



EUROPEAN REGIONAL DEVELOPMENT FUND
EUROPEAN SOCIAL FUND
COHESION FUND
MALTA 2007-2013

**Manual of Procedures
for Horizontal Stakeholders
Cohesion Policy 2007-2013
Malta**

Table of Contents

List of Acronyms	4
1 Introduction	5
1.1 Guide to Users.....	6
2 Roles & Responsibilities	8
2.1 Managing Authority.....	9
2.2 Certifying Authority.....	12
2.3 Audit Authority.....	13
2.4 Intermediate Bodies.....	14
2.5 Line Ministry.....	15
2.6 Beneficiary.....	15
2.7 Department of Contracts.....	16
2.7.1 <i>General Contracts Committee</i>	17
2.7.2 <i>Special Contracts Committee</i>	18
2.7.3 <i>Public contracts Appeal Board</i>	18
2.8 Accountant General/Treasury.....	18
2.9 Central Bank of Malta	19
2.10 Budget Affairs Division.....	19
2.11 Contractor.....	19
2.12 Monitoring Committee.....	19
2.13 Ministerial Project Steering Committee.....	20
2.14 Inter-Ministerial Co-ordination Committee.....	20
2.15 Project Selection Committee.....	20
2.16 Project Selection Appeals Board.....	21
2.17 National Audit Office.....	21
2.18 State Aid Monitoring Board.....	21
2.19 Malta Environment & Planning Authority.....	22
2.20 Commission for the Promotion of Equality.....	22
2.21 Commission for Persons with Disability.....	23
2.22 Department for Environment Policy & Initiative.....	23
3 The Intermediate Bodies	24
3.1 Overview.....	25
3.2 Areas of Co-operation.....	25
3.3 Selection of the Operations implemented by Beneficiaries.....	26
3.4 Implementation.....	27
3.4.1 <i>Rules on eligibility</i>	27
3.4.2 <i>Payments to Beneficiaries</i>	27
3.4.3 <i>Management of Verification</i>	27
3.4.4 <i>Information and Publicity</i>	28
3.5 Monitoring and Reporting.....	29
3.6 Audits.....	30
3.7 Irregularities.....	30
3.8 Evaluation.....	30
4 Programming & Project Selection Process	32
4.1 Programming.....	33
4.1.1 <i>National Strategic Framework</i>	33
4.1.2 <i>Operational Programmes</i>	34
4.2 Project Selection	34
4.2.1 <i>Project Selection Process for ERDF & ESF (Open Call Procedure)</i>	35
4.2.2 <i>Submission and selection of CF Projects</i>	36
4.2.3 <i>Selection of Major Projects (ERDF and CF)</i>	36
4.2.4 <i>Selection of Projects under Aid Schemes</i>	37
4.2.5 <i>Selection of Operations under Technical Assistance</i>	37
4.2.6 <i>Other Operations</i>	37
4.3 Unsuccessful/Rejected Project Applications & Appeals Procedure (Open Calls).....	37
4.3.1 <i>Right of Review of Rejected Applications</i>	38
5 Drawdown of Funds from the European Commission	39
5.1 Grant Agreement	40
5.2 Forecasts.....	40
5.3 Statement of Expenditure.....	40
5.3.1 <i>The Verification Process</i>	40
5.3.2 <i>Verification Process at Project Level</i>	41
5.3.3 <i>Verification Process for Aid Schemes</i>	41

5.3.4 Verification Process at Priority Level.....	42
5.4 The Certification Process.....	42
5.4.1 Stage I – Certification Process.....	43
5.4.2 Stage II - Certification.....	44
5.5 Payment from the European Commission.....	45
5.6 Transfer to Central Government Revenue.....	46
6 Monitoring and Reporting.....	47
6.1 Monitoring	48
6.1.1 Monitoring Structures	48
6.1.2 Use of Indicators	49
6.1.3 Structural Funds Database	50
6.2 Reporting Requirements by the Beneficiary	50
6.2.1 Project Progress Report	51
6.2.2 Regular Updating on SFD	51
6.2.3 Project Closure Report	51
6.3 Reporting Requirements by the IB	52
6.4 Reporting Requirements at Programme Level.....	53
6.4.1 Annual Implementation Report.....	53
6.4.2 Annual Examination of Programmes.....	54
6.4.3 Final Report.....	54
7 Evaluations	55
7.1 Overview	56
7.2 EU Regulatory Framework.....	56
7.2.1 Ex-ante Evaluation.....	56
7.2.2 Mid-Term Evaluation.....	56
7.2.3 Ex-post Evaluation.....	57
7.3 Evaluation Criteria.....	57
7.4 Malta's Evaluation Plan for OPI & OPII.....	57
7.4.1 Envisaged Evaluations for 2007-2013 Programming Period.....	58
8 Communication Plan for 2007-2013 Cohesion Policy.....	60
8.1 Overview.....	61
8.2 Communication Strategy Framework.....	61
8.2.1 Execution of the Communication Plan.....	61
8.2.2 Objectives for the Communication Plan.....	61
8.2.3 Target Beneficiaries.....	62
8.2.4 Message Content of the Communication Plan.....	62
8.2.5 Timing.....	63
8.3 Information and Publicity Measures.....	63
8.3.1 Visual Identity.....	63
8.3.2 Advertising.....	63
8.3.3 Promotional Material.....	64
8.3.4 Informative Publications and Collateral Material.....	64
8.3.5 Media Relations.....	64
8.3.6 Information Events.....	64
8.3.7 Launching of the Operational Programmes & Information Seminars.....	65
8.3.8 Audio Visual Products.....	65
8.3.9 Website.....	65
8.3.10 Helpdesk.....	65
8.3.11 Mail shots.....	66
8.4 Monitoring, Evaluation and Reporting	66
9 Technical Assistance.....	67
9.1 Overview.....	68
9.2 General objectives of the TA	68
9.3 Roles & Responsibilities in the utilisation of the TA.....	68
9.4 Implementation Process.....	69
9.5 Payment Process	69
9.6 TA Request Forms.....	72

List of Acronyms

AG	Accountant General
AIR	Annual Implementation Report
AA	Audit Authority
CA	Certifying Authority
CBM	Central Bank of Malta
CF	Cohesion Fund
DoC	Department of Contracts
DPI	Director Programme Implementation
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EFF	European Fisheries Fund
ESF	European Social Fund
ERDF	European Regional Development Fund
EU	European Union
GCC	General Contracts Committee
IAID	Internal Audit and Investigations Directorate
IB	Intermediate Body
IMCC	Inter-Ministerial Co-ordination Committee
LM	Line Ministry
MA	Managing Authority
MC	Monitoring Committee for Structural Funds
MEPA	Malta Environment and Planning Authority
MFEI	Ministry of Finance, Economy and Investment
MoP	Manual of Procedures
MPSC	Ministerial Project Steering Committee
NAO	National Audit Office
NCPE	National Commission for the Equality for Men and Women
NSRF	National Strategic Reference Framework
OP	Operational Programme
PCAB	Public Contracts Appeal Board
PL	Project Leader
PPCD	Planning and Priorities Co-ordination Division
PSC	Project Selection Committee
PSAB	Project Selection Appeals Board
SAMB	State Aid Monitoring Board
SCC	Special Contracts Committee
SFD	Structural Funds Database
TA	Technical Assistance
VAT	Value Added Tax

1. Introduction

1.1 Guide to Users

1. This Manual of Procedures (MoP) is designated to give third parties¹ an insight into the national procedures set up to manage the Cohesion Policy 2007-2013 programme. Each horizontal stakeholder involved in the implementation of the respective programme is responsible for setting up their own internal procedures. A separate Manual of Procedures for the implementation of projects co-financed through Cohesion Policy 2007-2013, has been published by the Managing Authority (MA) in 2008.
2. This MoP has been structured as follows:
 - i. **Chapter 2** provides a detailed explanation of the role and responsibilities of the various stakeholders involved in the implementation of Cohesion Policy 2007-2013 programme;
 - ii. **Chapter 3** gives an explanation of the tasks and responsibilities delegated to the Intermediate Bodies that have been appointed to manage the aid schemes through which grants are awarded to private enterprises and individuals;
 - iii. **Chapter 4** explains the programming process which takes place in order to identify the areas of intervention for which Cohesion Policy Funds will be utilised, the different methods for project selection available as well as the appeals procedure should aggrieved applicants wish to appeal on the decision/s of the Project Selection Committee;
 - iv. **Chapter 5** provides a thorough explanation of the verification and certification process which is undertaken to submit a claim to the European Commission (EC) for expenditure incurred in order for Malta to obtain the 85% co-financing of the costs incurred under the Cohesion Policy programme 2007-2013. The Government of Malta and the EC have established a financial amount that needs to be disbursed and claimed back from the EC on an annual basis. Should Malta fail to meet its annual commitments, this will result in Malta losing funds from the allocation that has been granted to the country;
 - v. **Chapter 6** gives a detailed account of the monitoring and reporting structures set up to ensure that operations co-financed through the Cohesion Policy 2007-2013 are adequately monitored and implemented in accordance with the Cohesion Policy procedures established, within the agreed timeframe and budget;
 - vi. **Chapter 7** provides a detailed explanation on the evaluations that take place throughout the different phases of the programme. Evaluation mainly assesses the effectiveness of a programme in achieving its objectives and aims at programme improvement through a modification of current operations. In the framework of EU interventions, evaluations are instruments aimed at assessing and improving the performance of projects, programmes and policies;
 - vii. **Chapter 8** gives a detailed account of the Communication Plan prepared by the Managing Authority and approved by the EC. This Communication Plan aims to identify the information and publicity measures which will be undertaken throughout the programming period at Programme Level. Publicity and information activities undertaken at Programme Level fall under the responsibility of the Managing Authority; and
 - viii. **Chapter 9** explains the structures set up and relevant procedures involved in the application for Technical Assistance, which is allocated to assist with the implementation and management of the Cohesion Policy programme for 2007-2013.
3. The financial instruments of Cohesion Policy 2007-2013 are the Structural Funds (ERDF and ESF) and the Cohesion Fund.

¹ Third parties such as the general public interested in the programme procedures set up at a national level and, persons involved in the programme implementation process.

4. The objective of each of the funds can be summarised as follows:
 - the **European Regional Development Fund (ERDF)** aims to promote investment and correct the main regional imbalances of the European Union. ERDF contributes to reducing the gap between the levels of development of the various regions and the extent to which the least favoured regions are lagging behind;
 - the **Cohesion Fund (CF)** aims to strengthen the economic and social cohesion in the Community, in the interest of promoting sustainable development, particularly in the domains of trans-European transport networks and the protection of the environment; and
 - the **European Social Fund (ESF)** aims to contribute to the European Union's economic and social policy by improving employment and increase the possibilities for employment whilst promoting more and better jobs.
5. The Structural Funds and the Cohesion Fund are allocated according to a strategic plan drawn up by Malta. This plan is referred to as Malta's National Strategic Reference Framework Document (NSRF). The document was approved by the EC on 20th December 2006 through Commission Decision CCI 2007 MT 16 U NS 001 and can be downloaded from http://www.ppcd.gov.mt/07_13?!=1
6. The NSRF is complemented by two Operational Programmes – setting out the priority areas for which the Structural Funds and the Cohesion Fund will be utilised. These are referred to as Operational Programme I [OPI] and Operational Programme II [OPII].
7. OP I, which was approved through Commission Decision C (2007) 3189 on 26th June 2007, sets out the priorities and focus areas in which projects will be implemented through ERDF and the CF. OPII, which was approved through Commission Decision C (2007) 3148 on 22nd June 2007, establishes the priorities and focus areas in which projects will be implemented through ESF. OPI & II can be downloaded from <http://www.ppcd.gov.mt/op1> and <http://www.ppcd.gov.mt/op2>
8. In Malta the overall co-ordination of Structural Funds and Cohesion Fund falls under the direct responsibility of the Planning and Priorities Co-ordination Division (PPCD) within the Office of the Prime Minister. PPCD is also the designated Managing Authority for both Operational Programmes.
9. The main Regulations² which lay down the general provisions for the 2007-2013 programming period are Regulations 1083/2006³, 1080/2006⁴, 1081/2006⁵, 1084/2006⁶ and Commission Regulation 1828/2006⁷.
10. This MoP is subject to regular revisions and changes. Should there be changes to the MoP, the horizontal stakeholders will be informed and an updated version of the MoP (indicating the changes) will be placed on the website of the Managing Authority.

² The list provided in this MoP is the list of the main Regulations. This list is not exhaustive or comprehensive.

³ Henceforth this Regulation will be referred to as the General Regulation.

⁴ This Regulation specifically concerns the European Regional Development Fund.

⁵ This Regulation specifically concerns the European Social Fund.

⁶ This Regulation specifically concerns the Cohesion Fund.

⁷ Henceforth this Regulation will be referred to as the Implementing Regulation.

2. Roles & Responsibilities

2.1 Managing Authority

1. The PPCD within the Office of the Prime Minister has been designated as the Managing Authority (MA) in terms of Article 60 as well as Article 9 (2) (4), 16, 17,26,29,33,46,48,56, 57, 63,64,66,67, 68, 70,71 and 90 of Regulation (EC) 1083/2006.

Main Tasks

2. The MA shall be responsible for managing and implementing the OPs in accordance with the principle of sound financial management. In particular the MA will:
 - a) ensure that operations are selected for funding in accordance with the criteria applicable to the respective OPs and that they comply, for their whole implementation period, with applicable Community and national rules and guidelines, including those relating to Information and Communication and criteria for the Eligibility of Expenditure;
 - b) verify that the selection process has complied with the evaluation criteria approved by the Monitoring Committee;
 - c) verify the delivery of the co-financed products and services and that the expenditure declared by the Beneficiaries for operations has actually been incurred and complies with Community and national rules. On-the-spot verifications of individual operations will be carried out on a sample basis but all projects (except for aid schemes under Article 87 of the Treaty) will be visited by the MA at least once throughout the life-time of the project;
 - d) ensure that there is a system for recording and storing in computerised form, accounting records for each operation under each OP and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected;
 - e) ensure that bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;
 - f) ensure that the evaluations of the OPs referred to in Article 48(3) of the General Regulation are carried out in accordance with Article 47 of the same regulation;
 - g) set up procedures with a view to ensure that all documents relating to expenditure and audits required to ensure an adequate audit trail, are held in accordance with the requirements of Article 90 of the General Regulations;
 - h) ensure that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;
 - i) guide the work of the Monitoring Committees and provide it with the documents required to permit the quality of the implementation of the OPs to be monitored in the light of its specific goals;
 - j) draw up the annual and final reports on implementation. Upon the Monitoring Committee's approval, these reports will be forwarded to the EC;
 - k) ensure compliance with the information and publicity requirements laid down in Article 69 of the General Regulation; and
 - l) provide the EC with information with a view to allow it to appraise major projects in line with Articles 40 and 41 of the General Regulation.

