



## Minutes of the 3<sup>rd</sup> ANNUAL MEETING - EEA and Norway Grants 2009-2014

25<sup>th</sup> March 2014, 9:00 – 11:00am

St. Angelo Hall, Malta Maritime Museum, Vittoriosa

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### Participants

#### Norwegian Ministry of Foreign Affairs

Mr Steinar Hagen, Director, Section for Central Europe and the EEA/Norway Grants and Head of the Donor States Delegation

Mrs Henriette Gulbrandsen, Senior Advisor, Section for Central Europe and the EEA/Norway Grants

#### Icelandic Mission to the European Union

Mr Angantýr Einarsson, Financial Counsellor

#### Financial Mechanism Office

Mr Rune Vistad, Head of Sector

Mr Frode Dal Fjeldavli, Country Officer

#### National Focal Point – Funds and Programmes Division, Ministry for European Affairs and Implementation of the Electoral Manifesto

Mr Raphael Scerri, Director General (Funds and Programmes) and Head of the National Focal Point

Mr Stephen Calleja, Director (Programmes and Projects)

Mr Nicholas Bugeja, Senior Manager

Ms Leonie Aquilina Xuereb, Projects Manager

Ms Christine Tong, EU Fund Officer

Ms Alison Grech, EU Fund Officer

#### Ministry of Foreign Affairs

Mr Saviour Falzon, Senior Advisor

#### Certifying Authority

Mr Joseph Sghendo, Director, EU Paying Authority, Ministry for Finance

#### Treasury Department

Ms Ruth Zammit, EU Payment Co-ordination Officer

#### Audit Authority

Ms Cathriona Sciberras, Auditor, Internal Audit & Investigations Department, Office of the Prime Minister

Ms Graziella Grech, Auditor, Internal Audit & Investigations Department, Office of the Prime Minister

### Apologies

#### Royal Norwegian Embassy

Mr Tord Tukun, Minister Councillor

## Agenda

<b>09:00 – 09:10</b>	Opening remarks  Welcome and opening address by: - Mr Raphael Scerri, Head, National Focal Point - Mr Steinar Hagen, Head, Donor States Delegation
<b>09:10 – 09:30</b>	Status / Presentation of the Strategic and Annual Programme Reports <i>Presentation by the National Focal Point – Mr Nicholas Bugeja</i>
<b>09:30 – 09:40</b>	Management and implementation
<b>09:40 – 09:50</b>	Programmes
<b>09:50 – 10:10</b>	Risk assessment
<b>10:10 – 10:30</b>	Bilateral Relations and Issues
<b>10:30 – 10:40</b>	Horizontal concerns
<b>10:40 – 10:50</b>	Closing remarks - Mr Raphael Scerri, Head, National Focal Point - Mr Steinar Hagen, Head, Donor States Delegation

### Opening remarks and welcome address

Mr Raphael Scerri welcomed all the participants, in particular the Donor States delegation and the FMO. He said that following the signature and launch of the Programme Agreements on the EEA and Norway Grants 2009-2014 on 10 April of the previous year, four of five pre-defined projects had their contracts signed, with two projects also signing partnership agreements with counterpart institutions in Norway.

Mr Scerri added that the first two combined Strategic and Annual Programme Reports for each Financial Mechanism were prepared and presented at this year's Monitoring Committee that was held on 31 January 2014. Following the Committee's approval, the Reports had been sent to the FMO on the same day.

Mr Steinar Hagen thanked the NFP for Malta for hosting the Donor State delegation for the annual meeting. He said that overall, he was pleased with the way the projects were doing so far and that meetings like this were important to take stock of progress and assess any changes made along the implementation phase. He said that he had been working on the Grants for the previous 10 years and remembered well the first Maltese project to have finished under the Grants contributing directly to Malta's entry into the Schengen area. Mr Hagen was pleased with both the projects under the past programme period as well as those in the current period, making reference also to the interesting meetings held with Transport Malta and the SOS Malta on their project and programme respectively the day before.

The agenda was unanimously adopted.

### Presentation of the Strategic and Annual Programme Reports by the National Focal Point (NFP)

Mr Nicholas Bugeja delivered a presentation on the contents of the Strategic and Annual Programme Reports, providing an overview of key events and progress achieved at the programme and project levels in the year 2013.

The year 2013, was mainly characterised by the programmes' launch, the signature of four project contracts, a project launch event, and the submission of Interim Financial Reports for Technical Assistance and the EEA and

Norway Grants programmes. Other activities included a system audit on management controls carried out by the Audit Authority, preparation of forecasts of likely payment applications. €10,069 were verified under 'Technical Assistance and Funds for Bilateral Relations at National Level' while €29,166 had been verified under the two programmes.

