2008



Call	Priority Axis	Allocated	Committed
Call 2	Priority Axis 1, 4 and 6	EUR 65 million	EUR 46,397,673
Call 3	Priority Axis 2	EUR 7 million	EUR 6,324,996

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## Committed Amounts as at end 2008



Priority Axis	Amounts Committed	No. of Projects/Schemes Approved
Priority Axis 1	€ 84,897,312	16 Projects & 6 Aid Schemes
Priority Axis 2	€ 87,112,038	7 Projects & 1 Aid Scheme
Priority Axis 4	€ 23,155,808	3 Projects & 1 Aid Scheme
Priority Axis 6	€ 59,975,968	16 Projects & 1 Aid Scheme

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## Project Selection Committee



- 55 meetings held in 2008
- 41 meetings for Call 2 and 14 meetings for Call 3
- During 2008:
  - 42 projects were approved;
  - 7 projects were withdrawn by the Applicants;
  - 34 projects were deemed ineligible; and
  - 13 projects were put on a reserve list due to unavailability of funds within the Call.
- 11 appeals were filed to the PSAB of which 8 were rejected, 2 were accepted and 1 was withdrawn by the Applicant.

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## Implementation of the 10% Commitment for Gozo



- 5 Gozo-based projects with a budget of €14,055,339 were approved.
- Another 7 projects will have Gozo-specific components amounting to €9,930,740.
- This represents 2.8% of the OP allocation.
- All schemes cover the whole territory of Malta (including Gozo).

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## Aid Schemes



4 IBs were appointed for 9 schemes envisaged under OPI:

Aid Scheme	Intermediate Body
1. ERDF Small Start-up Grant Scheme	<b>Malta Enterprise, MFEI</b>
2. ERDF Innovation Actions Grant Scheme – Innovation	
3. ERDF Innovation Actions Grant Scheme – Environment	
4. ERDF e-Business Development Grant Scheme	
5. Research & Development Grant Scheme	

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## Aid Schemes (Cont.)

Aid Scheme	Intermediate Body
6. ERDF International Competitiveness Grant Scheme	Malta Enterprise, MFEI
7. ERDF Energy Grant Scheme	
8. Grant Scheme for Sustainable Tourism Projects by Enterprises.	Tourism and Sustainable Development Unit, OPM
9. Grant Scheme for Child Care Facilities	Department of Social Welfare Standards, MSOC



## Management and Control System

- In line with Article 71 of 1083/2006 and Article 21 of 1828/2006, the MA drafted:
  - the description of the management and control systems;
  - the National Eligibility Rules (in line with Article 56 (4) of 1083/2006).
- The Systems' Description together with the Compliance Assessment drawn up by the Audit Authority was submitted on 26 June 2008.



## Manuals of Procedures 2007 – 2013



- The Manual of Procedures provides detailed guidelines on the implementation processes to Beneficiaries of Cohesion Policy 2007-2013.
- A draft second manual, targeting the horizontal stakeholders and practitioners has also been designed to give an insight into the overall national procedures.

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## Project Progress Report



- The MA has developed a template aimed at facilitating structured reporting by Beneficiaries.
- The template includes information on:
  - project management;
  - progress on implementation (disbursement);
  - Indicators;
  - horizontal priorities;
  - publicity; and
  - reporting on any envisaged risks/problems.

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## Evaluation



- The Evaluation Plan for Malta was drafted in 2007 and finalised in 2008.
- In Q4 2008, the MA started drafting the terms of reference for the mid-term evaluation exercise.

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## Indicators Users' Guide



- The Guide is being drafted and will aim at :
  - guiding Beneficiaries and the IBs on the indicator definitions and parameters;
  - enable a more effective monitoring of the indicators and collating of targets; and
  - facilitate future evaluations.

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## Structural Funds Database 2007 – 2013



- Priority was given to the development of the payments and verification and certification modules.
- A training plan for SFD users was drawn up.
- Step-by-step tutorials and guidelines have been created by the SFD Unit and uploaded on the PPCD website, together with a FAQs section.