Additional Responsibilities

3. In addition to the above, the MA will be tasked with the following functions (to be carried out in coordination with the EC and other competent authorities):
- a) ensure that assistance from the Funds is consistent with the activities, policies and priorities of the Community, and complementary to other financial instruments of the Community, in particular with the Community Strategic Guidelines on Cohesion and the NSRF;⁸
 - b) co-ordinate assistance from both OPs with assistance from the Programmes financed by the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF), the interventions of the EIB, where applicable, and of other existing financial instruments;⁹
 - c) co-ordinate with the competent public authorities and other stakeholders to ensure the promotion of the equality between men and women and the integration of the gender perspective during the various stages of the OPs' implementation;¹⁰
 - d) take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of implementation of the Funds and, in particular, in the access to the Funds. In particular, accessibility for disabled persons shall be one of the criteria to be observed in defining co-financed operations and to be taken into account during the various stages of implementation;¹¹
 - e) ensure that the OPs are implemented in the pursuit of the framework of sustainable development and the Community promotion of the goal of protecting and improving the environment as set out in Article 6 of the Treaty;¹²
 - f) co-ordinate Malta's feedback on the Community Strategic Guidelines on Cohesion in case a mid-term review of the Guidelines is required to take account of any major changes in the priorities of the Community;¹³
 - g) co-ordinate the revision of the OPs in agreement with the EC, in case of significant socio-economic changes, or in order to take greater or different account of major changes in Community, national or regional priorities, or in the light of evaluation referred to in Article 48(3) of the General Regulation or following implementation difficulties;¹⁴
 - h) manage the Technical Assistance Axis of the OP to finance the preparatory, management, monitoring, evaluation, information and control activities of the OP, together with activities to reinforce the administrative capacity of the stakeholders managing and implementing the Funds;¹⁵
 - i) lay down rules at a national level on the eligibility of expenditure taking into account exceptions provided in the specific Regulations for each Fund, to revenue-generating estimates as set out in Article 55 of the General Regulation and ceilings on state aid;¹⁶
 - j) ensure that an operation retains the contribution from the Funds. In case of modifications, the MA is to inform the EC in the Annual Implementation Report (AIR) required under Article 67 of General Regulation;¹⁷

⁸ Article 9(2) of Regulation EC/1083/2006.

⁹ Ibid. Article 9(4).

¹⁰ Ibid. Article 16.

¹¹ Ibid. Article 16.

¹² Ibid. Article 17.

¹³ Ibid. Article 26.

¹⁴ Ibid. Article 33.

¹⁵ Ibid. Article 46.

¹⁶ Ibid. Article 56.

- k) co-ordinate the carrying out of evaluations, organise the production and gathering of the necessary data and use the various types of information provided by the monitoring system;¹⁸
- l) draw up an evaluation plan presenting the indicative evaluation activities which are intended to be carried out in the different phases of the implementation;¹⁹
- m) co-ordinate the carrying out of evaluations carried out in view of changes from set targets or revision of the OPs;²⁰
- n) provide information in the Annual Implementation Report on the contribution of the Funds towards the implementation of the National Reform Programme;²¹
- o) send to the EC for the first time in 2008 and by 30 June each year, an AIR and by 31 March 2017 a final implementation report containing the information laid out in Article 67 of the General Regulation;²²
- p) Following the submission of the AIR, examine with the EC, on a yearly basis, the progress made in implementing the OP, the principal results achieved over the previous year, the financial implementation and other factors with a view to improving implementation;²³
- q) co-ordinate the setting up of a Monitoring Committee for the OP within three (3) months starting from the date of the notification of the decision approving the OP;²⁴
- r) provide the Secretariat to the Monitoring Committee;²⁵
- s) carry out in conjunction with the Monitoring Committee, monitoring through reference to financial indicators and the indicators referred to in Article 37(1)(c) of General Regulation and specified in the OP;²⁶
- t) inform the Monitoring Committee of comments made by EC on reports concerning the OP, in particular the AIR;²⁷
- u) co-ordinate with the competent public authority the management and control systems for the OP in accordance with Articles 58 to 62 of General Regulation and ensure that they function effectively;²⁸
- v) submit to the EC, before the first interim payment or, at the latest, within twelve months from approval of the OP, a systems description containing details laid down in Article 71 of the General Regulation;
- w) ensure that all supporting documents relating to expenditure and audits on the OP are kept available for the EC and the Court of Auditors as specified in Article 90 of General Regulations; and
- x) provide the Secretariat to the Project Selection Committee.

¹⁷ Ibid. Article 57.

¹⁸ Ibid. Article 48.

¹⁹ Ibid. Article 48.

²⁰ Ibid. Article 48.

²¹ Ibid. Article 29.

²² Ibid. Article 67.

²³ Ibid. Article 68.

²⁴ Ibid. Article 63.

²⁵ Ibid. Article 64.

²⁶ Ibid. Article 66.

²⁷ Ibid. Article 68.

²⁸ Ibid. Article 70.

The MA can be contacted on :

Telephone : +356 2200 1142/3

Fax : +356 2200 1141

Email: info.ppcd@gov.mt

2.2 Certifying Authority

1. The EU Paying Authority Directorate within the Ministry of Finance, the Economy and Investment (MFEI) will act as the Certifying Authority (CA) for ERDF, CF & ESF in accordance with Article 20, 61, 76 and 83 of the General Regulation.

Main Tasks

2. The CA shall be responsible for certifying declarations of expenditure and applications for payment before they are sent to the EC. In particular the CA will:
 - a) draw up and submit to the EC, at least three times a year, certified statements of expenditure and applications for payment in line with the provisions laid down in the General Regulation and the Implementation Regulation;
 - b) certify that the statement of expenditure is accurate, results from reliable accounting systems, is based on verifiable supporting documents and that the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the Programme and complying with Community and national rules;
 - c) ensure, for the purposes of certification, that it has received adequate information from the MA on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;
 - d) take account for certification purposes of the results of all audits carried out by or under the responsibility of the Audit Authority;
 - e) maintain accounting records in computerised form of expenditure declared to the EC;
 - f) keep an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union, prior to the closure of the OP by deducting them from the next statements of expenditure in line with the provisions laid down in General Regulation.

Additional Responsibilities

3. In addition to the above, the CA will be tasked with the following functions:
 - a) send at the latest by the end of April of each year to the EC a provisional forecast of the likely payment applications for the current financial year and the subsequent financial year;²⁹
 - b) declare to the EC any interest generated by the pre-financing at the time of the final closure of the OPs;³⁰
 - c) submit the relevant documents as stipulated under Article 20 of the Implementing Regulation;

²⁹ Ibid. Article 76.

³⁰ Ibid. Article 83.

- d) carry out any other role identified as being the task of the CA by the Commission Implementing Regulation;
- e) support the MA with information on requests for interim payments, funds received, debtors' ledger status, etc. in the compilation of reports;
- f) receive and account for funds transferred by the EC and transfer the funds to the MFEI Revenue vote; and
- g) update the Structural Fund Database with the necessary information.

The CA can be contacted on:

Telephone: +356 2599 8266

Fax: +356 2599 8418

Email: payingauthority.mfei@gov.mt

2.3 Audit Authority

1. The Internal Audit & Investigations Directorate (IAID) is the designated Audit Authority (AA) under Article 59.1.c as well as Articles 58-62, 70, 73, 76 and 83 of the General Regulation. The IAID is the executive branch of the Internal Audit Investigations Board (IAIB) within the Cabinet Office of the Office of the Prime Minister and is regulated by the Internal Audit and Financial Investigations Act 2003 (Cap. 461) of the Laws of Malta.

Main Tasks

- a) ensure that audits are carried out to verify the effective functioning of the management and control systems of the respective OP;
- b) ensure that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- c) present to the EC within nine months of the approval of the OP an audit strategy covering the bodies which will perform the audits referred to in (a) and (b) above, the method to be used, the sampling method for audits on operations and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period;
- d) submit to the EC by 31 December of each year from 2008 to 2015, an annual control report setting out the findings of the audits carried out during the previous 12 month-period ending on 30 June of the year concerned in accordance with the audit strategy of the relevant OP and report any shortcomings found in the systems for the management and control of the Programme;
- e) issue an opinion by 31 December of each year from 2008 to 2015, on the basis of the controls and audits that have been carried under its responsibility, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the EC are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular;
- f) where applicable, submit by 31 December of a given year, a declaration for partial closure assessing the legality and regularity of the expenditure concerned;

- g) submit to the EC at the latest by 31 December 2017, a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report;
- h) ensure that the audit work including that carried out by contracted bodies is of internationally accepted audit standards;

Additional Responsibilities

- 2. In addition to the above, the AA is tasked with the following functions:
 - a) establish a report setting out the results of an assessment of the setting up of systems and giving an opinion on their compliance with Articles 58 to 62 of Council Regulation EC/1083/2006;
 - b) meet with the EC on a regular basis, at least once a year, to examine together the annual control report and opinion described in (d) and (e) above, and to exchange views on other issues relating to the improvement of the management and control of the respective OP;³¹
 - c) report any irregularity, as it arises, to the European Anti-Fraud Office (OLAF) and periodically inform the Commission of the administrative procedures instituted following all irregularities previously notified and of important changes resulting there from, including: the amounts which have been, or are expected to be recovered; the interim measures taken to safeguard recovery of sums wrongly paid; the judicial and administrative procedures instituted with a view to recovering sums wrongly paid and to imposing sanctions; the reasons for any abandonment of recovery procedures; as well as, any abandonment of criminal prosecutions where applicable;
 - d) co-ordinate with the competent public authority/ies the prevention, detection and correction of irregularities and the recovery of amounts unduly paid together with interest on late payments (apart from the related notification and progress of proceedings to the EC referred to in (c) above);³² and
 - e) carry out the above mentioned roles in line with the Implementation Regulation.

The IAID can be contacted on:

Telephone: +356 2123 7737
Fax: +356 2123 7681
Email: info.iaid@gov.mt

2.4 Intermediate Bodies

- 1. Intermediate Bodies (IBs) are public organisations identified by the Member State that carry out some functions on behalf of the MA. The MA enters into a covenant agreement with each IB. IBs are essentially public bodies charged with the implementation of aid schemes under Article 87 of the Treaty. In this case, the Beneficiaries are the enterprises receiving aid under the relevant

³¹ EC.1083/2006 Article 73.

³² Ibid. Article 70.

scheme/s. There are four IBs under ERDF (Priority Axis 1, 2, 4 & 6)³³ and one IB for ESF (Priority Axis 2 & 3)³⁴. There are no IBs for the Cohesion Fund.

2. In the case of aid schemes, there are specific guidance notes issued by the relevant IB. Additional information on the functions of the IB can be found in Chapter 3 of this MoP. Requests for information concerning the IBs can be sent to the MA.

2.5 Line Ministry

Director Programme Implementation

1. In most cases the Director Programme Implementation (DPI) is responsible for the Line Ministry (LM) functions (where applicable)³⁵. The DPI has to ensure that the full LM functions (including raising the commitment in the Departmental Accounting System (DAS)) are carried out efficiently by the relevant officers within the LM.
2. The LM is primarily responsible for the inter-agency co-ordination for all projects implemented by any Department / public organisation forming part of the Ministry's portfolio. The co-ordination function is applicable from the very start, including providing Ministerial input at programming stage; supporting agencies at the moment of submission of proposals; providing support to Beneficiaries during implementation – including liaison with MA and other horizontal stakeholders on their behalf; processing of the second stage of the payment process (including SFD input) and submit to Treasury once documentation is correct; monitoring of projects falling within the Ministry's portfolio; providing the Secretariat to the Ministerial Project Steering Committee; and following up any issues arising from management checks and audits.
3. The list of the Directors Programme Implementation can be found on http://www.doi.gov.mt/EN/ministries_and_departments/portfolio08.asp.

2.6 Beneficiary

1. The Beneficiary is the organisation responsible for the implementation of the operation. The Beneficiary enters into a grant agreement with the MA.
2. In the case of Aid Schemes under Article 87 of the Treaty, the Beneficiary is the enterprise implementing a project awarded by the IB. In this case the Beneficiary has signed a Grant Agreement with the IB³⁶.
3. The Beneficiary is responsible to implement the operation in line with the terms of conditions of the Grant Agreement signed with the MA and this Manual of Procedures. The Beneficiary should always be guided by the principles of good governance and sound financial management.
4. The list of Beneficiaries can be found on the PPCD website.

³³ Malta Enterprise (MFEI), Tourism and Sustainable Development Unit (OPM), Department for Social Welfare Standards (MSOC) and Occupational Health and Safety Authority (MSOC)

³⁴ Employment and Training Corporation (MSOC)

³⁵ In the case where Ministries deem the designation of another Directorate, this must be cleared ex-ante by the Managing Authority.

³⁶ Refer to Chapter 3 of this MoP for more information on the functions of the IB and aid schemes implemented by the respective IBs.