Mr Bugeja also covered a list of possible risks at national as well as programme levels and presented planned mitigating factors, the main ones being:

- Insufficient time for project implementation. This could be aggravated in case of delays in public procurement procedures. The NFP/PO would counteract this by maintaining regular contact with project promoters and the Department of Contracts to facilitate the smooth running of projects;
- Delay in signature of Contract of Project MT04/2 due to site selection concerns. The NFP/PO regularly touched base with the Malta Environment and Planning Authority to try to accelerate the site selection process for Project MT04/2;
- Risks within individual projects. Regular bilateral meetings were being held with project promoters;
- Staff retention and resignations. The NFP ensured that capacity was reinforced at NFP and PO levels, and that sound handover is provided.

Since the cut off date of the Strategic and Annual Programme Reports (i.e. 31 December 2013), two more project launches had taken place in January and February 2014. An IFR for Technical Assistance and another for each programme had also been submitted. A total of €6,655 under 'Technical Assistance and Funds for Bilateral Relations at National Level' and €11,645 under the Programmes had been verified in Q1 2014.

An indicative work plan and a monitoring plan for both Financial Mechanisms for 2014 were also presented.

Mr Bugeja concluded his presentation with an explanation of an updated organisation chart illustrating the different roles within Malta's National Focal Point and Programme Operator sections.

Mr Scerri thanked Mr Bugeja for his comprehensive presentation.

### **Eligibility deadline issue**

At the point in his presentation when Mr Bugeja was explaining risks, Mr Hagen intervened, noting that one of these risks made reference to the YOURS project (MT04/2 'Renewing the Young Offenders' Unit of Rehabilitation Services (YOURS')) not reaching completion by the final eligibility date of 30 April 2017. Mr Hagen pointed out that no project could have its final eligibility date set beyond 30 April 2016, as stated in the Regulations on the implementation of the Grants (final date for expenditures to be incurred at project level). Mr Stephen Calleja replied that since the Regulations state that in duly justified cases the final eligibility date could be extended to 30 April 2017 and given that the Programme Agreements prepared for Malta by the Donor States and the FMO specified the 30 April 2017 as the end date of the eligibility of costs (with only programme preparatory costs having an earlier deadline), it had been naturally understood, particularly in light of the relative delay in finalising the MoUs and Programme Agreements, that the extension had been automatically granted to the projects' eligibility deadline in Malta.

Mr Rune Vistad announced that the date of 30 April 2017 in the Programme Agreements referred to the final eligibility date at programme level not for the projects. Mr Bugeja brought up the possibility of disbursing the total Grant amount of the project by 30 April 2016, and to proceed with nationally funded elements beyond that date. Mr Hagen said that, being technical in nature, this issue would better be handled separately between the NFP and the FMO. However, it is important for the Donors that the expenditures are incurred by 30 April 2016. The extra year to 30 April 2017 was to be utilised for wrapping up the programme.

### **Management and implementation**

Mr Scerri explained the separation of duties between the National Focal Point and the Programme Operator, and

spoke about the different roles involved in the verification of IFRs and in the management and implementation of the programmes. He confirmed that the current human capacity was sufficient. Mr Hagen asked about cooperation from stakeholders. Mr Scerri expressed the view that he was pleased with the close collaboration that existed with the Certifying Authority, Treasury, the Audit Authority and the Ministry for Foreign Affairs. Mr Scerri reported that projects were followed closely to mitigate risks and assist in progress. Procurement processes and planning permits that were suffering delays were also being monitored on a regular basis.

## **Programmes**

Mr Scerri announced that he had received news, only a few days before this meeting, that the WasteServ project (MT02/1 'CO<sub>2</sub> Energy – Development of an algae-derived bio-fuel production plant') was to be dropped following a review of all projects, including EU-funded ones, in the area of renewable energy. This assessment had been undertaken following adoption of the national waste-to-energy strategy in December 2013. The Maltese authorities were inclined to propose an alternative pre-defined project under programme area 1 (integrated marine and inland water management) for funding. The project, focusing on water management, would also include an educational component. Mr Scerri asked whether a change of programme areas was possible at this stage.

Mr Hagen reminded the NFP that project implementation in this programme period only had 2 years left. He reported that Greece was implementing a project under programme area 15 (institutional framework in the asylum and migration sector) which also could be of interest for Malta. Whilst acknowledging the importance of this area to Malta, Mr Scerri emphasised that this sector was quite comprehensively covered by the many projects being co-financed through the Solidarity and Management of Migration Flows Programme Funds. Agencies and NGO working in this sector were unlikely to have any extra capacity to take on more projects. Hence the Maltese authorities would rather focus on the proposed project idea in the area of water management. The would-be project promoter already had a firm plan for its objectives and the project would be able to commence immediately following approval.

