

MINISTERU GHALL-AFFARIJIET EWROPEJ U
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SEGRETARJAT PARLAMENTARI GHALL-FONDI
EWROPEJ U ID-DJALOGU SOCJALI



MALTA

MINISTRY FOR EUROPEAN AFFAIRS AND
EQUALITY

PARLIAMENTARY SECRETARIAT FOR EU
FUNDS AND SOCIAL DIALOGUE

Id-Divizjoni għall-Fondi u Programmi

Funds and Programmes Division



**Minutes of the 2nd Annual Meeting of the EEA
and Norway Grants held on 21 March 2019
at the Situation Centre (SITCEN) at the Office of the Prime Minister
Valletta**

The meeting commenced at 09:30 and ended at 12:00.

Participants

Ms Torill Johansen, Head of Delegation and Senior EEA and Norway Grants Adviser

Ms Henriette C. Gulbrandsen, Senior Adviser, NMFA

Ms Marianne Krey-Jacobsen, First Secretary, Norwegian Embassy in Rome

Ms Thury Bjork Bjorgvinsdottir, First Secretary Icelandic Embassy in London (via video link)

Mr Árni Páll Árnason, Deputy Director and Head of Country and Bilateral Cooperation Department, FMO

Mr Peder Lund, Country Officer, FMO

Ms Mualla Cirakli, Country Officer, FMO

Ms Emily Tufigno, Assistant Director, European Affairs, DG Political EU Affairs Maltese Abroad, MFTP

Ms Mariette Galea Ebejer IAID Executive (Compliance & Risk), IAID, OPM

Mr Edwin Camilleri, Chief Coordinator EUCA, Strategy and Implementation Division, EU Certifying Authority, MEAE

Ms Letizia Mintoff, Senior Manager, Treasury Department, MFIN

Mr Raphael Scerri, Director General, FPD, MEAE

Ms Carmen Dalli, Director Programmes and Projects, FPD, MEAE

Ms Alison Grech, Programme Manager EU Funds, FPD, MEAE

Ms Angele Azzopardi, Programme Manager EU Funds, FPD, MEAE

Acronyms

AM: Annual Meeting
AOB: Any other business
CA: Certifying Authority
CARS: Computerized Accounts Record System
DoRIS: Documentation, Reporting and Information System
EEA: European Economic Area
FM: Financial Mechanisms
FMC: Financial Mechanism Committee
FMO: Financial Mechanism Office
FPD: Funds and Programmes Division
IAID: Internal Audit and Investigations Department
JCBF: Joint Committee for Bilateral Funds
LC: Local Council
LGD: Local Government Division
MCESD: Malta Council for Economic and Social Development
MCS: Management and Control System
MEAE: Ministry for European Affairs and Equality
MEP: Member of the European Parliament
MFTP: Ministry for Foreign Affairs and Trade Promotion
MFIN: Ministry for Finance
MOPs: Manual of Procedures
MoU: Memorandum of Understanding
MT: Malta
NFP: National Focal Point
NMFA: Norwegian Ministry of Foreign Affairs
OK: Opportunity Knocks
OPM: Office of the Prime Minister
PA: Programme Agreement
PDP: Predefined Project
PO: Programme Operator
PP: Project Promoter
SGS: Small Grant Scheme
SIT: Sensory Integration Therapy
TA: Technical Assistance
WP: Work Plan

Welcome and Opening Address

A short welcome was given by Mr Raphael Scerri, followed by Ms Torill Johansen, who headed the delegation.

Mr Scerri explained that the main focus in 2018, was the closure of the previous Programme 2009-2014 and in parallel focusing on developments of the new Programme 2014-2021, which has seen significant progress since March 2018. Mr Scerri then gave a brief outline of the milestones achieved since then namely:

- The conclusion of the Concept Note process and the provision of the Supplementary Information