2.7 Department of Contracts

1. The Department of Contracts (DoC) within MFEI is responsible for the administration of the procurement procedures as laid down in the Public Contracts Regulations³⁷ (LN 177 of 2005 [as amended by LN 382/2005, LN 11 & 130 of 2006 and LN 57, 238, 308 & 395 of 2007] and LN 178 of 2005). The DoC provides guidance and advice to Beneficiaries on all issues pertaining to public contracts. Within the legislation, the DoC is known as the Central Government Authority whereas the agency procuring the goods/services/works is known as the Contracting Authority.
2. The DoC ensures that the relevant tenders are launched and published in accordance with the above mentioned regulations and that contracts are awarded in conformity with the principles of free access, transparency and fair competition.
3. In accordance with Article 5 of LN 177/2005, the main functions of the DoC are to:
 - a) establish guidelines (manuals) for use by Contracting Authorities;
 - b) support Contracting Authorities in preparing the tender dossiers (including timely vetting);
 - c) establish and/ or to approve the general conditions of tender documents;
 - d) authorise deviations from standard conditions in accordance with the regulations set out herein and which may be included in tender documents;
 - e) ensure that tender conditions and specifications do not give an undue advantage or disadvantage to any particular tenderer and any person having or having had an interest in obtaining a particular public contract;
 - f) order that a tendering period of any call for tenders referred to in these regulations be extended if it is considered that such an extension is justified by the circumstances of the case;
 - g) vet and approve, with or without modification, tender documents before these are issued and published;
 - h) approve the composition of the evaluation committee following a proposal by the Line Ministry;
 - i) establish and regulate the procedure to be followed during meetings of the Contracts Committee and Departmental Adjudication Boards, and during the issue and publication of calls for tenders, receipt of offers, opening of bids, adjudication of tenders and award of contracts in accordance with the established rules;
 - j) obtain information from the authorities listed in Schedule 1 of the Public Contracts Regulations to which the regulations apply on the award of contracts whose value is less than €47,000 including but not limited to variation orders, penalties imposed or remitted, and generally as it may deem necessary in order to enable the entity concerned to ensure conformity with these regulations;
 - k) approve, where appropriate variations which affect the original values of contracts (awarded by DoC) by more than 5 per cent;

³⁷ The Public Procurement Regulations may be downloaded from <http://docs.justice.gov.mt/lom/Legislation/English/SubLeg/174/04.PDF>

- l) approve extensions in the duration of contracts awarded by the DoC, if the latter considers that circumstances so warrant in the public interest and specific provision for such extensions is made in the tender document;
- m) institute and to defend any judicial or arbitral proceedings that may be necessary in relation to any contract awarded by the DG Contracts;
- n) issue calls for tenders and to award period contracts for the provision of equipment, stores, works or services which are of a common use nature for contracting authorities listed under Schedule 2 of the Public Contracts Regulations;
- o) ensure that tenders going through DoC receive the relevant and correct publicity as per instruction of the MA. The DoC should also ensure that the relevant publicity is included in all official documents concerning the tender, including publication of tender, contracts, addenda, letters issued by the DoC to contractors amongst others;
- p) ensure that all relevant EU publication obligations are met;
- q) periodically notify Heads of Departments of the prices and conditions applicable for, and the procedure to be followed in, the procurement of such equipment, stores, works or services: provided that Heads of Departments shall obtain such equipment, stores, works or services directly from the contractor in accordance with such conditions and procedures notified by the Director;
- r) make regulations to award tenders in the name of the Government of Malta, and on behalf of the Contracting Authorities listed in Schedule 2 of the Public Contract Regulations (the latter Authorities shall be responsible in drawing up the tender documents, effect payments, and monitor the implementation of the tender);
- s) publish in the Government Gazette a notice of all awards of tenders including variations outside the limit of the tender conditions, within six months of their award; and
- t) ensure that the procurement regulations are observed by all parties involved.

It is the responsibility of ALL Beneficiaries (even those not falling within the remit of the DoC³⁸) to seek the advice of the DoC on procurement issues.

The DoC can be contacted on:

Telephone: +356 2122 0212/ +356 2124 7686

Fax: +356 2124 7681

Email: info.contracts@gov.mt

2.7.1 General Contracts Committee

The role of the General Contracts Committee (GCC) is to:

- a) assist the Director General of the DoC in the execution of duties;
- b) advise on all matters relating to public contracts and procurement;

³⁸ Except private enterprises implementing operations under aid schemes (Article 87 of the Treaty). However, the latter must follow the spirit of the public procurement regulations.

- c) open tender bids, evaluate the definite recommendations submitted by evaluation committees for the adjudication of tenders; and
- d) approve justifiable deviations from the original conditions of a contract when and as required by Public Contracts Regulations.

Information on the GCC can be obtained from the DoC.

2.7.2 *Special Contracts Committee*

The Special Contracts Committee (SCC) is appointed whenever the Prime Minister determines that the adjudication of a tender requires special expertise and skills. The SCC will remain in operation throughout the adjudication process of a tender or else until the Director General DoC declares that the adjudication of the public contract is withdrawn.

Information on the SCC can be obtained from the DoC.

2.7.3 *Public Contracts Appeal Board*

The Public Contracts Appeals Board (PCAB) is an independent and autonomous board (composed of a chairman and two members) appointed by the Prime Minister for a period of three years³⁹. The PCAB is responsible for deciding complaints lodged by aggrieved bidders on all tenders issued by the DoC.

The Public Contracts Appeal Board (PCAB) can be contacted on:

Telephone: +356 2599 8292

Email: saviour.debono@gov.mt

2.8 Accountant General /Treasury

The Accountant General (AG) is also referred to as the Director General (Treasury). The AG heads the Treasury Department within MFEI. Within the context of implementation of OP I & II, the Treasury is responsible for:

- a) receiving requests for payment (from the LM) to contractors and Beneficiaries (the latter particularly in the case of aid schemes under Article 87 of the Treaty);
- b) carrying out relevant checks, particularly that the expenditure and supporting documentation is correct and in line with the Financial Regulations;
- c) effecting payments to contractors and Beneficiaries⁴⁰ through the Central Bank of Malta to third parties in respect of expenditure incurred for approved projects; and
- d) managing the Public Bank Account and accounting for the Consolidated Fund and EU Funds that are transferred by the Director of the Certifying Authority.

³⁹ Members may be re-appointed.

⁴⁰ In the case of Beneficiaries under Article 87 of the Treaty and in the case of reimbursements to Beneficiaries implementing projects approved for co-financing under the respective Fund/s.

The Treasury can be contacted on:

Telephone: +356 2596 7131

Fax: +356 2596 7208

Email: eufmu@gov.mt

2.9 Central Bank of Malta

The Central Bank of Malta (CBM) is the official banker of the Government of Malta. The CBM:

- a) maintains & operates accounts relating to funds advanced by the EU to finance programme/projects as instructed by the Director Certify Authority;
- b) transfers funds into the contractor's bank account once it receives instructions from the Treasury; and
- c) issues a Debit Advice to the Treasury once the transfer is affected.

2.10 Budget Affairs Division

The Budget Affairs Division is responsible for effecting due co-ordination in respect of Malta's national co-financing obligations and its commitments under the principle of additionality in accordance with Article 15 of the General Regulation. At a management level, the Budget Affairs Division will be assisted by the MA and the CA to manage the national co-financing element. Where applicable, the co-financing will feature as a separate and distinct item within the national budget of the respective LM.

2.11 Contractor

The contractor is the provider of works, supplies or services that has been awarded a contract following the launch and adjudication of a tender and/or call for quotations. The Beneficiary is responsible for ensuring (through supervision and certification of works, services and/or supplies) that the contractor delivers the works/supplies/services in accordance with the terms and conditions stipulated in the contract and in accordance with Public Procurement Regulations.

2.12 Monitoring Committee

1. A Monitoring Committee (MC) has been established for each OP. Each Committee is chaired by the Principal Permanent Secretary, OPM. Each Committee comprises Government representatives, social and economic partners, representatives of the civil society, the EC and the European Investment Bank.
2. In accordance with Article 65 of the General Regulation, the MC is responsible for ensuring the effectiveness and quality of the implementation of the respective OP through periodical review of progress. In addition, the MC is responsible for: the approval of the selection criteria for the approval of operations co-financed through the Cohesion Policy Programmes, the approval of revisions to the respective OP and shall approve any proposal to amend the content of the Commission decision on the contribution of the Funds.
3. Information concerning the work of the MC can be obtained from the PPCD website and also by sending an e-mail to info.ppcd@gov.mt.

2.13 Ministerial Project Steering Committee⁴¹

1. In view of the fact that most operations are implemented by public sector bodies, a Ministerial Project Steering Committee (MPSC) is set up within each line Ministry with the task to monitor projects and steer implementation to ensure that financial and physical targets are reached.
2. The MPSC is part of the overall monitoring system. The Committee is chaired by the Permanent Secretary of each Ministry (or his/her representative) and provides a more focused mechanism to track projects progress, deal with arising issues and facilitate programme implementation.
3. Information, including the Term of Reference of the MPSC, can be obtained from the DPI of each Ministry.

2.14 Inter-Ministerial Co-ordination Committees

1. Two Inter-Ministerial Co-ordination Committees (IMCC) have been established. One Committee deals with EU Infrastructure and Productive Funding Programmes, whilst the remit of the second committee is that of EU Human Capital Investment Funding Programmes.
2. The two committees are chaired by the MA. Each Committee comprises of representatives from the IBs, National Contact Point of the European Territorial Co-operation Programmes, the Managing Authorities for EAFRD, EFF, and for the programmes dealing with Migration and Asylum. The Committees also comprise of representatives from the relevant National Contact Points for Programmes which could be of interest to either one of the IMCC.
3. The IMCC ensures synergy and complementarity between the different initiatives and maximisation of resources and that the priorities of the Operational Programmes are addressed with minimal risks of overlap and duplication of effort and resources.

2.15 Project Selection Committee

1. The Project Selection Committee (PSC) supports the MA in the selection of operations. The PSC is chaired by the MA and is responsible for selecting most of the operations under the ERDF, CF⁴² and the ESF in line with the provisions of Chapter 5 of the OPs. The role of the PSC is to check the project proposals in terms of eligibility; carry out an analysis on eligible projects and rank eligible projects in terms of the selection criteria approved by the MC. The highest ranking projects (depending on the available budget) are selected. A Grant Agreement is signed between the MA and the selected Beneficiary.
2. Information on the PSC can be obtained from the MA or by sending an e-mail to info.ppcd@gov.mt.

⁴¹ This Committee is referred to in the Operational Programme as Project Steering Committee

⁴² In the case of ERDF and CF, the PSC is responsible for selecting operations that are classified as non-major project in accordance with the classification of major projects in Article 39 of the General Regulation.

2.16 Project Selection Appeals Board

1. The Project Selection Appeals Board (PSAB) has been set up and is chaired by the Principal Permanent Secretary. The role of the PSAB is to receive, review and evaluate appeals lodged by aggrieved project proponents. The decision of the PSAB is final. The process of the appeal is described under Chapter 4 of this MoP.
2. Further information on the PSAB can be obtained from the Director Management Support within the Office of the Prime Minister.

2.17 National Audit Office

1. The National Audit Office (NAO) is the external auditor of the Government of Malta and is completely independent of the executive arm of the Government.
2. Since projects co-financed through Cohesion Policy are considered to be public funds, the NAO may carry out audits on the projects (both on public entities and agencies as well as private entities or projects implemented by NGOs) as the external auditor of Government.

The NAO can be contacted on:

Telephone: +356 2205 5056

Fax: +356 2123 8918

Email: nao.malta@gov.mt

2.18 State Aid Monitoring Board

1. The State Aid Monitoring Board (SAMB) is charged with the monitoring of state aid in Malta. The SAMB provides advice and guidance to Beneficiaries and other stakeholders (including the MA and the PSC) with respect to State Aid in order to ensure that the EU funded projects are in line with Community State Aid Regulations. When preparing the project application, project leaders are encouraged to discuss their project proposal with the SAMB in relation to any state aid implications. The SAMB can carry out checks on individual projects on issues related to state aid once project implementation is underway.
2. Reference should be made to Legal Notice 210/2004 (State Aid Monitoring Regulations) to ensure compliance with State Aid requirements⁴³.

The SAMB can be contacted on:

Telephone: +356 2125 2757

Email: yana.haber@gov.mt

⁴³ The Legal Notice 210/2004 may be downloaded from: http://docs.justice.gov.mt/LegalPub/Legal_Publications/Legal_Notices/English/2004/210%20-%202004%20-%20P3714-3718.pdf

2.19 Malta Environment & Planning Authority

The Malta Environment & Planning Authority (MEPA) is the national body responsible for the regulation of environment and land use planning in Malta in accordance with the Environment Protection Act (Chapter 435)⁴⁴ & Development Planning Act (Cap. 356) of the Laws of Malta⁴⁵. Beneficiaries must ensure that projects co-financed through Cohesion Policy Funds are compliant with the national environment and land use planning regulations and are encouraged to seek guidance from MEPA prior to submission of the project in order to be able to factor in any risks emanating from permitting requirements.

MEPA can be contacted through:

Mr. Lawrence Vassallo
DC / DCC Liaison Officer

Telephone: +356 2290 2016 / +356 2290 2009

Fax: +356 2290 2299

Email: lawrence.vassallo@mepa.org.mt

2.20 Commission for the Promotion of Equality

1. The Commission for the Promotion of Equality (NCPE) provides guidance and advice to all stakeholders to ensure equality between men and women in accordance with Article 16 of the General Regulation and also to ensure that the integration of the gender perspective is promoted during the various stages of the implementation of projects co-financed through Cohesion Policy.
2. Equal Opportunities is a cross cutting theme and all efforts should be made to include this element within the project and to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. In particular, accessibility for disabled people to projects co-financed through Cohesion Policy should be ensured.

NCPE can be contacted through:

Ms. Therese Spiteri
Manager, NCPE

Telephone: +356 2590 3850

Email: equality@gov.mt

⁴⁴ The Environment Protection Act may be downloaded from http://docs.justice.gov.mt/lom/legislation/english/leg/vol_13/chapt435.pdf

⁴⁵ The Development Planning Act may be downloaded from http://docs.justice.gov.mt/lom/legislation/english/leg/vol_9/chapt356.pdf

2.21 Commission for Persons with Disability

The Commission for Persons with Disability (KNPD) provides guidance and advice to all stakeholders to ensure the integration of accessibility for disabled persons is promoted during the various stages of the implementation of projects co-financed through Cohesion Policy.

KNPD can be contacted through:

Mr. Alfred Bezzina
Executive Director, KNPD

Telephone: +356 2148 7789
Email: alfredbezzina@knpd.org

2.22 Department for Environment Policy & Initiatives

1. The Department for Environment Policy & Initiatives, within the Ministry for Resources and Rural Affairs (MRRA), provides guidance to stakeholders to ensure the integration of environmental sustainability is promoted during the various stages of the implementation of projects co-financed through Cohesion Policy.
2. Necessary steps must be taken to ensure that environment is also incorporated into the procurement process⁴⁶ (see Article 51 (2) (f) of the Public Contracts Regulations, 2005).

The Department for Environment Policy & Initiatives can be contacted through:

Mr. Joseph Camilleri

Telephone: +356 2295 2196
Email: joseph.k.camilleri@gov.mt

⁴⁶ Legal Notice 177/2005 which can be downloaded from <http://docs.justice.gov.mt/lom/Legislation/English/SubLeg/174/04.PDF>

3. The Intermediate Bodies

3.1 Overview

1. Article 59 of the General Regulation sets out the authorities which a Member State must set up to ensure proper implementation of the respective OP. In addition, Article 59.2 also makes a provision whereby the Member State may designate one or more IBs to carry out some of the tasks of the MA under the responsibility of same MA.
2. Article 2.4 of the General Regulation provides that in the context of aid schemes under Article 87 of the Treaty, Beneficiaries are the public or private firms carrying out an individual project and receiving public aid. Thus, IBs are established and entrusted to carry out duties on behalf of the MA in relation to managing and implementing operation of these aid schemes. These IBs are essentially public bodies and shall always be guided by the principles of sound financial management and good governance. These IBs must also ensure that the respective Beneficiary is also guided by the same principles when implementing the project. The respective IB issues specific guidance notes to ensure that the above is adhered to by the Beneficiaries of their respective aid scheme.
3. There are five IBs that are charged with the implementation of aid schemes under Article 87 of the Treaty. There are four IBs under OP I namely: Malta Enterprise (MFEI), Tourism and Sustainable Development Unit (OPM), Department Social Welfare Standards (MSOC) and Occupational Health and Safety Authority (MSOC). These have been tasked to manage aid schemes under Priority Axis 1, 2, 4 & 6 under OP I. The Employment and Training Corporation within MSOC, is the only IB under OP II and it has been tasked to manage aid schemes under Priority Axis 2 & 3 of this OP. There are no IBs for the Cohesion Fund.
4. A covenant is signed between the MA and the respective IB in accordance with Article 12 of the Implementing Regulation which establishes that where one or more tasks of the MA are performed by an IB, the relevant arrangements shall be formally recorded in writing. The covenant between the MA and the respective IB regulates the relationship between the two parties in relation to management and implementation of the respective aid scheme. The covenant also assists the two parties to fulfil their roles and their obligations in an effective manner. The Covenant between the MA and the respective IB shall apply for the whole programming period 2007-2013.

