

Swiss-Maltese Co-operation Programme

Minutes of Annual Meeting held on 4 May 2012

ATTENDANCE

Present for the meeting were:

Maltese National Co-ordination Unit

- Mr Raphael Scerri, Director General (Funds and Programmes), OPM
- Mr Stephen Calleja, Director (Programmes and Projects), OPM

Swiss Confederation representatives

- Ms Maryline Dafflon, Programme Manager, Division New EU Member States, Swiss Agency for Development and Cooperation SDC
- Mr Tiziano Balmelli, Counsellor, Embassy of Switzerland in Rome

Others present

- Mr Francis Darmanin, Internal Audit and Investigations Department, OPM
- Mr Emanuel Borg, Senior Manager, Paying Authority

Secretary

- Ms Christine Tong, EU Fund Officer, Funds and Programmes Division, OPM

PROCEEDINGS

Introduction

The fourth Annual Meeting of the Swiss-Maltese Co-operation Programme was held at the Auberge de Castille, Valletta, Malta on Friday, 4 May 2012.

Mr Raphael Scerri, who was chairing opened the meeting at 9.30 am, welcoming and thanking all for their presence. He then went on to give an update on the recent reorganisation within OPM which had ushered in the Funds and Programmes Division to act as the National Coordination Unit (NCU).

Adoption of Agenda

The main items on the agenda were a discussion on the Annual Report and a discussion on the possibility of (a) adjusting the co-financing rate in order for Malta to utilise gains arising from the strengthening of the Swiss Franc against the Euro and (b) reallocating funds between budget lines to align them with awarded contract values (PET/CT scanner project).

The Agenda for the meeting was adopted. Mr Scerri went through the items to be discussed, giving an overview of what developments had taken place since the previous meeting:

- PET/CT scanner contracts had been signed and the first payment claims were expected to be submitted to SDC by July 2012.
- A request that had been submitted to SDC for the extension of implementation period of the PET/CT scanner project had been approved.
- The MEDAC project was proceeding well and according to the projected timeline.

Word was passed over to the Swiss delegation. Ms Dafflon introduced herself and her colleague and briefly described her own background, adding that they were impressed with the quality of the work being carried out by the NCU in Malta. She thanked Mr Calleja for the support and information he had provided whenever called upon.

Discussion on Annual Report

Mr Calleja stated that the Annual Report for the period 1 May 2011 to 30 April 2012 had been submitted to SDC, the Internal Audit and Investigations Department (IAID) and the Paying Authority two weeks prior to the annual meeting. However, since the reporting period closed on 30 April 2012, that is, almost a week before the annual meeting, the Report had been updated to include a third interim report and payment claim for the MEDAC project and an amendment to page 4. The updated version of the Annual Report would subsequently be uploaded on the NCU's website¹ and sent by email to SDC, IAID and the Paying Authority.

- *Establishing Positron Emission Tomography / Computed Tomography (PET / CT) scanning in the Maltese Islands*

In terms of the PET/CT scanner project, it had been a long but transparent procurement process. On current plans the Ministry for Health, the Elderly and Community Care (MHEC) envisaged the installation of the PET/CT machine by October or November 2012. Mr Calleja explained that the equipment had to be custom built by the supplier as it had to be designed around its proposed location, then tested and commissioned before starting to service patients in December; hence the request for extension of the implementation period beyond 30 June 2012. The request had been submitted to SDC on 30 March 2012 and was approved on 20 April.

Mr Calleja extended thanks and appreciation on behalf of MHEC for the granting of the extension and informed that in the meantime a team of Maltese radiographers would be sent to the Istituto Oncologico della Svizzera Italiana in Belinzona for training on how to operate the PET/CT scanner technology.

MHEC would organise a publicity event at project level once the equipment is up and running.

- *Support to the Mediterranean Academy of Diplomatic Studies (MEDAC)*

The MEDAC project had now entered its second academic year, with fifteen students benefitting from an M. Dip scholarship through the project. Monitoring visits by the NCU to verify the eligibility of expenditure were held in August 2011 and February 2012, before the submission of the Interim Reports and payment claims.

In terms of publicity at project level, this was mainly being done through seminars and launch events of MEDAC publications and meetings of the MEDAC alumni network. Ms Dafflon confirmed that this network was set up to organise events to maintain contact with and among the alumni. She added that some events had already taken place and others were planned during this year in varied locations: Brussels, The Hague, Tunisia and even New Delhi in India.