- The Signing of the PA, which was high on the Agenda, on 5 June 2018
- The Programme Launch in September 2018
- The Appraisal process of the Pre-Defined Applications
- The signature of the Grant Agreements with PPs
- The drafting of the Covenant with LGD on the SGS
- The drafting and publication of the Manual of Procedures and its annexes¹
- The MCS compilation and receipt of the Audit Authority opinion
- The shift of the Certifying Authority from MFIN to MEAE and the necessary MOU update.
- The development of the new Payment System CARS 1421
- The updating of the website and the launch of the EU and Bilateral Funds App on the mobile / responsive website.
- The production of new promotional items and production of a video, which was aired during the Eurovision Song Contest and World Cup
- The JCBF related activities and the follow up of the Bilateral Activities
- Promotion of the Regional Fund through a seminar, which was held in May 2018, and a presentation held in December 2018, on Social Dialogue Decent Work to MCESD
- The conclusion of the Evaluation Report and its sharing with the Donors
- Submission of the 2009-2014 closure documents through DoRIS, including the TA and related final payments amongst others.
- The creation of a dedicated project web page to register the projects' progress on regular basis²
- The organisation of the bilateral meetings with the project promoters
- Participation to Donors workshops and seminars such as the NFP workshop and the Communications Seminars
- And the organisation of a dedicated training session on indicators and setting of baselines in collaboration with the donors.

Ms Torill Johansen made reference to the visit to the Water Conservation Centre the day before and said that it was interesting to visualise what was being done with regards to the projects in the beneficiary countries and not just by reading about it. She also made reference to the JCBF meeting held the day before and the fruitful discussions that ensued. She said that it was envisaged that the results achieved would have a high bilateral value. Ms Torill acknowledged that a substantial amount of work took place since the last AM and noted that Malta was the second country to sign the PA. Ms Torill then introduced Ms Mualla Cirakli as the new country officer succeeding Mr Peder Lund.

A Tour de Table followed.

Mr Scerri made reference to the Agenda and proposed that under AOB, there would be a brief discussion on the 25th Anniversary commemoration as well as the

¹ https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bi-lateral%20Programmes/Documents/EEA%20Norway%202014-2021/Manual%20of%20Procedures/MOP_EEANFM_2014-2021%20-%20FINAL%20v%2017.10.18.pdf

² <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bi-lateral%20Programmes/Pages/Projects%20-%202014-2021/Projects-Co-.aspx>

approval of the 2018 Strategic Report, amendments to the PA and the definition of Hard and Soft Measures.

The Agenda was adopted.

Mr Scerri remarked that in line with Article 14 of the JCBF TORs, the JCBF members should have been invited to comment on the 2018 Combined Annual and Strategic Report, before the NFP submitted this to the FMO and Donors. In this sense, even though the report was not circulated to the JCBF members as per said Article, the same Donor representatives were already in receipt of the Report and hence Ms Johansen agreed that the report could be uploaded on the website after the AM as this will be deemed as approved. Following this meeting, the NFP would only be receiving minor FMO editorial suggestions to be taken into account for next year's report. Mr Scerri informed the participants that the 2018 Combined Annual Strategic Report³ and the Final 2009-2014 Strategic Report⁴, would be uploaded on the website.

Discussion and Adoption of the Final 2009-2014 Strategic Report

With regards to the Discussion and Adoption of the Final 2009-2014 Combined Strategic and Annual Report, Mr Scerri made reference to the NFP workshop (on how to prepare a good strategic report) held in January 2019 and the fruitful Training Session delivered by the FMO in February 2019. Ms Dalli referred to the last updates of irregularities submitted by IAID and further informed participants that report was not yet uploaded on DoRIS. Mr Lund noted that the NFP had already communicated with the Legal and Financial Department at FMO regarding the Report, and it was at that point decided to approve the Final 2009-2014 Report during the meeting.

When Ms Johansen invited Mr Scerri to comment on the Final Report, the latter drew similarities between the current programming period and the previous one. Mr Scerri mentioned the risks and mitigations in the new period as well as the continuous risk assessment in the previous programming period. He also commented that it was hoped that the NFP and NFP as PO, would continue to strengthen the full cooperation and open channel communication with the Donors, FMO as well as with NFP's local stakeholders, with a view to achieve 100% absorption of the funds.