Mr Hagen advised that some further reflection was necessary by both sides. The best way forward would be for the NFP and the FMO to take up the matter at a technical level through exchange of correspondence and discussions. The Focal Point should submit their proposal for reallocation to the FMO.

Mr Hagen mentioned the meeting with SOS Malta the previous day and how from the first call, only four from eleven proposals were selected. A second call would be issued in the subsequent week. Mr Scerri promised that the NFP would continue to offer its assistance as observer in the selection process of the new proposals.

Mr Scerri added that the first programme to have been concluded under this programme period was that addressing Programme Area 22, through a project entitled 'Enhancing Social Dialogue and Labour Institutions' implemented by the Department for Industrial and Employment Relations.

The Focal Point explained that the verifying officer reports directly to Mr Scerri to ensure separation of duties. It was also communicated that the Grants are now better promoted through a new website of the Ministry, which will be developed with more content and photos, and which will replace the old one.

## **Risk assessment**

Mr Hagen enquired about the implementation of project MT04/2 'Renewing the Young Offenders' Unit of Rehabilitation Services (YOURS)' and whether, with the delays it had been experiencing, would still make it by the final eligibility date. Mr Scerri replied that that was the plan, adding that the site for this project was identified, and an application for the planning permit had recently been submitted to the Malta Environment and Planning Authority (MEPA). Mr Scerri produced the site plans adding that no major issues were foreseen in relation to obtaining the planning permit.

According to Mr Calleja, it was difficult to predict when the planning permit was likely to be issued. Mr Hagen

asked whether there were any other issues concerning this project. Mr Scerri assured that there were none, apart from that of lack of time.

Mr Hagen asked whether the complaints mechanism was on the NFP's website and whether any complaints had been received. Mr Scerri replied that this tool prominently featured on the NFP's website and assured that no complaints have been received. Any complaints submitted would be sent directly to Mr Scerri who would then take the matter further.

The Focal Point informed the donors that they have regular contact with the Department of Contracts and the planning office to avoid delays and problems related to procurement.

Mr Hagen reminded the Focal Point that Bilateral Risk also should be reported on in the Annual Programme/Strategic Report. Mr Scerri made reference to the partnership agreements regarding two of the projects while Mr Calleja added that project promoters had already met their counterparts and established good working relations during the projects' preparation phase. In addition the Fund for Bilateral Relations at Programme Level would be utilised to promote further cooperation outside the framework of the current projects between the existing project promoters and counterpart organisation in the Donor States. Two of the five project promoters had already expressed interest in taking up this funding opportunity.

Mr Vistad appealed for regular risk assessment exercises, which would also cover risks at the political level. Mr Scerri assured that such exercises were regularly undertaken and that project promoters were encouraged to share knowledge of any potential risk channels such as the Project Progress Reports.

### **Bilateral Relations and Issues**

Mr Calleja explained that the Work Plan for this Fund consisted of three components. Savings under the component dedicated to facilitate project preparations between project promoters and partners would be shifted to the component reserved for participation of the NFP in workshops and seminars organised by the FMO and the Donor States. The third component would support the organisation of a seminar on a theme of common interest. The seminar was planned for 2014 and a concrete proposal was expected from the Ministry for the Family and Social Solidarity towards the end of March / beginning of April 2014. The Ministry had recently been on a study visit to Oslo. The proposal would be referred to the FMO in due course, and should be followed up by the NFP in dialogue with the FMO and the Norwegian Embassy in Rome.

Mr Hagen appreciated the bilateral cooperation between the Donor States and Malta, given the common concerns, such as maritime issues and being geographically situated at the periphery of the European continent.

### **Horizontal Concerns**

Mr Vistad said that the donors wanted to support the promotion and strengthening of common values through the Grants. The bilateral seminar planned for 2014 provided an excellent opportunity to exploit such horizontal issues. Mr Vistad reiterated the preference of the Donor States to have the seminar dealing with a theme of a social nature.

### **Closing Remarks**

Mr Hagen and Mr Vistad congratulated the NFP on the well written and presented Strategic and Annual Programme Reports and these were approved, with a small technical amendment requested by Liechtenstein.

Mr Hagen thanked the NFP and the local horizontal stakeholders for the good work and cooperation.

Mr Scerri thanked the Donor States delegation and the FMO in return for accepting the invitation to come to Malta. He also thanked the horizontal stakeholders for their ongoing cooperation and pledged the NFP's support

throughout the entire programme period.

**Follow-up points**

- Follow-up by the FMO on the reallocation due to withdrawn project (WasteServ)
- Bilateral seminar on a theme of common interest; NFP to forward a concrete proposal
- Follow-up by the FMO towards the NFP regarding time period for eligibility of costs