3.2 Areas of Co-operation

1. The MA has the overall responsibility for the proper management of Cohesion Policy 2007-2013. The IB carries out functions on behalf of the MA.
2. Each entity tasked with the duties of an IB, shall carry out the management and implementation of its respective scheme in line with the details provided for in Annex I (the Application Form) to the respective Covenant and in line with the provisions of Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in the application of Article 87 and 88 of the Treaty (General Block Exemption Regulation).
3. As explained in Chapter 6 (Monitoring & Reporting) of this Manual, effective monitoring of projects depends on timely information being uploaded or inputted into the central electronic system [Structural Funds Database (SFD)] by all the relevant stakeholders including the IBs. The gathering of information is done through the SFD maintained by the MA. The respective IB contributes to the SFD by inputting the required data as specified by the System, within the established deadlines.
4. The MA also informs the IB with the information the IB is expected to provide to the CA and the AA on issues pertaining to financial management and control systems.

5. The IB shall co operate with the MA on preparation of annual payment forecast⁴⁷ which has been explained in Chapter 5 (Verification and Certification) of this Manual.
6. In accordance with Article 9.2 of the General Regulations, the respective IB must co-operate with the MA to ensure that assistance from the Funds is consistent with the relevant Cohesion Policy, in particular with the Community Strategic Guidelines on Cohesion, the NSRF and the respective OP, the activities, policies and priorities of the Community, and complementary to other financial instruments of the Community.

3.3 Selection of the Operations implemented by Beneficiaries

1. The respective IB is responsible for the selection of Beneficiaries that will be implementing individual projects under the relevant scheme. Prior to launching the scheme, the IB notifies the scheme to the SAMB in line with Regulation 5 of LN 210 of 2004⁴⁸ and to provide regular reporting to the SAMB. The IB must ensure that it has the necessary clearance required by LN 210 of 2004 on any issues relating to the scheme prior to its launch and sets up an internal system to monitor the implementation of State Aid at the Beneficiary level.
2. Once the scheme obtains the necessary clearance, the IB launches the scheme and in doing so, the IB must:
 - a) publicise the scheme appropriately. The IB is to ensure that the scheme is widely disseminated;
 - b) draft the relevant guidance notes and application forms for Beneficiaries to apply for the schemes. These require the approval of the MA prior to launching of the respective scheme;
 - c) hold information meetings for potential applicants⁴⁹;
 - d) draft the eligibility/selection criteria for the relevant aid scheme. These will require the endorsement of the MA and the approval of the MC;
 - e) set up an Evaluation Committee, which is presided by the IB, to evaluate proposals against the approved eligibility criteria;
 - f) draft the Terms of Reference and the Rules of Procedure for the Evaluation Committee; and
 - g) set up an appeals procedure, including an Appeals Board and draft relevant Terms of Reference.
3. The IB must ensure that the individual operations selected under the aid scheme for funding are in line with the criteria approved by the MC.
4. The IB must ensure that the scheme does not co-finance stand-alone actions but operations (projects) in line with the definition of operations provided in Article 2.3 of the General Regulation. The IB must ensure that Beneficiaries are aware of this and that incomplete operations may lead to recovery of the grant.
5. Subject to availability of funds, the respective IB shall enter into a Grant Agreement with the relevant selected Beneficiaries for each operation outlining all the conditions of the grant and the obligations to be fulfilled by the respective Beneficiary when implementing the grant.

⁴⁷ The MA supports the CA in this task.

⁴⁸ The Legal Notice 210/2004 may be downloaded from:http://docs.justice.gov.mt/LegalPub/Legal_Publications/Legal_Notices/English/2004/210%20-%202004%20-%20P3714-3718.pdf

⁴⁹ These also must be widely publicised.

6. A copy of each Grant Agreement signed between the IB and the respective Beneficiary, shall be uploaded on the SFD.

3.4 Implementation

1. Once the IB and the respective Beneficiaries sign the Grant Agreement, the Beneficiaries can start to implement their respective operation. The IB prepares guidelines for implementation (Mini-Manual)⁵⁰ to assist selected Beneficiaries in the implementation of the approved grant. The guidance notes must be endorsed by the MA prior to publication.
2. The IB must ensure that Beneficiaries maintain a separate accounting system or an adequate accounting code and must strongly recommend the Beneficiaries to maintain a separate bank account for all transactions relating to the operation without prejudice to national accounting rules.

3.4.1 Rules on eligibility

1. The IB lays down rules on the eligibility of expenditure for the relevant scheme taking into account national eligibility rules which are set out by the MA for the implementation of operations under the respective OP. The eligibility rules set out by the respective IB must be endorsed by the MA prior to publication.
2. It is important that the IB takes into account the eligible actions provided in the Commission Regulation (EC) No. 800/2008 of 6 August 2008 (General block exemption Regulation)⁵¹ and the ceilings on state aid provided therein when establishing the eligibility rules for the relevant aid scheme.

3.4.2 Payments to Beneficiaries

1. The IB decides on the timing of submission for requests for reimbursement by the respective Beneficiaries and should avoid having fragmented requests for payments.
2. The IB ensures that requests from the Beneficiaries are complete, correct and accompanied by an implementation report with a specific paragraph concerning the payment request.
3. Following the necessary documentary checks, the IB shall insert the data in the SFD to initiate the payment process. The payment process is explained in Annex III to the Covenant between the MA and the relevant IB as well as in the guidance notes issues by the respective IB.

3.4.3 Management of Verifications

1. The IB carries out the verification process according to Article 60 (b) of the General Regulation and Article 13.2, 13.3 & 13.4 of the Implementing Regulation on behalf of the MA. In principle, the IB must verify the delivery of the co-financed products and services and that

⁵⁰ These mini manuals are drafted by the respective IB to assist their respective Beneficiaries to implement the projects which have been selected for co-financing through the respective aid scheme, in accordance with the framework and requirements set for the respective aid scheme. Adherence to the respective guidelines will ease both the implementation and the necessary checks which will be undertaken throughout implementation and following completion of the respective project/s. The mini manuals will be issued together with the guidance notes and applications whenever a call for applications is launched and may also be downloaded from the website of the respective IB.

⁵¹ Commission Regulation 800/2008 may be downloaded from <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:214:0003:0047:EN:PDF>

the expenditure declared by the Beneficiaries for operations has actually been incurred and complies with Community and National rules. In line with Article 13 of the Implementing Regulation, the verifications carried out shall cover administrative, financial, technical and physical aspects of the operation as appropriate and that such verifications are recorded. The checks must be carried out for every request for reimbursement. The verification process to be undertaken by the IB is explained in Annex II of the covenant between the MA and the respective IB.

2. The IB must:
 - a) carry out 100% administrative (ex-ante) checks in respect of each application for reimbursement by Beneficiaries;
 - b) carry out physical on-the-spot checks on individual operations;
 - c) generate the statement of expenditure for the relevant scheme as proposed by the MA.
3. The IB is requested to send the MA a schedule of on-the-spot checks that it shall carry out on Beneficiaries on a quarterly basis. The MA may request the IB to amend the schedule. The IB may make use of contracted experts (when required) to ensure the robustness of technical checks.
4. Where physical on-the-spot verifications are carried out on a sample basis, these should be determined following the undertaking of a risk assessment to be updated each year, taking into account funds disbursed, results of documentary checks, other results of checks / audits (by the MA, CA and AA). Where possible, the risk assessment should include a list of planned on-the-spot-checks for the forthcoming year which shall be forwarded to the MA with the details requested for the AIR.
5. At the end of the scheme, each Beneficiary will have been visited at least once for each operation. The MA will always retain the possibility to carry out its own verifications and checks if deemed necessary. Furthermore, the MA may carry out checks (including on-the-spot checks) to ensure that the IB carries out the verifications as required. The MA shall inform the IB in advance of any on-the-spot checks that the MA will carry out on the IB and /or the Beneficiary.

3.4.4 Information and Publicity

1. In line with Article 5 of Implementing Regulation, the IB shall act as the national contact point for information on the scheme. In this regard, the IB shall provide information measures for potential Beneficiaries as stipulated in the Covenant signed between the MA and the respective IB.
2. The IB informs the potential applicants (also in the guidelines for submitting applications) about the Beneficiary's responsibility of informing the public⁵² about the assistance obtained from the Funds in line with the provisions provided under Article 8 of the Implementing Regulation.
3. The IB checks that the required publicity measures provided in Article 8 of the Implementing Regulation have been fulfilled when carrying out checks (documentary and physical). This check shall be recorded in the report following the spot check.
4. The IB must follow the technical details on the application of the publicity requirements as provided in the MoP for Projects Implementation (including the Visual Identity Guidelines).

⁵² With particular emphasis on potential scheme participants.

5. The IB is responsible for the publication, electronically or otherwise, of the list of Beneficiaries, the names of the operations and the amount of public funding allocated to the operations. The template to be used for publication is provided by the MA. Beneficiaries are informed by the IB at the stage of application of this obligation. Participants in an operation shall not be named.

3.5 Monitoring & Reporting

1. The IB is responsible for the monitoring arrangements on the implementation of the relevant scheme and such arrangements must ensure that the operations implemented at the Beneficiary level are implemented in line with national and EU legislation and in line with the Grant Agreement signed between the IB and the Beneficiary.
2. The IB establishes a Steering Committee to monitor the implementation of the scheme/s. The Committee meets at least three times a year. The MA and a representative of the relevant LM are invited as an observer on the Committee.
3. The Project Leader of the respective IB is also required to compile progress reports once every four months (refer to section 6.2 of Chapter 6 (Monitoring) of this Manual) through a structured template. It is important for the Project Leader of the respective IB to ensure that the reports contain all the necessary information at the required level of detail so that discussion at Steering Committee level is effective. The project progress reports will be submitted to the Steering Committee of the respective aid scheme.
4. The IB shall collate data from the Beneficiaries on the indicators and targets set out in the Application Form which the IB submitted to the MA following closure of the call for applications and selection process. The IB shall update the progress achieved towards these targets regularly in the SFD.
5. In addition, the IB is requested to submit an AIR for the relevant scheme by the end of February of each year. The information provided in this report will be utilised by the MA when drafting the AIR for the respective OP. Details of the information that should be provided by the IB in its annual report are detailed in the Covenant signed between the MA and the respective IB as well as Chapter 6 (Monitoring and Reporting) of this Manual of Procedures.
6. The MA submits the AIR for the respective OP to the MC for approval. The MC may make comments/recommendations pertaining to the relevant aid scheme and such comments/recommendations are communicated by the MA to the relevant IB. The latter acts upon the relevant comments/recommendation and informs the MA accordingly within the stipulated deadline.
7. Every year, following the submission of the AIR the IB and the MA examine the progress made in implementing the relevant aid scheme, the principal results achieved over the previous year, the financial implementation and other factors with a view to improving implementation.
8. The IB must ensure that an operation retains the contribution from the Funds as set out in Article 57 of the General Regulation. The IB must also ensure that the respective Beneficiary is fully aware of this obligation and the potential consequences of non-compliance. The IB must ensure that Beneficiaries sign up to this clause as part of the grant acceptance process.
9. The IB sets out the procedures to ensure that all the supporting documents regarding expenditure on the scheme (incurred both by the IB and the Beneficiary) are kept available for audit purposes for a period of three years following the closure of the respective OP (end of 2020) in accordance with the requirements of Article 90 of the General Regulation.

10. The IB is responsible to ensure that Beneficiaries keep verifiable records and supporting documents at their levels. The supporting documents regarding expenditure and checks includes amongst others: documents relating to specific expenditure incurred and declared, payments made and documents constituting proof of the actual carrying out/delivery of financed operations/works, goods or services co-financed, inventories of equipment purchased/works carried out, guarantees on equipment, etc...).

3.6 Audits

1. As explained in Chapter 8 (Audit and Control) of the Manual of Procedures for Project Implementation, projects and aid schemes co-financed through Cohesion Policy 2007-2013 are subject to audits by various stakeholders such as the EC, AA, the NAO or any other relevant stakeholders.
2. When the IB is notified about such audits, the IB shall inform the Beneficiaries in good time and take all relevant action to provide all information as requested by the MA and / or auditors. The IB shall co-operate with the MA on the co-ordination of audit visits and on the collection of information for the same audits.

3.7 Irregularities

1. Article 30(1) of the Implementing Regulation states that within two months following the end of each quarter, Member States shall inform the Commission, with reference to any previous report made under Article 28 of the same Regulation, of the procedures instituted with respect to all irregularities previously notified and of important changes resulting from them.
2. Upon detecting an irregularity, the IB informs the MA giving details on the relevant irregularity/infringement. The MA also informs the IB of any irregularities detected in relation to the relevant scheme. In liaison with the MA, the IB shall draw up a report and send it to the MA for endorsement. In cases where the irregularity is detected by the MA, the MA will itself draw up the report. The report on the detected irregularity shall subsequently be sent to the AA (as the organisation responsible for reporting irregularities) and copied to the CA.
3. Should there be no irregularities to report in the period in question; a nil return should be submitted by each IB to the respective Director Programme Implementation within 7 days of the end of the quarter under review. This communication is done through the 'Declaration on Irregularities (Nil Return) for each Scheme'.
4. The IB shall recover amounts unduly paid from the Beneficiary or from its own funds (if the irregularity has been made by the IB) within a reasonable time as agreed upon between the MA and the IB. Should it prove not possible to recover the amount from the Beneficiary, the Programme will recover from the IB's budget to safeguard the Community's financial interest.
5. In line with Article 98 (3) of the General Regulation, should the IB make a financial correction in connection with an irregularity detected in an operation, the amount cancelled may not be reused for the operation or operations that were subject to the correction.
6. In line with Article 57(4) of General Regulation, the IB ensures that Beneficiaries which are or have been subject to a procedure of recovery (in accordance with paragraph 3 of the same article) following the transfer of a productive activity within a Member State or to another Member State, do not benefit from a contribution from the funds.