Ms Johansen commented on the high absorption rate of funds (100%) compared to the average of 85% achieved across all participating Member States and the well written final report, which highlighted the bilateral contacts and initiatives. Mr Scerri said that there were around €6,000 only, which were not utilized as the bilateral

³ <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bilateral%20Programmes/Documents/EEA%20Norway%202014-2021/Combined%20Annual%20and%20Strategic%20Reports/Combines%20ASPR%20-%20Final%20Malta%202018.pdf>

⁴ [https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bilateral%20Programmes/Documents/EEA%20Norway%202009-2014/Combined%20and%20strategic%20report/Final%20Strategic%20report_Malta%202009-2014%20\(final%20version\).pdf](https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bilateral%20Programmes/Documents/EEA%20Norway%202009-2014/Combined%20and%20strategic%20report/Final%20Strategic%20report_Malta%202009-2014%20(final%20version).pdf)

aspect was not very strong and unfortunately those funds could not be reused elsewhere. Furthermore, Mr Scerri mentioned that the NFP had to perform overcommit to make up for any eventual irregularities that could be identified by the PO and the Audit Authority. In this sense, the total projects' costs were utilised.

2018 Strategic Report – Presentation and Discussions

Ms Carmen Dalli and Ms Alison Grech delivered the presentation⁵, which was divided in two parts. Ms Dalli gave an overview of the key activities which took place in 2018 on a month by month basis from January 2018, when the NFP as PO submitted the Combined Strategic and Annual Report for 2017 up to the Programme Launch in September 2018.

With regards to CARS 1421, Ms Letizia Mintoff commented that the necessary bank procedures are completed and that payments would be processed soonest. Mr Scerri informed the participants that the PPs were already being trained on CARS 1421. Furthermore, he stated that the IFR submitted on TA, Bilateral Relations and Local Development Poverty Reduction, was a NIL return but it was envisaged that the next IFR would potentially include certified expenditure.

With regards to the MCS, Mr Scerri made reference to the segregation of duties of NFP and NFP as PO and it was understood that the MCS was now accepted following clarifications made with the FMO. Following the last telephone conference with the Donors, the NFP was informed that other minor editorial modifications would have to be applied to the Irregularities, Complaints Mechanism, Monitoring, Risks and Sampling sections as well as to the Table under the Fund for Bilateral Relations section. More information and training on Irregularities will be provided by the Donors in due course and the MCS updated accordingly.

Reference was also made to the Communication Plan, the MOPs, the website and the mobile responsive website, which are continuously being updated, as well as the NFP and PO staff complement.

Ms Dalli then referred to the proposed changes to the PA, whereby the main amendments are related to the procedures to be carried out with regards to 'Selection of projects and Financial parameters' of the SGS, details about PDP3 and the respective PP and the setting of some indicators baselines. Mr Scerri referred to the informal discussion held after the NFP workshop held in Brussels in January whereby simpler payment procedures to be effected by the SGSO, were clearly outlined. Mr Scerri continued that with regards to the SGS operator, the major changes were already accepted by the FMO through an email received from Ms Reka Kenesei on 18 March 2019. Furthermore, he informed the participants that, as already instructed by the FMO legal office, the NFP would finalise the PA changes in one whole submission at a later date as there could be other changes (for instance the introduction of the base line value up to 16 April 2019 in the case

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<https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bilateral%20Programmes/Documents/EEA%20Norway%202014-2021/Presentations/Presentation%202014-2021%20for%20Annual%20Meeting%202019.pdf>

of HM: PDP 4 and 6 months after the scheme is launched in the case of the SGS).

Ms Dalli concluded her part of the presentation by giving a brief overview on the Civil Society Fund managed by the Fund Operator SOS Malta, the Social Dialogue Decent Work Programme, the Fund for Youth Employment and the Fund for Regional Cooperation 2018. Ms Johansen remarked that the latter Fund had a successful turnout as many applications had been received. The call, which was very open, covered every area within the Blue Book with a minimum of €1M for each project with a total disbursement of €15M. Ms Johansen informed the participants that by the end of the year, one would be in a position to know whether Maltese entities were indeed successful.