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## Preparation of Major Projects



- **TEN – T Projects**
  - Phase 1 of the TEN -T projects (PA 3):
    - Application and CBA were informally submitted to the Commission in November 2008;
    - Tender documents for the works component have been designed.
  - Phase 2 is still in the initial stages

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## Preparation of Major Projects (1)



- **Modification of Boilers at the Delimara Power Station to Reduce Emissions (PA 4):**
  - JASPERS experts have contributed to the assessment and updating of the CBA. By end 2008, the CBA was still in a draft format.
- **National Flood Relief Project (PA 4):**
  - The project was re-dimensioned following an analysis of the feasibility by the JASPERS experts.
  - The studies for a detailed CBA, feasibility study and EIA were launched in Q4 of 2008.
  - JASPERS assistance on the project is still ongoing.

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## Preparation of Major Projects (2)



- **Urban Waste Water Treatment Plant for the South of Malta (PA 5)**
  - A second informal submission of the application was sent to the EC in July 2008
  - EC's feedback received in September 2008
  - On the EC's advice, the Beneficiary requested JASPERS assistance on both the application and the CBA
  - The Main contract for the project was awarded in August 2008
  - Order to start works was given in December 2008

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## Preparation of Major Projects (3)



- Mechanical and Biological Treatment Plant Malta (PA 5):
  - After the launch of the Waste Treatment Strategy the site selection process commenced
  - A decision was taken to present one project divided into two phases: The Pre Treatment Facility and the Biological Treatment Plant
- Rehabilitation & Restoration of Closed Landfills (PA 5):
  - Approval for a negotiated procedure for the CBA and detailed design for landscape engineer and architectural design was given by DOC in Q3 2008
  - The Tender for Project Management was launched in Q4 2008

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## JASPERS



- Malta signed the second Action Plan with EIB for the provision of assistance from JASPERS. Projects identified for assistance include:
  - Storm Water Management
  - Modifications to boilers at power stations
  - Mechanical and biological treatment (Malta)
  - Magħtab Landfill Rehabilitation
  - Extension of Waste separation activities
  - Restoration of Historical Fortifications
  - Urban Waste Water Treatment Plant for the South of Malta
- JASPERS also assisted the MA in drafting the ToRs for the tendering of expertise to analyse CBAs/ financial feasibility studies and to establish a revenue monitoring system for operations selected

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## JEREMIE

- EIF prepared a Gap Analysis identifying areas where the JEREMIE initiative can assist local SMEs and Micro Enterprises to access finance
- In November 2008 the MA confirmed Malta's intention to use JEREMIE and has communicated Government's decision to select the EIF as the Holding Fund Manager

## JESSICA

- JESSICA is a similar instrument to JEREMIE intended for large integrated urban regeneration projects
- EC in collaboration with EIB presented the JESSICA initiative to local stakeholders in December 2008



## Strengthening administrative capacity

- Internal capacity at the MA, the CA, as well as other horizontal stakeholders
- Capacity building measures, held in line with PPCD's Structural Funds Stakeholders' Training Strategy include:
  - induction training sessions for 43 new recruits
  - training for new Project Leaders and Contact Persons
  - a seminar in relation to 'Cost-Benefit Analysis'
  - information sessions for potential beneficiaries



## Lisbon Agenda – Earmarking



- €284 million are earmarked for Lisbon Agenda related projects.
- 31% have already been committed for projects and Aid Schemes under PA 1, 2 and 4.
- This percentage will increase to 48% if we include the Major Project under PA 3 which is in the final stages of formal submission to EC.
- Major projects represent 33% of the total amount intended for earmarking.