3.8 Evaluation

1. As explained in Chapter 7 (Evaluation) of this MoP, Article 48.3 of the General Regulation indicates the obligation of Member States to carry out evaluations linked to the monitoring of the respective OP, especially where monitoring reveals a significant departure from the goals initially set or where proposals are made for the revision of the respective OP.
2. The MA has issued an evaluation plan which has been submitted to the EC. The IB shall support the MA with the relevant information in carrying out the evaluation exercises in the plan (as relevant) and others (as required). The IB may not trigger an evaluation without the approval of the MA.
3. In cases where monitoring of the scheme reveals a significant departure from the goals initially set or leads to a revision of the relevant OP, the MA in conjunction with the IB and other relevant stakeholders, shall carry out an evaluation as requested by Article 48.3 of the General Regulation.

4. Programming & Project Selection Process

4.1 Programming

The European Union establishes a concise strategic guideline on the economic, social and territorial cohesion which define an indicative framework for interventions that can be co-financed through Cohesion Policy funds. In accordance with the above mentioned guidelines, each Member State establishes the national strategic priorities for which Cohesion Policy funding for 2007-2013 will be channelled. The Maltese Government has identified its strategic priority areas through a situational analysis of the country's socio-economy. The priority areas representing the main challenges are outlined in the National Strategic Reference Framework (NSRF) document which constitutes a reference instrument for preparing the programming of the Funds as explained in Section 4.1.1 below. Following the approval of the NSRF for Malta, the MA drafts two operational programmes⁵³ which explain the activities of the Funds in Malta within the NSRF. The two OPs contribute to the goals and priorities identified in the NSRF and the Community strategic guidelines on Cohesion Policy. The programming procedure is explained in more detailed in Section 4.1.1 and Section 4.1.2 below.

4.1.1 National Strategic Reference Framework

1. Programming is co-ordinated by the Planning and Priorities Co-ordination Division. A Steering Committee chaired by the MFEI provides strategic direction to the programming process. Working Groups covering a range of sectors were set up to provide technical input to the programming process. For the 2007-2013 programming period, Malta prepared a National Strategic Reference Framework (NSRF)⁵⁴ and two Operational Programmes⁵⁵ (Articles 27 and 32 respectively of the General Regulation).
2. The NSRF is the strategic document which sets out Malta's priorities for Cohesion Policy 2007-2013. Malta's priorities are based on four Strategic Objectives namely:
 - i. sustaining a growing, knowledge-based, competitive economy whereby the focus is on investment in enterprise, research and development, technological and innovation development and supporting sustainable tourism;
 - ii. improving Malta's attractiveness and quality of life whereby the focus is in improving transport infrastructure, environment, energy, risk prevention, e-society, urban regeneration and health;
 - iii. investing in human capital whereby the focus is on education, employment, social inclusion and institution capacity building; and
 - iv. addressing Gozo's regional distinctiveness whereby the focus is to direct the above mentioned three strategic objectives within the socio-economic context of Gozo more specifically towards the promotion of enterprise, accessibility, inter-island transport and the development of human capital.
3. The priority areas identified within each Strategic Objective, aim to support Malta's vision to promote competitiveness, a high value adding economy which will lead to a sustainable economic development and a better quality of life for its citizens.
4. The NSRF consists of a socio-economic analysis which was prepared by the MA together with a SWOT analysis. The strategy set out in the NSRF which is based on these two analyses, establishes a number of priorities and focus areas of intervention which contribute towards the socio-economic development of Malta in line with the EU's Policy on economic

⁵³ One OP for ERDF and Cohesion Fund and another OP for ESF as explained in Section 4.1.2 below.

⁵⁴ The NSRF can be downloaded from http://www.ppcd.gov.mt/07_13?l=1

⁵⁵ OPI & II can be downloaded from <http://www.ppcd.gov.mt/op1> and <http://www.ppcd.gov.mt/op2>

and social cohesion. The draft NSRF was presented to the Malta Council for Economic and Social Development (MCESD) and is also discussed at inter-ministerial level prior to submission to the EC.

5. Following the submission of the NSRF and conclusion of negotiations between the Maltese Government and the EC, the latter issues a Commission Decision approving the NSRF⁵⁶.

4.1.2 Operational Programmes

1. Following the approval of the NSRF, the Maltese Authorities proceeded with the drafting and submission of the Operational Programme/s.
2. An OP is a strategic document which comprises of a series of Priority Axes agreed upon between the Member State and the EC. In accordance with Article 37 of the General Regulations, an OP contains:
 - a SWOT analysis of the situation of the eligible area and the strategy chosen in response to the results of the analysis;
 - a justification of the priorities chosen;
 - Information on the priority axes and their specific targets which are quantified through a set of indicators that shall make it possible to measure the progress in relation to the 'current' situation;
 - an indicative breakdown by category of the programmed use of the funds in the respective OP;
 - financial tables showing the amount of the total financial appropriation envisaged for the contribution from each Fund on an annual basis as well as a table specifying the amount of the total financial appropriation of the Community and national contribution for the whole programming period for the respective OP and each priority axis;
 - information on complementarity with other measures co-financed through EAFRD and EFF where relevant;
 - the implementing provisions for the OP and;
 - an indicative list of major projects⁵⁷ which are expected to be submitted within the programming period for Commission approval.
3. Malta has two Operational Programmes - Operational Programme I '*Investing in Competitiveness for a Better Quality of Life*' in the case of ERDF & CF; and Operational Programme II '*Empowering People for More Jobs and a Better Quality of Life*' for ESF. The strategic objectives and priority areas identified in the NSRF provide the basis of the two Operational Programmes. Both OPs have a set of priority axes⁵⁸ and focus areas through which projects will be co-financed. The OPs are negotiated with the relevant Directorates General within the EC and are formally approved through a Commission Decision.

4.2 Project Selection

Chapter 5 of each OP identifies the different procedures for selecting projects under the respective OP. The procedures are outlined below.

⁵⁶ The NSRF was approved through Commission Decision CCI 2007 MT 16 U NS 001 on 20th December 2006.

⁵⁷ Environment projects with a total cost that exceeds Euro 25 million and projects in other fields with a total cost that exceeds Euro 50 million are defined as major projects in accordance with Article 39 of the General Regulation.

⁵⁸ There are seven priority axes under OPI and five priority axes under OP II.

4.2.1 *Project Selection Process for ERDF⁵⁹ & ESF projects (Open Call Procedure)*

This section specifically focuses on the project selection process that is adopted for projects to be co-financed through ERDF and ESF through an open call. In the case of ERDF, the procedure outlined below refers to non-major projects only. Non-major projects co-financed through the Cohesion Fund and major projects co-financed through ERDF and Cohesion Fund go through a different selection process⁶⁰. Aid schemes co-financed through ERDF and ESF also have a dedicated selection process⁶¹.

Approval of the Selection Criteria

1. There are two Monitoring Committees – one for each OP. The MC for each Programme approves the criteria used to select the operations that are funded under the Programme.
2. The MC also approves the criteria that are used by the IB to select the operations under aid schemes implemented under Article 87 of the Treaty⁶².

Call for Project Proposals (Open Call Procedure)

1. Under the Open Call Procedure, following the approval of the criteria, calls for project proposals for ERDF & ESF are issued by the MA at different intervals of the Programme's life-time⁶³. Each call consists of a project application form, guidance notes to the application form and an established deadline for receipt of project applications. The call is published through a press release, publication of adverts in local newspapers as well as publication on the website of the MA (www.ppcd.gov.mt). The template project application form and guidance notes are also made available in electronic format together with a helpdesk through the MA's website. In line with Article 5.2 (b) of the Implementing Regulation, an indicative date is also given with regard to the expected conclusion of the selection process.
2. In order to facilitate the application process, the MA also holds information sessions which are open to the general public.
3. Project applications for ERDF & ESF are received at the office of the MA. Applications (and correct number of copies as stipulated in the call) must reach the MA by the deadline of the call. The MA issues a receipt for each application form received.

Evaluation and Selection of the Proposals

1. The Secretariat to the PSC reviews the project applications received. The Secretariat prepares a synopsis of the project (in a template format) for the benefit of the Committee.
2. The PSC members carry out an initial review of the projects and identify issues related to eligibility and /or points which need to be clarified with the project applicants. Technical experts may be invited to provide input.
3. In the case of eligibility issues, these need to be clarified for the project to proceed to the selection process.

⁵⁹ In the case of ERDF, this section refers to Project Selection Procedure for ERDF non-major projects only. In the case of ERDF major projects please refer to Sub-Section 4.2.3 of this Chapter.

⁶⁰ Which are explained in detailed in Section 4.2.2 and 4.2.3 of this Chapter.

⁶¹ As explained in Section 4.2.4 of this Chapter.

⁶² The text of Article 87 of the Treaty may be downloaded from http://ec.europa.eu/competition/legislation/treaties/ec/art87_en.html

⁶³ Calls will be more frequent in the early years of the Programme.

4. Should clarifications and/or further information be required, the Chair of the PSC (or the secretary) sends a letter to the Project Leader requesting clarifications on the points identified by the PSC.
5. The PSC proceeds to decide on the projects submitted (including the information received in the clarifications if applicable) in terms of the criteria approved by the MC and ranks the projects accordingly. A ranking sheet with the marks allocated for each criterion for each project is filled in by the PSC and signed by all the Committee members. A project must obtain a minimum overall score of 50% to be eligible for funding. Depending on the availability of the budget (as per call), the highest scoring projects are selected for funding. If the funds required for the number of projects scoring 50% or higher is more than that available, the MA may draw up a reserve list. Projects on the reserve list remain valid until the issuing of another call under the same focus area.
6. Following the expiry of the appeals period, the MA informs the project leaders by email and then proceeds to draw up the Grant Agreement for the selected projects.

4.2.2 Submission and selection of CF Projects

1. All Cohesion Fund projects (Priority Axes 3 and 5 of Operational Programme I) are national projects which are inherent to a limited number of public entities. Therefore there will be no public call for applications for such projects. Following consultation with the relevant stakeholders, the MA prepares a Cabinet memo (with short-listed projects) with recommendations for discussion and approval by Cabinet.
2. The Beneficiary of the selected project/s is then informed to prepare the application form.

4.2.3 Selection of Major Projects (ERDF and CF)

1. In accordance with Article 39 of the General Regulation, major projects are those projects that have a total costs that exceeds Euro 25 million in the case of the environment and Euro 50 million in other sectors. Such projects require the approval by the EC through a Commission Decision for each project.
2. No open calls are issued for major projects. These have already been identified by the Maltese Authorities and are described in brief under the different Axes of Operational Programme I.
3. The Beneficiary is asked to fill in an application form which is a standard template provided by the EC (please refer to Annex XXI of the Implementation Regulation). The application form together with the supporting documents (such as cost-benefit analysis, environment impact assessments, etc.), are submitted to the Commission via the MA.
4. The Commission vets the application forms and may ask for clarifications or additional information. The Commission decides whether or not to approve a project, in agreement with the Member State. When a project is approved, a Commission Decision is published. The Decision defines the physical object, determines the amount of financial support (co-financing rate), lays down a financial plan, establishes deadlines for completing the project and determines all other conditions necessary for the implementation of the project.

4.2.4 *Selection of Projects under Aid Schemes (Article 87 of the Treaty)*

1. The IB issue calls for project proposals for aid schemes implemented under Article 87 of the Treaty⁶⁴. Applications and guidance notes are, in this case, obtained from the IB. Information sessions are also organised by the IB. Applications are submitted to the relevant IB (as stipulated in the Guidance Notes) and the acknowledging receipt to the applicant is issued by the IB.
2. In the case of ESF, the operations under Article 87 of the Treaty (employment aid and training aid) will be selected on a demand driven basis. The IB will, however, assess the applications in line with the criteria approved by the MC for the scheme.
3. In the case of the ERDF, the IBs will organise their own selection process on the basis of the criteria approved by the MC.

4.2.5 *Selection of Operations under Technical Assistance*

Technical assistance for both OP I & II will be managed by the MA and will be demand-driven thus not subject to specific calls. The MA has set up procedures for eligible stakeholders interested to make use of the technical assistance. The procedure is outlined in Chapter 9 of this Manual.

4.2.6 *Other Operations*

The MA may decide to allocate funds directly to small projects that can contribute to the achievement of the objectives of the OPs and which arise during the implementation period but outside the period of an open call. Each individual project that can be selected under this procedure will not exceed Euro 150,000 in total public eligible cost. The Beneficiary/ies of such projects would still be required to submit a project application form and will sign a Grant Agreement with the MA.

4.3 **Unsuccessful/Rejected Project Applications & Appeals Procedure (Open Calls)**

Applications which do not meet the eligibility criteria will not proceed to the selection process for further appraisal and scoring. Projects that pass the gateway eligibility test but do not score 50% in the appraisal based on the selection criteria, are also rejected. Unsuccessful applicants will be informed in writing (through a letter or e-mail) indicating the criteria where the project failed to acquire at least 50% of the allocated marks. The decision to reject an application will be subject to a right of review within a stipulated time-frame which is also outlined in the letter. The following sub-sections outline the review process that has been specifically set up in the case of unsuccessful applications under open calls for ERDF and ESF as explained in Section 4.2.1 above⁶⁵.

4.3.1 *Right of Review of Rejected Applications*

1. Unsuccessful applicants have the right to request that the decision to reject a project be reviewed. A PSAB is specifically set up to review such decisions.

⁶⁴ The text of Article 87 of the Treaty may be downloaded from http://ec.europa.eu/competition/legislation/treaties/ec/art87_en.html

⁶⁵ This appeals procedure is not applicable for major projects co-financed through ERDF and Cohesion Fund in view of the fact that approval to grant funding for such projects is taken by the EC.

2. Review will take the form of a full appeal both on procedure and on the merits of the decision. The appeal must be made in writing by the appellant (that is the project leader) and, in the case where the appellant is a public entity, it must also be endorsed by the Permanent Secretary of the Ministry responsible for that public entity. In the case of Local Councils the appeal must be endorsed by the mayor and the executive secretary of the Council. In the case of Partner Organisations and /or NGOs, the appeal must be endorsed by the executive head or President/Secretary.
3. The appeal must state the grounds and the reasons for the appeal. The appellant must therefore give a detailed explanation/justification supported by relevant documentation/ testimonials as to why the appellant does not agree with the decision taken by the PSC. No additional information will be considered during the review. The relevant documentation shall be provided for the sole purpose of supporting the basis of the information provided in the appeal. An appeal that does not give sufficiently detailed reasons for the appeal may be refused at the preliminary stage.
4. Requests for review are received by the secretary to the PSAB within fifteen days from the date of the letter of rejection by the PSC. Appeals will not be accepted outside this period unless the PSAB is satisfied that it was not reasonably practicable for the appeal to be made within this period. The PSAB's decision in this regard shall be final.
5. In the case of aid schemes under Article 87 of the Treaty, each IB will set up its own Appeals procedure distinct from the project selection procedure/committee. The procedure will form part of the guidance notes to applicants that each IB will issue for the particular scheme.