Ms Grech then proceeded with the delivery of the second part of the Presentation, by giving a brief overview of the Projects including the SGS and Donor Project Partners. Regarding the SGS, Mr Scerri explained that, with the budget available (just €1M) one could not achieve effective results with the limited funds available (maximum of €100K each). However, the LGD decided that the Local Councils could join forces to have separate projects of €100K each (in line with the threshold set at Programme Level), i.e. there would be delineation of costs between the group of LCs but each of them would still be contributing to one main common project. Mr Scerri said that at present the MEAE is assessing the Urban Localities needs and priorities identified following an exercise performed by the LGD together with the Regions and the eligible Local Councils. It is planned that such assessment will be concluded in the coming weeks. Mr Scerri also said that due to Local Council elections, the launch of the SGS would be postponed, although the necessary administrative work has already started and the scheme management tender was launched. The evaluation of the tenders is ongoing. The selected bidder will assist the SGS operator with the drafting of the application pack and the necessary guidelines. Moreover, the scheme Project Stakeholders Committee was set up and the NFP would be an observer on this Committee.

Ms Johansen remarked that she was happy that the tenders for PDP1 were progressing well and envisaged that implementation would take place by 2024. She continued that with regards to the challenges being encountered in locating bilateral partners, the NMFA would continue pursuing this issue through the FMO.

Mr Scerri informed the participants that, before certification of payment is completed through the IFR, the NFP as PO perform 100% checks ex ante to ensure that the correct procurement procedure was followed.

With regards to PDP2, Mr Scerri explained that the project is 100% soft measures as there were only services and no construction present. Only the security features, such as cameras to monitor youth, would be deemed as hard measures.

With regards to PDP3, Mr Scerri informed the participants that the NFP was currently viewing the KS MoU. Payment claims by KS would be done on an annual basis, on the presentation of an Audit Certificate, certifying all the expenditure for that particular year.

Ms Grech then gave an overview of the Risks associated with the Projects. Ms

Dalli explained that she persistently advised PPs to undergo a detailed market research before issuing a tender. Mr Scerri emphasized that for those Projects with an element of construction works such as PDPs 1 and 4, the risks involved would be the high bids potentially to be received for the works when compared to the estimated BOQs, which could sometimes vary to twice as much, as well as the lack of availability of contractors in view of the healthy construction industry due to the booming economy. Reference was also made to the low unemployment rate which, in itself, would result in a high risk to find and recruit suitable employees. With regards to HM, Ms Dalli said that a specific requisite was required for the purpose of recruiting an expert in digitization by HM. In this sense, since public tenders cannot establish experience as one of the requisites, a derogation by higher public authorities has been requested so as to be able to include such area of expertise in the HM tender.

With regards to Bilateral Relations and JCBF, Mr Scerri summarised the outcome of the previous day's meeting particularly the revision of the Work plan to include the following strategic priorities: *Clean Oceans, Gender Equality and Gender Based Violence and Health* which was proposed during the meeting by the MT side. The Icelandic projects that were received before the meeting, would be assessed and feedback would be provided by the NFP to the Committee. Moreover, updates on *Stavanger Museum* regarding their interest to collaborate with work commencing in 2020, and the *Norwegian Directorate for Children, Youth. and Family Affairs*, for an extension of commencement of work to September 2019, would be further discussed with the PPs of PDPs 4 and 2 respectively.

With reference to the Communication slide, Ms Johansen enquired regarding any activity on the Social Media. Mr Scerri replied that although the NFP does not have a dedicated FB page, the promotion of the grants was nonetheless still ongoing through the App, website, and by means of events such as Europe Day held on 9 May. Ms Dalli also remarked that the Parliamentary Secretary MEAE, promotes EEA Norway activities on his personal FB page.

Ms Johansen then remarked that, with regards to the MCS, the NFP had fulfilled the minimum requirements. She also informed the participants that an FMO Training session would be given on irregularities. Mr Scerri replied that the revised version with the proposed changes, would be given once further feedback was forthcoming. Mr Scerri also made reference to the changes which had taken place to delineate the tasks of the NFP as PO and the NFP, and that discussions on this matter had now closed. In this sense, there was no need to request additional audit opinion and that the MOP complemented the MCS.