- *Technical Assistance*

As against previous years, no changes were being proposed to the Technical Assistance budget at this Annual Meeting because the latest modifications had been agreed on 18 January 2012 via email and no further amendments were required at this stage. Mr

¹ http://www.ppcd.gov.mt/swiss_fund

Calleja explained that as recommended by Mr Mirko Manzoni (SDC) at the 2011 annual meeting, the allocation of funds under the heading 'Expenditure for Participation in Meetings outside Malta' had been increased in view of the workshop in relation with the end of the commitment period to be held in Switzerland between the 19 and 21 September 2012.

Mr Calleja here paused to ask for any questions or clarifications on the Annual Report.

Ms Dafflon pointed out that the PET/CT scanner costs given in the Annual Report seemed to amount to more than that foreseen in the Project Agreement. Mr Calleja acknowledged the difference between the two amounts in **euro**; however he assured that the amount to be claimed in **Swiss francs** from Switzerland would never exceed that set in the Project Agreement (i.e. CHF 2,794,000). While on the one hand the cost in euro of the PET/CT scanner was higher than that foreseen in the project proposal, on the other hand the Swiss franc had appreciated substantially against the euro since June 2010 (when the Project Agreement was signed). An exercise carried out by the NCU and which would be discussed later in the meeting showed how these two factors could potentially balance each other out.

Ms Dafflon then posed a question relating to whether there would be a room specifically dedicated to the PET/CT scanner. Mr Calleja confirmed that the scanner would be located in a lead-lined site at the Medical Imaging Department within Mater Dei Hospital.

Mr Balmelli asked for more information about the separate block being erected just outside Mater Dei Hospital. Mr Calleja explained that the new building was to house the new Oncology Centre, but the Medical Imaging Department would remain at Mater Dei Hospital.

Mr Francis Darmanin made a few remarks on behalf of IAID. He said that he was glad to hear that the contract for the PET/CT scanner had been successfully awarded and an audit would be carried out once the first payments were executed. With regard to the MEDAC project, he mentioned that the first audit was scheduled take place October 2012.

The MEDAC student selection process was queried by Mr Balmelli. Mr Calleja replied that each year MEDAC formally invited nominations from governments of eligible countries. The project proposal was based on an indicative number of fifteen students per academic year benefitting from an M. Dip scholarship under the project.

- *Publicity at Programme level*

Mr Calleja announced that work would soon begin on the terms of reference needed for the procurement procedure in respect of publicity at programme level. Considering the budget available, which could be augmented by transferring amounts that remained unutilised from other technical assistance budget headings, the NCU was thinking of a number of roadside billboards placed in strategic locations around Malta and Gozo and / or an insert in a Sunday newspaper.

- *Swiss franc / Euro exchange rate*

Discussion turned to the fluctuation in the Swiss franc / euro exchange rate and its implications for the PET/CT scanner project. This was an important issue as the first payment claim would be submitted to SDC by July 2012.

Mr Calleja explained that according to the Project Agreement the maximum Swiss Grant shall amount to CHF 2,794,000.

At the time the Agreement was drawn up the €/CHF exchange rate of 1.5159 was used and on the basis of *estimated* costs, a Swiss co-financing rate of 75.57% was established for the components being co-financed.

The supply contracts for the procurement of the PET/CT scanner and fractionator were eventually awarded in March 2012. These contracts were denominated in the euro and payments were to be executed between Q2 2012 and Q2 2013.

As everyone was aware the euro had weakened considerably against the Swiss franc in the period since June 2010. For instance on the day of the Annual Meeting the ECB reference exchange rate stood at 1.2014.

The NCU had been monitoring the situation with the aim of ensuring that Malta fully utilised the Swiss Grant. Using *actual* contract values now available, the NCU carried out an exercise to determine how this could be achieved. The results of this exercise were presented in a document at the meeting.

Accordingly, the NCU's wished to put forward a proposal to frontload the Swiss co-financing by applying the maximum 85% rate permitted by the rules. As the €/CHF exchange rate was bound to be different in each reimbursement request foreseen under the project, this implied that the final reimbursement (which would have to ensure that the overall total requested does not exceed the CHF 2,794,000) may then have lower Swiss co-financing up to the full Grant amount.

Mr Calleja concluded this point by saying that the purpose of the presentation was for information only and no decision on the spot was expected. A formal exchange of letters between the NCU and SDC on the above and to shift funds between budget headings in order to align them with the actual contract values would be carried out after the Annual Meeting.

Conclusion

The Annual Report for the period 1 May 2011 to 30 April 2012 was unanimously approved.

To conclude, Mr Scerri again thanked everyone present and hoped to continue with this fruitful cooperation. Ms Dafflon reciprocated on behalf of SDC and finished by saying she looked forward to collaborate further with Malta in the next twelve months.