5. Drawdown of Funds from the European Commission

5.1 Grant Agreement

The Grant Agreement signed between the MA and the Beneficiary gives the relevant detail on the objective, targets and financial allocation of the project. In the case of aid schemes implemented under Article 87 of the Treaty, a covenant is signed between the MA and the IB which outlines the objectives, targets and implementation methodology to be adopted. The Grant Agreement/Covenant binds the Beneficiary/IB to implement the project/aid scheme in accordance with national rules especially rules concerning public procurement, state aid, the environment and equal opportunities.

5.2 Forecasts

1. In accordance with Article 76.3 of the General Regulation, a forecast of payments for the current year and the following year is sent to the EC not later than 30 April of each year. This exercise is carried out by the CA with input from the MA.
2. The CA compiles the forecast for the next year based on the projections as stated in the Grant Agreement.

5.3 Statement of Expenditure

1. The Maltese Government pre-finances projects⁶⁶. However, Malta can only submit a claim for reimbursement from the EU when expenditure is actually incurred i.e. on payments paid out to contractors. Therefore, Beneficiaries/IB and Line Ministries are to ensure that invoices/requests for reimbursement are received and payments are processed in the shortest time possible. The MA periodically issues proposed schedules for the verification of expenditure incurred.
2. It is important to note that **failure to ensure that payment procedures are initiated and processed efficiently may result in Malta losing funds.**
3. Once a substantial amount of expenditure is incurred, the MA will, at least three times a year⁶⁷, initiate the verification process for submission of requests for reimbursement from the Commission. The MA prepares a timetable with established dates for the different stakeholders involved in the process.

5.3.1 *The Verification Process*

1. The verification process is an integral part of the implementation system of Cohesion Policy projects. During verification, all payments made for each project/ aid scheme benefiting from Cohesion Policy Funds are checked, verified correct at different levels and eventually submitted to the EC by the CA for reimbursement.
2. Project level⁶⁸ - The process at this level is undertaken by the Beneficiary or IB in the case of aid schemes. Once the Statement of Expenditure (SOE) at project level is generated it is submitted to the MA.
3. Priority level - The process at this level is undertaken by the MA. In the case of project type of investment, the MA undertakes desk based checks on all the payments listed in the SOE generated for each project and once it is satisfied that all payments certified by the

⁶⁶ The procedure varies depending on type of Beneficiary as explained in Chapter 5 of the Manual of Procedures for Projects Implementation, Cohesion Policy 2007-2013.

⁶⁷ In accordance with Article 87 of the General Regulation. In addition, every year, the latest date on which a request for reimbursement can be submitted, is 31st October.

⁶⁸ Including aid schemes.

Beneficiary are correct, the MA generates the SOE at Priority level and submits the SOE for each Priority to the CA.

4. In the case of aid schemes under Article 87 of the Treaty, the verification process is undertaken by the IB for the whole scheme and forwarded to the MA for onward transmission to the CA to include it in the certification process.
5. Upon receipt of the SOE from the MA, the CA undertakes the certification process.

5.3.2 *Verification Process at Project Level*

1. Only payments that have been processed correctly and against which no irregularity (or suspicion thereof) has been raised should be verified by the Beneficiary.
2. When undertaking the verification process, the Beneficiary must undertake a review of each payment effected by Treasury since the previous verification process as well as any relevant pending payments not included in previous verifications. Beneficiaries may utilise the checklist found at Annex II of the Manual of Procedures for Project Implementation which is **only** a guidance of issues that the Beneficiary should check prior to the verifying the payments in the SOE at project level.
3. Once the Beneficiary undertakes the review exercise and is satisfied that all expenditure incurred is in line with the Grant Agreement, the relevant contract, and that it is in compliance with the established Cohesion Policy procedures, the Beneficiary can generate the SOE by project through the SFD. It is important that the Beneficiary generates the SOE within the stipulated deadline as set out in the timetable issued by the MA.
4. A separate SOE for every project should be prepared.
5. Once the SOE is generated through the SFD, the project leader should print out the SOE together with the Declaration, which is generated automatically through the SFD after the SOE is generated.
6. The Beneficiary should ensure that each ISC, each invoice (signed by the project leader) and the summary of certification by supervisors (where applicable) have been uploaded on the SFD prior to submitting the SOE and Declaration to the MA.
7. The Beneficiary sends the signed SOE by project and the Declaration to the MA for the second stage of the verification process.

5.3.3 *Verification Process for Aid Schemes*

1. The above verification procedure also applies to aid schemes implemented by IBs under Article 87 of the Treaty⁶⁹. Once the respective IB generates the SOE of the relevant aid scheme, the SOE is sent to the MA for onward transmission to the CA.
2. In principle, the IB must verify the delivery of the co-financed products and services and that the expenditure declared by the Beneficiaries for operations has actually been incurred and complies with Community and national rules. In line with Article 13 of the Implementing Regulation, the verifications carried out shall cover administrative, financial, technical and physical aspects of the operation as appropriate and that such verifications are recorded. The checks must be carried out for every request for reimbursement. The verification process

⁶⁹ The text of Article 87 of the Treaty may be downloaded from http://ec.europa.eu/competition/legislation/treaties/ec/art87_en.html

to be undertaken by the IB is explained in Annex II of the covenant between the MA and the respective IB. The MA may still undertake its own checks on aid schemes during the verification process should the MA deem this necessary.

5.3.4 *Verification Process at Priority Level*

1. Upon receipt of the various SOE of the projects, the MA initiates the second stage of the verification process. Prior to preparing the SOE at Priority Level, the MA undertakes a number of checks to ensure that the payments being claimed in the SOE at Project Level are correct and all necessary information is available. The MA submits a request for clarification to the Beneficiary (via an email) should it require any clarifications on expenditure included in the SOE. The Beneficiary must reply immediately to the MA's request in view of the tight deadlines within which the verification process is completed. If the MA is satisfied with the Beneficiary's reply, the MA will proceed with the verification process. If the MA is not satisfied with the Beneficiary's reply, the MA may either request additional information or recommend rejection of the invoice from the SOE.
2. Upon completion of the necessary checks, the MA prepares an SOE by Priority (generated from the SFD). This SOE by Priority is based on the SOEs by project which is prepared by the Beneficiaries.
3. The SOE by Priority is signed by the MA and is accompanied by a signed Declaration which entails that:
 - a) the amounts stated in the SOE by Priority are an aggregation of all the invoices for which a CBM debit advice was issued during the relevant period and corresponds to the statements of expenditure by project prepared by the respective Beneficiary;
 - b) the audit trail was maintained (from when the invoice was issued by the contractor until payment from the CBM) – that there is an ISC supporting each invoice;
 - c) where on-the-spot checks were carried out, the reports for these checks are available on the SFD.
4. All SOE (by project and by Priority) and the relevant Declarations shall be forwarded to the CA.

5.4 **The Certification Process**

1. The CA has the overall responsibility for the certification process (as explained in Section 2.2 of Chapter 2 of this Manual). Once the verification process is concluded, the SOE by project and by priority together with any relevant comments are sent to the CA for further processing. The CA will undertake its own checks on the claims being forwarded for certification via the SOE. The CA may also ask for clarifications where the need arises.
2. Checks are conducted on a sample of claims/invoices brought forward in the respective SOEs.
3. The Certifying Authority has the overall responsibility for the certification process. Once the verification process is concluded, the SOE together with any relevant comments are sent to the CA for further processing. The CA will undertake its own checks of the relevant documentation and may also ask for clarifications. It is important for Beneficiaries to reply immediately to any requests for clarification from the CA in order not to delay the certification process. The CA may reject part of the SOE in which case a formal letter containing the relevant information will be sent to the Project Leader, copied to the Permanent Secretary of the Line Ministry (where relevant) and also recorded in the SFD by the CA, within a maximum of one week from the submission of the certification by the CA to the EC. The Project Leader shall ensure that any documentation

submitted by the CA is filed in the appropriate manner in order to ensure a full audit trail of the certification process.

4. The CA performs the certification process in accordance to Article 61 of the General Regulation every time a request for reimbursement is made to the EC. Such request for payment is made at least three times a year.

The certification process is undertaken in two stages which are inter-related.

5.4.1 Stage I – Certification Process

1. The Officer in charge of a particular fund within the CA shall:
 - i. Review all relevant documentation, namely:
 - SOE by Priority together with the attached Declarations;
 - The invoices and the Invoice Status Certificate (a sample of all claims being forwarded for certification will be checked, having a mix of high value, medium value and lower value claims);
 - The Irregularities Report received between the previous certification and the date of certification;
 - The reports of the on-the-spot checks carried out by the MA (or the IB in the case of aid schemes);
 - The Audit Reports received by the CA between the previous certification and the date of certification.
 - ii. Print Out of the SOE by Priority related to the respective OP. This SOE is generated through the SFD. The officer ensures that, based on the testing carried out:
 - every expenditure in the SOE is supported by the SOEs by Priority and by project together with the relevant Declarations provided by the MA;
 - a CBM debit advice has been issued for every expenditure therein;
 - every expenditure was actually effected within the eligible period;
 - every expenditure was incurred in operations that were selected for funding and are in line with the Grant Agreement;
 - every expenditure related to measures for which all State Aid has been formally approved, where relevant;
 - there is compliance with all relevant national and Community rules.
2. The Officer reviews findings with the Senior Manager who, in turn, discusses with the Assistant Director (who is the Officer i/c Stage I Certification). The latter communicates findings to the MA / IB (where applicable) and requests clarifications on queries (if any). Where clarifications/follow up is necessary, these will be sent to the MA (copying the LM and Beneficiary where necessary) so that the required action is taken. Where the replies/follow up to the clarifications does not provide the necessary assurance to the CA and/or where queries are not resolved, then that particular invoice is rejected from the SOE. In this manner, the CA may certify the remaining invoices and hence not jeopardise the whole certification process. Once the query is settled, the invoices are certified with the next batch of invoices in the following certification.
3. Once the above points have been satisfied, the Officer in connection with Stage I certification informs the Senior Manager accordingly and requests the finalisation of the process at this Stage.
4. The Senior Manager ensures that the office fills in the relevant CA Checklist, signs and dates it. The checklist together with the relevant documentation is submitted to the Senior Manager who makes the necessary counter checks and countersigns the checklist.

5. The Officer in connection with Stage I Certification endorses the relative documentation as complete from Stage I.
6. All relevant documentation is then passed on to the Stage II Certifying Officer to prepare the Certificate and Application for Payment in accordance with Annex X of the Implementing Regulation⁷⁰.

5.4.2 Stage II - Certification

1. Following the completion of Stage I, the Stage II Officer within the CA shall issue the Certificate and Application for Payment in accordance with Annex X of the Implementing Regulation.
2. Stage II Officer shall draw up the Certificate of Expenditure against the SOEs and Declarations. Prior to drawing up the Certificate of Expenditure, the Certifying Officer (Head Certifying Authority) shall be satisfied that operations are progressing in accordance with the objectives laid down in the Commission Decision through which the Cohesion Policy funds have been granted to Malta and with the provisions of the General Regulation particularly with regard to:
 - Compliance with the provisions of the Treaty and instruments adopted under it with Community policies, in particular the rules on competition, procurement regulations, environmental protection, elimination of inequalities and the promotion of gender equality (Article 16 & 17 of the General Regulation);
 - Application of management and control procedures to the assistance granted;
 - Availability of all the supporting documents for a minimum period of three years following payment of the final balance by the Commission (i.e. three years following 31 August 2017, in accordance with Articles 89.3 and 90.1 of the General Regulation);
 - The OP and/or AIR has been sent to the EC by the MA;
 - If any recommendations on management have been made by the Commission and whether these have been followed;
 - If any requests for corrective measures on control have been made by the Commission under Article 99 of the General Regulation and whether these measures have been applied;
 - None of the certified expenditure has been suspended under Article 92 of the General Regulation; and
 - None of the certified expenditure comes under a Priority containing state aid that has not yet been approved by the Commission.

Such assurance would emanate from the documentation and declarations submitted by the MA.

3. The Stage II Officer shall also complete the Application for Payment (Annex X of the Implementing Regulation EC1828/2006) and shall ascertain the status of:
 - The respective OP and the date when the respective OP was adopted;
 - The latest annual report/final report on implementation (Article 67.1 of the General Regulation);
 - Any follow-up to recommendations for improving the monitoring and management arrangements made by the Commission under Article 68.2 of the General Regulation; and
 - Follow-up to requests for corrective measures under Article 98 of the General Regulation.

⁷⁰ http://www.interreg4c.net/load/2006-1828_Implementing_regulation_en.pdf

4. Other requirements that the Stage II Officer has to take into account are:
 - that decisions of the MA and the MC are consistent with the total amount of Fund contribution to the priorities concerned; and
 - whether certified expenditure has been suspended pursuant to Article 92 of the General Regulation.
5. The Stage II Officer shall report and deduct in the Application for Payment any irregular payments recovered together with any interest received on account on late payment. The debtors' ledger maintained in accordance with Article 61 (f) of the General Regulation shall be updated on a continuous basis to enable the CA to keep track of recoveries that are being reported to the Commission and to monitor pending recoveries to ensure that these are deducted from upcoming certifications.
6. The Stage II Officer and the Certifying Officer shall complete the Certification Checklist of the CA and endorse it accordingly.
7. The SOE by Fund together with the Certificate of Payment shall be sent to the EC through the SFC 2007 where, the Stage II Officer shall create, sign, validate and send the Interim Payment Application to the Commission. Moreover, the Stage II Officer shall ensure that the relevant DG within the Commission receives the Application for Payment and that the SFC has been successfully uploaded.
8. The Stage II Officer has the overall responsibility to ensure that the funds that have been requested are approved by the Commission and funds are actually transferred to the CBM. Any clarifications or corrections requested by the Commission have to be reviewed and any necessary action to be taken to enable the drawdown of funds. Subject to availability of funds, the Commission shall make interim payments to the relevant bank account at the CBM within two months of receipt of an acceptable payment application from the CA.
9. It is important to note that the verification and certification process is the basis on which the claim for reimbursement of funds can be made to the EC. Thus all stakeholders involved in the process are to ensure that the steps outlined above are followed in a correct and transparent manner. Errors committed may result in delays in the certification process which could have serious implications on the automatic decommitment of the funds.

