

# Swiss-Maltese Co-operation Programme

## Minutes of Annual Meeting held on 23 June 2010

The second Annual Meeting of the Swiss-Maltese Co-operation Programme was held at the Planning and Priorities Co-ordination Department, Valletta, Malta on Wednesday, 23 June 2010.

Mr Stephen Calleja, who was chairing, opened the meeting at 10.00 am.

### Adoption of the Agenda

The agenda was approved and adopted.

### Introduction

Mr Calleja welcomed the participants<sup>1</sup> and gave an update on Programme implementation thus far and on the achievements in the twelve months to the second Annual Meeting.

For his part, Mr Manzoni thanked the Planning and Priorities Coordination Department (PPCD) for organising the meeting, adding that Switzerland was satisfied with the way the Swiss-Maltese Cooperation Programme was being implemented. Intensive work had been carried out during the previous twelve months and he praised the NCU for its efficient management, expressing the wish that the excellent level of collaboration would be maintained into the future.

### Discussion on the Annual Report for the period 1 May 2009 to 30 April 2010, on a modification to the Technical Assistance Fund budget and on the project 'Support to the Mediterranean Academy of Diplomatic Studies (MEDAC)'

Mr Calleja presented the Annual Report and explained the detailed information it contained.

Significant progress had been registered since the first Annual Meeting, with an important milestone being the signature on 11 June 2010 of the Agreement concerning the project titled 'Establishing Positron Emission Tomography / Computed Tomography (PET/CT) scanning in the Maltese Islands'. Following the Project Agreement, the Implementation Agreement between the NCU and the Executing Agency was currently being prepared.

Another important development had been the agreement between the Maltese and Swiss authorities and at EU level to allocate to Malta the SFr 2,000,000 reserve for high priority projects. These funds would be utilised to extend Swiss support to the Mediterranean Academy of Diplomatic Studies (MEDAC) for four academic years starting from the 2010/2011 academic year.

Three particular issues needed to be discussed in some detail during the meeting. The first issue concerned the PET/CT scanner project. Mr Calleja stated that the eligibility start date was 11 June 2010. The Executing Agency (the Ministry for Health, the Elderly and Community Care) was working on the tender dossier with the support of experts from the Istituto Oncologico della Svizzera Italiana (IOSI) in Bellinzona and that the tender would give the budget in Euro. A €/SFr rate of 1.5159 had been used to draw up the indicative budget in the Project Agreement

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<sup>1</sup> The list of participants is at Annex A.

but the Swiss Franc had subsequently risen in value against the Euro, with the current rate standing at 1.3998. Accordingly, the NCU wished to know whether any eventual gains on the exchange rate could be used to reduce the Maltese co-financing from its present level of 24.43%, as long as that did not fall below the 15% minimum.

In terms of article 3.9 of the PET/CT Project Agreement, 'any unutilised portion of the Grant remaining shall be eligible for re-commitment according to article 3.2 of the Framework Agreement, unless otherwise mutually agreed by the Contracting Parties', so a basis for an arrangement of this nature already existed. Mr Calleja underlined the fact that potential savings were unlikely to be enough to justify proposing another new project, meaning that there would be no alternative way of absorbing the Grant in full. Mr Albert Zahra drew attention to the commitment deadline in 2012, reminding that that in any case there would be little time left to start a third project to utilise any savings.

Mr Manzoni indicated that in the eventuality, the NCU's proposal to adjust the level of Maltese co-financing should be possible, adding that SDC would be willing to explore such an idea. Mr Manzoni reassured the NCU that Switzerland had no interest in making any gains from fluctuations in the Euro/Swiss Franc exchange rate. He stressed that Switzerland made its allocation in Swiss Francs and the amount in that currency, not its Euro equivalent, was binding. That was to say that in the case of the PET/CT scanner project the SFr 2.794 million was ring-fenced for Malta to claim before the expiry of the disbursement deadline.

It was agreed that Mr Manzoni would take the NCU's request to SDC and return with a reply.

Mr Calleja then gave a brief overview of the planned implementation schedule from tender publication (foreseen by end of July 2010) through to contract award, and delivery and commissioning of the equipment by the first half of 2012. An established committee within the Ministry for Health, the Elderly and Community Care (MHEC) would be meeting at least every four months to monitor the progress of implementation. The NCU would be invited to participate in meetings of this committee and the first meeting was scheduled to take place on 21 July 2010.

Mr Manzoni asked whether MHEC were in a position to submit the PET/CT tender documents by mid-July 2010 (via NCU), so that SDC would be able to issue its 'non-objection' letter before the summer break. Mr Calleja undertook to contact MHEC on this point and to forward the documentation as soon as this became available.

The second issue concerned the Technical Assistance fund. Mr Calleja asked whether Interim Reports were still to be submitted to SDC despite the fact that the pre-financing of SFr 40,000 had been transferred to the account of the Paying Authority. It was understood that Interim Reports were to be drawn up when there was a reimbursement request to be made, and until the SFr 40,000 were exhausted the Paying Authority would not be forwarding any such requests to SDC.