On Ms Johansen's enquiry about the vacant position of the Senior Manager, Mr Scerri said that a new call targeting graduates, would be issued in the coming months potentially before Summer this year.

With regards to Social Dialogue Decent Work, Ms Johansen said that the NMFA would check with Innovation Norway to confirm whether another call would be opened. With regards to the EEA and Norway Grants Fund for Regional Cooperation, Ms Johansen informed the participants that there was an overwhelming interest with more than 587 projects being proposed, and the

projects fulfilled all the administrative criteria requested.

Ms Johansen also reminded the NFP that submission of accurate financial forecasting was essential.

Ms Johansen praised the strategic report by saying that it was of a very good quality. She further informed the participants that the FMO would be providing their comments but there was nothing indicating that the report could not be approved. In this sense, the Combined Strategic and Annual Report 2018, was considered as approved and the FMO would provide minor editorials for inclusion in next year's report. Mr Scerri remarked on the excellent Workshop given by the FMO in January 2019 and that one would strive to present an even better strategic report for 2019. Mr Scerri was also reminded re the preparation of the mid-term review for 2020.

AOB

Under this item, Mr Scerri proposed to include Amendments to the PA wherein he made reference to feedback received regarding the changes in the payment flows of the SGS. Although modifications had so far been approved through an email sent by Ms Reke Kenesei on 18 March 2019, these were not yet reflected in the PA as the full modifications were not yet available. He also made reference to the Hard and Soft Measures related to the projects and the email received from Mr Peder Lund on 11 March 2019 confirming the delineation between the measures and to the commemoration of the 25th Anniversary of the Grants.

With regards to the 25th Anniversary, Mr Scerri remarked that Malta wanted to be innovative and effective and added that any recommendations from the donors on how to celebrate this milestone, would be welcomed. He made reference to the children's drawing competition and the idea to promote EEA Norway with the foreigners working in Malta such as with Slovenia and Bulgaria. Ms Johansen commented that there would be some more thinking on the donors' side and that they would keep MT posted. Ms Krey-Jacobsen remarked that creating such an event together with other countries would create synergies. Mr Arni Pall Arnason found the idea presented by Mr Scerri to be a very interesting and innovative one and considered such an outreach to be a challenge to be pursued. Furthermore, he stated that the FMO would assist MT in developing the idea further.

Mr Scerri enquired on the kind of assistance that FMO would offer. He made reference to the logo that was received and enquired re Technical Assistance. Mr Arnason said that the standardized logo was reusable and reshareable by the donor states. He further added that the FMO would be willing to provide TA and to try to connect MT to the other beneficiary states. Mr Scerri said that the Visa Department and MFTP could be partners on this event.

On Ms Dalli's enquiry whether there was a specific date for the 25th Anniversary, Ms Johansen replied that the event could take place at any time throughout the year. Ms Johansen also made reference to the political event which was to take place

amongst the PMs on 22 March 2019 in Brussels, when the 25th Anniversary event would be launched.

The following videos, which are available on the NFP webpage, were shown during the meeting:

- A video highlighting the successful stories of the 2009-2014 EEA Norway Grants predefined projects⁶
- The signing of the PA and the SIT project and OK project⁷

Ms Johansen thanked Mr Scerri for a fruitful discussion and presentation. She referred to the progress made and that there were items to be followed up especially bilateral partnerships. She thanked Mr Peder Lund for facilitating Ms Mualla Cirakli's take over. She concluded by saying that the donors would do their best so that MT would end up with the highest absorption rates at the end of the programming period.

Mr Scerri thanked the donors, the FMO and the local stakeholders. A special thanks went to Mr Lund for his assistance over the past months. Mr Scerri said that he hoped to continue building on the success story and together with the donor countries aim to achieve an excellent and full absorption of funds. He concluded by saying that the minutes and the presentation would be uploaded on the website once minutes were approved.

The meeting ended at 12:00.

⁶ <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bi-lateral%20Programmes/Pages/EEA--Norway%20Grants-2009-2014.aspx#Other>

⁷ <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bi-lateral%20Programmes/Pages/EEA--Norway-Grants-2014-2021.aspx>