5.5 Payment from the European Commission

1. Payments from the EC can consist of:
 - i. Payment on account – the advance payment for this Programming period amounts to 2 % of the contribution from the Structural Funds and 2.5% of the contribution of the Cohesion Fund to the OP in 2007, 3% of the contribution from Structural Funds to the OP and 4% of the contribution from the Cohesion Fund to the OP in 2008 with a further 4% of the contribution from the Structural Funds to the OP and 4% of the contribution of the Cohesion Fund to the OP in 2009.

Payments on account are made to the CA per Fund. Once the advance payment for the respective OP is effected, all future interim claims from the EU must be based on certified expenditure incurred. If no request for payment for each OP is made to the EC within 24 months from the date when the Commission Decision pays the first instalment of the pre-financing amount, all or part of the payment on account must be repaid by the CA to the EC (Article 82.2 of the General Regulation).

- ii. Interim payments – Interim payments are made by the EC on the basis of certified expenditure applications submitted by the CA and are subject to a number of conditions, including submission of the AIR and the mid-term evaluation being submitted by the MA within the appropriate timeframes. Interim Payments are made to reimburse the Government

with the EU component of the actual expenditure incurred by the Beneficiaries and IBs (in the case of aid schemes) and certified by the CA.

Payments are based on expenditure at Fund level and at the co-financing rate indicated in the respective OP. The CA must ensure that the advance payment plus the interim claims do not exceed 95% of the contribution from the Funds to the respective OP.

- iii. Payment of final balance – the final 5% is paid once the CA submits a certified SOE following the submission of the final implementation report by the MA. An independent statement of assurance (winding-up declaration) summarizing the adequacy of control checks carried out is also required for closure of the programme. The winding up declaration is compiled by the AA.
2. The CA must ensure that all payments received by Malta are recorded in the SFD.

5.6 Transfer to Central Government Revenue

1. The Constitution of Malta stipulates that all money received by the Government of Malta has to be accounted for in the General Public Account. Therefore, upon receipt of payment from the EC, the CA ensures that:
 - It issues an official letter authorising the CBM, in conjunction with the Treasury Department, to debit the CBM Account and credit the Government's Revenue Account in the appropriate revenue Line Item;
 - As a security requirement, the official letter should bear two signatures. This responsibility has been delegated to the Head of the CA and the Director General (Budget Affairs). In the absence of the former two, this task is performed by those Public Officers delegated with the authority to perform such tasks;
 - The transfer of Funds through a 'Transfer Schedule of Payments' is effected; and
 - Subsequent 'Receiving Schedule of Payments' evidencing the above mentioned transaction shall be kept recorded in the relevant CA file.

6. Monitoring and Reporting

6.1 Monitoring

Articles 63-68 of the General Regulation specify the monitoring process. Monitoring is an on-going process of examining the progress of interventions and expenditure to ensure the attainment of programmed results. The MA has the overall responsibility for monitoring at Programme level. However, the monitoring system relies on a bottom up approach and therefore it is important that all players in the system give their input timely. The implementation system foresees a number of tools and structures that will support the monitoring process.

6.1.1 Monitoring Structures

I. Monitoring Committee

Malta has set up a Monitoring Committee (MC) in terms of Article 63 of the General Regulations. The main task of the MC is to **monitor the OP at the strategic level** thus ensuring that the objectives and targets at Programme level are being met. The Committee is chaired by the Principal Permanent Secretary and has members from both the Government as well as Partner Organisation and Civil Society. The Committee meets at regular intervals. The objectives are both to monitor targets as well as facilitate implementation and the timely and effective absorption of the Funds.

II. Managing Authority

In order to meet the monitoring requirements at the strategic level, the MA (together with the MC) must ensure the quality of the implementation of the respective OP in accordance with Article 66 of the General Regulations. The MA carries out monitoring by reference to financial indicators as well as the indicators set out in the respective OP as outlined in Sub-Section 6.1.1 above.

The MA will monitor progress of project implementation under the various Priority Axes of the respective OP. This will be done through the SFD, the bi-lateral meetings and the MPSC meetings referred to below, the Project Progress Reports referred to in sub-section 6.2.1 below as well as from feedback from the Directorate for Programme Implementation within the Line Ministries. This monitoring will assist the MA to undertake the reporting requirements at Programme level.

As explained in Chapter 7 (Evaluation) of the Manual, the MA will also utilise a tracking system in order to be able to track the Beneficiaries' progress over time. Through this system the destinations of those who receive assistance, particularly under OP II, can be determined in accordance with Article 66 of the General Regulation. This tracking system will be a very important tool to feed into the ongoing monitoring of project progress.

The above monitoring exercises will contribute towards the Annual (and Final) Implementation Report which the MA must prepare in accordance Article 67 of the General Regulation.

III. Ministerial Projects Steering Committee (in case of public sector projects).

This is a monitoring structure **at ministerial level** which provides an effective mechanism to track progress of projects falling within the portfolio of the particular Line Ministry⁷¹. The Committee is chaired by the Permanent Secretary of the Ministry (or his /her representative). The objectives of this committee are both to monitor targets as well as facilitate implementation and the timely and effective absorption of the Funds. In this regard, the Project Leader is required to compile a progress report every four months (refer to Section 6.2) through a structured template. It is important for Project Leaders to ensure that the reports contain all the necessary information at the required level of detail so that discussion

⁷¹ One of the recommendations of the mid-term update on the SPD.

at MPSC level is effective. The Terms of Reference of the MPSC can be obtained from the DPI of the respective Line Ministry.

In the case of aid schemes implemented under Article 87 of the Treaty, the IB of the respective aid scheme establishes its own Steering Committee. The MA and Line Ministry are represented on this committee to ensure compliance with the targets set out at programme level.

IV. Bilateral Meetings (all projects)

The MA may organise bi-lateral meetings with Beneficiaries (including NGOs and Local Councils) and/or IBs to discuss issues arising from the progress (monitoring) reports and / or from the day-to-day monitoring conducted through the SFD.

V. Co-ordinating Cells within the Line Ministries (in case of public sector projects)

The **Directors Programme Implementation (DPI)**, within each Ministry, will be the co-ordinators with respect to EU funded projects. The DPI will be responsible for monitoring of projects and to alert any of the horizontal stakeholders, if and when required. The DPIs are also responsible for endorsing the progress reports before these are submitted to the MA and to the Steering Committee members. The DPI's Directorate will also serve as the secretariat to the MPSC.

VI. Monitoring by the Beneficiary/IB

The **Beneficiary/IB, through the appointed project leader**, has the responsibility of ensuring effective monitoring of the project/aid scheme. The Beneficiary/IB is also responsible for financial monitoring (and forecasting) as well as monitoring of physical implementation on the ground. It is up to the Beneficiary/IB organisation to choose the most appropriate tool to ensure effective and timely monitoring of the project/aid scheme, however continuous monitoring activities by the Beneficiary/IB must be well documented, dated and signed.

6.1.2 Use of Indicators

1. Monitoring of Cohesion Policy Funds is facilitated through the use of indicators making it possible to measure the progress in relation to the baseline situation and the achievements of targets of each project, Priority Axis and the OP as a whole.
2. There are three sets of indicators:
 - **Output indicators:** - such indicators capture the physical output or product activity undertaken i.e. what is directly obtained in exchange for public expenditure. Such indicators are described and quantified at Priority Axis level and are based on the main focus areas of each of the Axes and under which, most of the interventions of each Axis are likely to occur;
 - **Result indicators:** - these indicators measure the immediate benefits of the intervention / group of interventions for beneficiaries. Just like the output indicators, these result indicators are described and quantified at Priority Axis level and are based on the main focus areas of each of the Axes and under which, most of the interventions of each Axis are likely to occur; and
 - **Impact indicators:** - these capture the longer-term effects of the programme on a national level. The overall objective and the specific objectives of the respective OP are measured and assessed through an overall impact indicator for OP I and OP II respectively. The selection of the impact indicators is driven by the objective to come closer to the performance of the EU member States on issues related to economic performance and enhancement of the quality of life of the Maltese citizens and the objective to contribute

towards the goals of the Lisbon strategy. The selected impact indicators are expected to contribute towards the attainment of the overall target of the respective OP.

2. These indicators are attached at different levels of the respective OP. In both OP I & II the output and result indicators are described and quantified at the Priority Axis level and these indicators are expected to result in a number of core impact indicators reflecting the attainment of the strategic objectives of the respective OP. These indicators are based on the main focus areas of each Axis, under which most of the interventions of each Axis are likely to occur or can be grouped. The targets established for the output and result indicators will be achieved at programme level by the end of the programming period. These two sets of indicators contribute towards the attainment of the impact indicators specific and/or overall) of the respective OP. The inclusion of quantifiable targets in the OPs is important in view of the programming of Priority Axes. The strategic objectives will be met through the attainment of a number of interdependent indicators at the output, result and impact levels.
3. In order to achieve the indicators at programme level, a bottom up approach is adopted whereby each project selected for funding through Cohesion Policy, will have an established set of output, result & impact indicators established in the Grant Agreement. The Beneficiary/IB of each project/aid scheme will work towards the attainment of the indicators set out in the respective Grant Agreement, which will ultimately contribute towards the attainment of the indicators set at OP level.
4. The indicators of each project/aid scheme will be monitored mainly through the SFD and the Project Progress Report (PPR). However, additional surveys and/or research activities may be undertaken (by the Beneficiary and/or the MA) in the case of certain result indicators.
5. The Beneficiary/IB and the project leader are responsible for collecting, and verifying the data with regard to the indicators in the agreed project/aid scheme. It is important to note that monitoring of indicators is a condition of the grant and failure to attain the agreed targets could lead to recovery of funds on the project and loss of funds for Malta.

6.1.3 Structural Fund Database

Day-to-day monitoring is based on a bottom-up approach. Informally, the MA is in touch with Project Leaders almost on a daily basis, however most of the effective monitoring depends on timely information being uploaded or inputted into the central electronic system – the SFD by all the relevant stakeholders – including the Beneficiary, the IBs as well as horizontal stakeholders. The SFD information is used by the MA to track and deal with urgent issues regarding implementation such as monitoring of payments prior to the initialisation of the SoE, contracting process etc.

6.2 Reporting Requirements by the Beneficiary

Different levels of reporting have been established. These include:

- Project Progress Reports prepared by the Beneficiary⁷²;
- Regular Updates in the electronic system (SFD);
- Input (by the Beneficiary) to the Annual (and Final) Implementation Report prepared by the MA; and
- Project Closure Report which is prepared by the Beneficiary at the end of the project and confirmed by the MA.

⁷² The Beneficiary / Project Leader may be asked to submit ad hoc progress reports for internal use of the MA or by any of the monitoring structures.

6.2.1 *Project Progress Report*

1. The Beneficiary prepares a project progress report every four months. The report is compiled on a specifically designed template and is intended to give a snapshot on progress (physical and financial) and any risks or issues needing mitigation and /or resolution. This reporting is done using the electronic system. The report may also be used during meetings of the MPSC.
2. The project progress report will contain the following data:
 - Project data in terms of funds allocated to the project as per Grant Agreement;
 - List of project activities and their status;
 - Implementation Update:
 - update of the project as at cut off date for reporting;
 - update on progress achieved from the last project progress report submitted i.e. progress achieved during the previous four months.
 - Planned/actual implementation schedule as Grant Agreement;
 - Contracting schedule;
 - A table containing the planned vs. actual disbursement schedule as in the Grant Agreement;
 - A table with the performance indicators obtained to date;
 - A table with a list of the actual publicity initiatives undertaken and;
 - A section dedicated to any follow-up actions required to mitigate risks;
 - Updates on projected revenue (where applicable);
 - Details are to be provided as at the cut off date of the report.

The DPIs within the Line Ministries shall validate the report before it becomes a formal document of the MPSC. The Steering Committee may suggest changes to the report.

6.2.2 *Regular Updating on SFD*

The Beneficiary and other stakeholders (e.g. Treasury and DoC) must regularly update the project implementation status in the SFD to reflect both physical and financial progress. It is important that the Beneficiary and other Stakeholders update the SFD both in terms of contracting as well as in terms of disbursements in order to enable the MA to monitor the actual progress being achieved on a regular basis. Failure to update the SFD on the regular basis may lead to distorted reporting in terms of the achievements of the respective project.

6.2.3 *Project Closure Report*

1. Upon completion of the project, the Beneficiary should compile the Project Closure Report IA, in a template provided by the MA. The Project Leader submits the signed report within one month from the MA's request. The report must be reviewed by the DPI and endorsed by the Permanent Secretary (in the case of public sector projects). In the case of projects implemented by Local Councils, the report must be endorsed by the Executive Secretary and the Mayor. In the case of NGOs, the report should be endorsed by the legal representative of the Organisation and the person responsible for the organisation's finances.
2. The Original report is submitted to the MA. A copy of the signed report is kept in the project file of the Beneficiary as well as that of the LM (where applicable).
3. The MA reviews the report submitted and completes Project Closure Report IB which confirms or otherwise, that the report submitted by the Beneficiary contains all the necessary information. The MA may ask the Beneficiary for clarifications prior to completing Report IB. Once Report IB is completed, the MA will sign the report and upload both Report IA and IB on

the SFD. It is important to note that Beneficiaries retain the responsibility for the information provided by them in the report.

6.3 Reporting Requirements by the IB

1. The IBs for Aid Schemes have the same reporting obligations as outlined above for Beneficiaries with the exception that the IB must prepare an annual report on the implementation of the respective aid scheme while a Beneficiary provides input to the MA in relation to the AIR only if and as requested by the MA. Therefore the IB reports at the following reporting levels:
 - Regular Updates in the electronic system (SFD);
 - Project Progress Reports prepared by the Beneficiary every four months;
 - Annual Report submitted to the MA and;
 - Project Closure Report which is prepared by the IB at the end of the project and confirmed by the MA.
2. The Beneficiary / Project Leader may be asked to submit ad hoc progress reports for internal use of the MA or by any of the monitoring structures.
3. Each IB sets up its own Steering Committee whereby this Committee will be tasked to monitor targets as well as facilitate implementation and the timely and effective absorption of the Funds allocated to the respective aid scheme. The composition of the IB Project Steering Committee is the prerogative of the respective IB however; the MA and the respective LM are represented as observers on this Committee in order to ensure consistency and coherence with the targets and objectives at Programme Level.
4. The Project Leader of the respective IB is also required to compile progress reports once every four months (refer to Section 6.2 above) through a structured template. It is important for the Project Leader of the respective IB to ensure that the reports contain all the necessary information at the required level of detail so that discussion at Steering Committee level is effective. The project progress reports will be submitted to the Steering Committee of the respective aid scheme.
5. In order to fulfil its responsibility in reporting on an annual basis, the IB provides an annual report to the MA which contains the following information:
 - a) the progress made in implementing the respective aid scheme in relation to the specific, verifiable targets, with a quantification;
 - b) the contribution of the respective scheme to the objectives and output and results indicators at Priority Axis level, and objectives and impact indicators at Programme level;
 - c) data on Beneficiaries that are benefiting from the respective scheme;
 - d) the financial implementation of the scheme:
 - the expenditure paid out by the Beneficiaries included in applications for payment sent to the MA and the corresponding public contribution; and
 - the expenditure paid out by the Treasury Division;
 - e) the indicative breakdown of the allocation of Funds by categories, in accordance with the implementation rules adopted by the Commission in accordance with the procedure referred to in Article 103(3) of the General Regulation and Article 11 of the Implementing Regulation;
 - f) any modification as specified in Article 57 (2) of the General Regulation;
 - g) number of on-the-spot checks carried out during the year (by quarter) and where possible those projected for the following year by quarter;

- h) number of irregularities detected and reported during the year under review;
- i) information on any follow-ups of on-the-spot checks/irregularities pending from the year under review; and
- j) information on the publicity actions undertaken and any samples supporting that action.