In reply, Mr Manzoni confirmed that in the case of Technical Assistance the Paying Authority was still required to submit Interim Reports to SDC every six months. It was therefore agreed that the Paying Authority would forward the Interim Reports to SDC, copying in the NCU.

The financial table in the Annual Report showed that up till 30 April 2010, the only eligible expenditure had been €215.25 (Annual Meeting 2009) and €606 to cover Mr Calleja's visit to SDC in March 2010. In response to a question by Mr Manzoni,

Mr Calleja clarified that the table showed the quarter when the expenditure had been, or was foreseen to be incurred rather than the period of reimbursement by Switzerland.

Mr Calleja then asked Mr Manzoni about an adjustment to the TA fund budget. The main change (compared to the budget approved by SDC on 10 July 2009) would relate to the line 'Hiring of Consultants for project preparation'. This was to be increased by SFr 1200 to SFr 21,000 in line with the provisions of article 3.4 of the PET/CT Project Agreement.

After a brief discussion about the merits of having a formal amendment, it was agreed that for audit trail purposes, a procedure similar to the one executed in 2009 would be followed to bring about the necessary changes. The NCU would therefore submit a revised budget to SDC together with a short justification note.

As a final remark on the Technical Assistance fund, Mr Manzoni asked whether the SFr 40,000 had been received in full, or whether any bank charges had been deducted. Mr Emanuel Borg confirmed that the remittance had been credited to the Paying Authority's account in full.

The third point concerned the project entitled 'Further support to the Mediterranean Academy of Diplomatic Studies (MEDAC)'. The NCU had submitted the final proposal to SDC and the two sides had also reached agreement on the modifications necessary to enable the Bilateral Framework Agreement to take account of the MEDAC project. Therefore, in the face of the decision at EU level to allocate the additional SFr 2 million to Malta, the highest priority now was to formally amend the Bilateral framework Agreement and then to sign the Project Agreement.

Mr Manzoni was optimistic that the amendments to the Bilateral Framework Agreement could be in place as early as the end of July, but in any case no later than the end of September. On the other hand, he suggested that the Project Agreement signing ceremony would ideally take place in October, after the start of the academic year, so that Ambassador Martin Dahinden, Director General at the SDC who would be travelling to Malta for the occasion could also give a lecture to the MEDAC students.

Mr Calleja asked how reimbursement requests would have to be made and what documents would SDC be expecting in support of the expenditure claims. Would it be sufficient to demonstrate that the Ministry of Foreign Affairs had transferred funds (SFr 500,000 / academic year) from the national budget to MEDAC (i.e. the pre-financing by the Maltese Government), or would SDC want to see documents similar to those furnished for Technical Assistance and the PET/CT scanner (where payments were made by Government to the providers rather than to another institution for it to then spend)? Would the Ministry of Foreign Affairs have to act as an Intermediate Body with MEDAC as the Executing Agency in the case of this project?

The main pre-occupation of the NCU was that certain aspects of this project (e.g. the selection of students, payment of tuition fees to lecturers and of allowances to students) did not lend themselves so easily to the procedures set down in the Bilateral Framework Agreement. However, any alternative procedure still had to guarantee the required level of transparency and accountability.

Mr Manzoni proposed to discuss this matter internally within SDC on his return to Berne and to report back to the NCU in due course. He said that SDC could look into the possibility of retaining the current reimbursement procedure. In any case,

the final arrangements that would be agreed upon in this regard would be included in the Project Agreement.

#### Any Other Business

Mr Calleja reported that in terms of audit, not much had been done so far. The PET/CT scanner Project Agreement envisaged two audits: one at mid-term, which could take place during the second half of 2011 and a final one after project completion. The Technical Assistance Fund Agreement required one final audit after project completion.

Publicity actions had so far been focussed around the PET/CT scanner Project Agreement signing ceremony. The event had received extensive coverage, both in the print media and on national radio and television. The coverage included interviews with the Minister of Health.

#### Conclusion

Concluding, Mr Manzoni thanked the Maltese authorities and wished them well in the implementation of the projects. He looked forward to continuing collaboration between the two sides.

Mr Calleja reciprocated by thanking Mr Manzoni on his own behalf as well as on behalf of Director General Ms Marlene Bonnici and the other participants at the meeting. As there were no further points to discuss the meeting was closed at 12.45 pm.

## **Annex A – List of Participants**

**Mr Mirko Manzoni, Programme Manager, Division New EU Member States, Swiss Agency for Development and Cooperation SDC**

**Mr Stephen Calleja, Director (Programmes and Projects), Planning and Priorities Coordination Department (National Coordination Unit)**

**Ms Leonie Aquilina Xuereb, Projects Manager, Planning and Priorities Coordination Department (National Coordination Unit)**

**Mr Albert Zahra, Treasury Department**

**Mr Emanuel Borg, EU Paying Authority**