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## Qualitative Analysis

### Environmental Sustainability



- During the project selection process, environmental sustainability is allocated 15% of the marks
- In 2008, MEPA continued to offer assistance to applicants and project managers submitting projects funded under both OPs

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## Equal Opportunities

- Greater effort to integrate the concept of equal opportunities in procurement
- During the project selection process, equal opportunities include 5% of the marks
- Approved measures include:
  - accessibility facilities
  - use of inclusive language
  - childcare facilities as a family-friendly measure



## Partnership

- Government is launching a number of calls which are open only to partner organisations, including civil society groups and the voluntary sector
- In 2008 one call was issued under PA 2
- To facilitate the participation of partner organisations, Government is providing the pre-financing of the ERDF component from the national budget



## Compliance with Community law



- Compliance with **state aid regulations** is ensured at the project selection stage. Further to offering advice to potential applicants, SAMB vets all applications and provides technical input to the PSC.
- Quality assurance during **public procurement** is ensured through checks and vetting by DoC.
- MEPA supports the Beneficiaries and the MA on **planning and environmental** permits.
- MA sought legal clarification from the EC with regard to Article 7(2) of the ERDF Regulation EC (No.) 1080/2006 and Article 47 of the Implementing Regulation.

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## Problems Encountered



- Problems in the implementation of the programme are attributable to:
  - Delays from lengthy project selection
  - Delays in drafting, vetting, publishing, evaluation and awarding of tenders
  - Delays until the beneficiaries obtain the necessary planning permits
- In Q4 2008 the monitoring process was strengthened through the scheduling of meetings by the Chair of the MC. These meetings are aimed at focusing on specific issues and delays with the collaboration of all relevant stakeholders.

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## The context of the OP implementation



- 2008 was marked with the onset of the economic crisis
- Aid Schemes and large public infrastructural projects are expected to contribute significantly in providing the necessary economic stimulus

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## Complementarities with other instruments



- Malta has a centralised management system which strengthens the mechanisms through which the MA ensures that there is no duplication in the activities funded
- During 2008, the ToRs for a number of co-ordination structures were drafted to pave the way for the establishment of these committees in 2009

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## Day to Day Monitoring

- Project Managers monitor projects / schemes on a daily basis
- Senior Managers liaise with stakeholders and address issues within potential projects
- Projects at risk are brought to the attention of Head OPI and DG PPCD
- Monitoring through SFD



## Formal Monitoring

- Formal Monitoring and Reporting is carried out every four months
- High Level Monitoring Structure led by PPS including all relevant stakeholders addressing projects at risk

### Monitoring Committee

Two MC were held during 2008 in:

- May - MC approved the Annual Implementation Report and in the TA criteria **change**
- October - MC approved changes to the OP





## Technical Assistance



Use of TA funds during 2008:

- advertise calls for project proposals and information sessions
- hold the information festival
- publication of printed publicity material
- support programme management and monitoring
- support the setting up of dedicated units within other key stakeholders
- capacity building including training and participation in seminars both locally and abroad
- monitoring

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## Information and Publicity



- Communication Plan was approved in January 2008.
- The Major event for 2008 was held in November 2008.
- Other information and publicity measures to promote OPI include:
  - Production of eco-friendly promotional items;
  - Participation of PPCD staff on local radio and TV programmes;
  - Networking with the INFORM network of DG REGIO;
  - Launch of Calls for Project Proposals; and
  - Organisation of various information sessions.

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## Concluding Remarks



2008 was characterised by the:

- *regulatory set-up* associated with the first phases of the programme cycle established and approved by the EC
- strengthening the project selection process
- finalisation of the relevant framework for the launching of the state aid schemes in support of private enterprise
- launching a number of calls for projects and approvals of a number of projects
- drafting of the description of the management and control system
- strengthening of the monitoring process
- achievement of Malta having one of the highest commitment rates in terms of ERDF projects approved

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## Targets to be reached in 2009



- Ensure the timely implementation and execution of the selected projects
- Strengthening of monitoring process
- Submit formally project proposal for two Major Projects
- Launch the mid-term evaluation

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Thank you!



Operational Programme I and II – Cohesion Policy 2007-2013  
*Investing in Competitiveness for a Better Quality of Life*  
*Empowering People for More Jobs and a Better Quality of Life*  
Event part-financed by the European Union  
European Regional Development Fund (ERDF)  
Cohesion Fund



European Social Fund (ESF)  
Co-financing rate: 85% (70% ERDF, 30% ESF) EU Funds; 15% National Funds

*Investing in your future*