6.4 Reporting Requirements at Programme Level

6.4.1 *Annual Implementation Report*

1. Article 67 of the General Regulation requires the MA to prepare an AIR for each OP. The report must first obtain the approval by the respective MC and subsequently be submitted to the EC. The AIR must be submitted to the EC not later than six months after the end of each full calendar year of implementation. The first AIR for the 2007-2013 programming period is due by 30 June 2008.
2. The AIR is compiled on the basis of the information gathered through the various monitoring levels referred to previously as well as through information supplied by key horizontal stakeholders such as the CA, the AA, DoC, the Treasury Department and MEPA.
3. The AIR is drafted in accordance with the template provided in Annex XVIII of the Implementing Regulation. The report includes information on the following:
 - a) the progress made in implementing the respective OP and priority axes in relation to their specific, verifiable targets;
 - b) the financial implementation of the respective OP detailing the total expenditure paid out to Beneficiaries including claims for payments submitted to the EC and the total payments received from the EC;
 - c) indicative breakdown of the allocation of Funds by categories in accordance with the implementation rules adopted by the Commission (in accordance with Article 103.3 of the General Regulation);
 - d) steps taken to ensure quality and effectiveness of implementation;
 - e) publicity measures taken to raise awareness on the respective OP and the assistance being granted through the respective OP;
 - f) significant problems encountered throughout implementation in relation to compliance with Community regulations and measures taken to deal with such problems;
 - g) progress and financing of major projects (where applicable);
 - h) use made of funds following a financial correction (where applicable); and
 - i) reports of cases of non-compliance with the durability clause set out in Article 57 of the General Regulation.
4. Following completion of the draft AIR, the MA presents the report to the respective MC for approval in accordance with Article 65 (d) of the General Regulation. Upon the MC's approval, the MA submits the report to the EC within six months from the end of the calendar year to which the report relates to.
5. Following submission, the EC will inform the MA on the admissibility of the report within 10 working days from the date of receipt of the report. In addition, the Commission informs the

MA on its opinion on the content of an admissible report within two months from the receipt of the report.

6. The Commission can make recommendations as part of its review and the MA prepares a draft detailed reply following consultation with the relevant stakeholders. The draft response is submitted to the MC for approval whereby the latter exercises its discretion whether to implement the response as proposed or to vary the response. Once approved, the final response is sent to the EC.

6.4.2 Annual Examination of Programmes

1. Following the submission of the AIR, the EC and the MA examine the progress made in implementing the respective OP, the results achieved over the year under review together with the financial implementation and other factors which may improve implementation.
2. Following completion of the annual examination exercise, the EC may make comments to the MA and the latter informs the MC accordingly. Following consultation, the MC will approve the actions to be taken in response to the EC's comments and the latter will be informed accordingly.

6.4.3 Final Report

The MA prepares a final report (containing information similar to that of the AIR) for each OP for the 2007-2013 period. As per Article 89 (1) of the General Regulation, the final report must be submitted to the EC by 31 March 2017. The same procedure applied for preparing, approving and submitting the annual reports, is adopted for the final report.

7. Evaluation

7.1 Overview

1. The success of socio-economic development requires evaluation at various stages of implementation. Evaluation is intended to improve the use of public funds and to enhance their effectiveness and has several distinguishing characteristics relating to focus, methodology, and function. Evaluation mainly assesses the effectiveness of an ongoing programme in achieving its objectives and aims at programme improvement through a modification of current operations.
2. In the framework of EU interventions, evaluations are instruments aimed at assessing and improving the performance of projects, programmes and policies. Evaluations are independent analysis whereby the ultimate goal is to improve the design, management, coordination and implementation of programmes and projects.
3. Evaluation is an essential element of the implementation of Cohesion Policy. It serves two purposes:
 - **Learning:** it helps to improve the quality of interventions supported by the Structural Funds through lessons learnt which will feed into current and future Programmes, and;
 - **Accountability:** it provides knowledge on the performance of the Structural Funds in meeting the objectives.
4. Articles 47-49 of the General Regulation provide the basis for the evaluation of expenditure of Cohesion Policy 2007-2013. In order to gauge its effectiveness, Cohesion Policy assistance is subject to evaluations which are designed to appraise the impact of the assistance with respect to the objectives set out and to analyse its effect on specific issues. Additionally, feedback obtained from ex-ante, ongoing and mid-term evaluations could lead to a reallocation of resources and changes in implementation methods and structures.

7.2 EU Regulatory Framework

Articles 47 to 49 of the General Regulation outline the provisions relating to evaluation and describe the various forms of evaluations that need to be carried out by the MA being the authority responsible for the preparation of the programming documents.

Ex-ante Evaluation

As outlined in Article 48(2) of the General Regulation, the MA carries out, through independent evaluators, an ex-ante evaluation on OP I and OP II. An ex-ante evaluation aims to improve programming quality, by examining various parameters including:

- the lessons learnt from the previous programming period;
- the disparities with declared Commission/regional/national goals; and
- objectives and the quality of the procedures for implementation, monitoring, evaluation and financial management.

Mid-Term Evaluation

1. The General Regulation provides for a shift from a concept of mid-term evaluation driven by regulatory imperatives towards a more flexible, demand-driven approach to evaluation during the programming period ('on-going evaluation'). However, the concept of a mid-term evaluation can still be undertaken and the MA will retain the mid-term evaluation whilst strengthening on-going monitoring with the possibility of ad hoc evaluations throughout the 2007-2013 programming period.
2. Mid-term evaluations are a means to improve the quality and relevance of the programming. Thus a mid-term evaluation makes allowance for a review of appropriateness and continued relevance of the Programme strategy and also for an assessment of the effectiveness and

efficiency of its implementation, including delays in implementation and/or lack of expected absorption rates.

3. Article 48(3) of the General Regulation states that a Member State shall carry out evaluations that are linked to the monitoring of operational programmes in particular where such monitoring reveals a significant departure from the goals initially set out or where proposals are made for the revision of the OPs.
4. Article 49 of the General Regulation also makes provisions for the EC to carry out strategic evaluations where disparity from the set goals is identified throughout the implementation period.

Ex-post Evaluation

1. In accordance with Article 49(3) of the General Regulation, the EC undertakes an ex-post evaluation for each objective, in partnership with the Member State. Ex-post evaluations covers each objective under both OP I and OP II under each objective and examine the extent to which resources were used, the effectiveness and efficiency of Fund programming and the socio-economic impact.
2. The ex-post evaluation aims to identify good practice and the critical success (or failure) factors in the implementation of the two OPs.

The ex-post evaluation will be carried out by 31 December 2015.

7.3 Evaluation Criteria

The EC defines a number of generic 'key evaluation issues' that should be examined in an assessment of any EU-funded activities. These are:

- **Relevance** – the extent to which OP interventions benefit the intended target areas/groups and are relevant to their needs ('utility') and, more generally, the extent to which interventions support overall NSRF and EU goals;
- **Effectiveness** – the achievement or otherwise of the specific operational targets for OP and, more generally, the contribution these make to achieving the overall OP and NSRF aims;
- **Efficiency** – the relationship between financial inputs and the effects achieved by respective OP interventions, and value for money;
- **Impacts** – the (net) impacts achieved by the respective OP interventions; and
- **Sustainability** – the extent to which the respective OP interventions lead to durable effects that last beyond the period of funding (project level) and, more generally, beyond the 2007-2013 programming period.

7.4 Malta's Evaluation Plan for OP I & II

1. In accordance with the principles of proportionality laid down in Article 13 of the General Regulation, Member States have the responsibility to monitor OPs and to carry out evaluation activities.
2. The MA has commissioned an evaluation plan with the primary aim to provide a framework for the evaluation of the two OPs for the programming period 2007-2013. A secondary aim of this evaluation plan, which can be reached through the implementation of the plan over the years, is to contribute to evaluation capacity development in Malta and, more generally, to help develop an 'evaluation culture' in the country. This plan describes the approach that the Maltese Authorities plan to adopt both in order to meet the requirements set out in the General Regulation and to build evaluation capacity both in the public service and in the private sector.

3. The 2007-2013 Evaluation Plan builds on and further develops the previous 2004-2006 programming period, whilst keeping in mind the capacities of the different entities involved as well as the size and nature of the OPs and their different Priority Axes.

7.4.1 Envisaged Evaluations for 2007-2013 Programming Period

The following are the different types of evaluations that will be undertaken in relation to OP I & OP II for the 2007-2013 programming period. The different evaluations envisaged have been explained in the Evaluation Plan commissioned by the MA.

Ex-ante Evaluation for OP I & II

1. The MA has the responsibility of the ex-ante evaluation. The evaluation is carried out by independent evaluators with the aim of providing input to improve the programming quality of both OP I and OP II and to optimize the allocation of budgetary resources.
2. The main components of the ex-ante evaluation for OP I and OP II are:
 - an appraisal of the socio-economic analysis and the appropriateness of the ranking of the main disparities identified;
 - an evaluation of the economic rationale of the strategy and its consistency;
 - an appraisal of the coherence of the strategy of each OP with the National Strategic Reference Framework Document (NSRF), the National Reform Programme (NRP), the Community Strategic Guidelines, the pre-Budget Document and relevant sectoral policies;
 - an identification and appraisal of the Community added value;
 - an assessment of the output, result and impact indicators; and
 - an appraisal of the proposed implementation systems.

Strategic (Thematic) Evaluations

Strategic evaluations, which aim “to examine the evolution of a programme or group of programmes in relation to Community and national priorities”, look at the relevance and consistency to the national strategies and/or to specific themes and also the contribution of both OPs to the achievement of the Lisbon goals. Most of the thematic evaluations planned for the 2007-2013 programming period are mainly of a strategic nature.

Thematic Evaluation – OP I

1. The thematic evaluation exercises planned for OP I are as follows:
 - i. **Competitiveness Evaluation** - This evaluation is aimed at providing an overall assessment of the Programme effects on both existing and emerging enterprise infrastructure and investment, job creation, competitiveness of SMEs, the national capacity for RTDi, improved tourism product and increased tourism earnings, and relevant improved transport facilities.
 - ii. **Quality of Life Evaluation** – This evaluation focuses on the contribution of OP I interventions to the overall improvement of quality of life. This is done through an independent review of interventions in the fields of transport infrastructure, services of general economic interest, environment and risk prevention, urban regeneration, accessibility, educational, social and health sector.
2. Furthermore, each thematic exercise looks at the contribution of the relevant interventions of OP I to the cross cutting horizontal themes of Equal Opportunities and Environmental Sustainability. The implementation of OP I is aimed at complying with Community policies on sustainable development and equal opportunities.

Thematic Evaluation – OP II

1. The thematic evaluations planned in relation to OP II interventions are as follows:
 - i. **Higher Education and Lifelong Learning** - assessment of the contribution of OP II initiatives relating to participation in further and higher education and lifelong learning; and
 - ii. **Employability and Adaptability** - assessment of the contribution of OP II supported initiatives to the enhancement of employability and adaptability of the workforce.
2. Each thematic exercise will look at the contribution of the relevant interventions of OP II to the cross cutting horizontal themes of Equal Opportunities and Environmental Sustainability. Furthermore, the evaluations will also assess the relevance and contribution of the interventions to the ESF Principles, namely, trans-nationality and innovation.

Mid-Term Evaluation

1. Two parallel mid-term exercises are being envisaged, each considering a different Operational Programme with results and recommendations being presented separately but some common overall conclusions might be drawn.
2. The mid-term evaluation provides an opportunity to take stock of progress towards the key objectives of the respective OP. The starting point in this assessment is to undertake a comprehensive analysis of monitoring data obtained from projects in order to establish the extent to which financial and physical outputs are in line with the set targets. The results of the mid-term evaluation may prove useful in highlighting those aspects of the respective OP where a more detailed analysis is required. A top-down situational analysis and study is expected in order to draw conclusions relating to the appropriateness and relevance vis-à-vis the overall objectives. The key evaluation criteria to be considered as part of this exercise are effectiveness and relevance with some attention to efficiency aspects. Other elements may also be introduced by the MA if considered necessary at that point in time, and in line with the flexibility granted to it within the General Regulation, and indicative Commission guidelines.
3. In view of the programming period cycle, it is envisaged that the mid-term evaluation exercise is to be launched during 2009 to be finalized during the first 6 months of 2010.

In-Depth Internal Review

1. Article 48 of the General Regulation states that Member States shall carry out evaluations linked to the monitoring of the OPs in particular where that monitoring reveals a significant departure from the goals initially set.
2. If the monitoring results indicate a 'significant departure' from the targets, the MA will launch an internal in-depth review – which gives a detailed analysis of the financial and physical performance.

Tracking system

1. A tracking system addresses the need for data collection in order to be able to track the Beneficiaries' progress over time. Through this system the destinations of those who receive assistance under OP II can be determined in accordance with Article 66 of the General Regulation.
2. This tracking system will be a very important tool to feed into the evaluation exercises being planned under this OP, and will complement the ongoing monitoring of project progress. The tracking system will also be useful in the thematic evaluation exercises being proposed, the mid-term evaluation for the OP II as well as the assessment of the effect on employment as a result of the two OPs.

8. Communication Plan for 2007-2013 Cohesion Policy

8.1 Overview

Article 2 of the Implementing Regulation ensures that communication activities are carried out in a structured format and therefore are to be included in a Communication Plan drawn up by the MA. Chapter 10 (Information and Publicity) of the Manual of Procedures for Project Implementation provides guidance on the information publicity requirements at Programme and Project level, while the Communication Plan aims to identify the information and publicity measures which will be undertaken throughout the programming period at Programme Level.

8.2 Communication Strategy Framework

8.2.1 *Execution of the Communication Plan*

1. Article 69 of the General Regulation specifies that the Member State and MA for each OP is responsible for providing information and publicising operations and co-financed programmes.
2. The MA is responsible for drawing up and implementing the Communication Plan in accordance with the Implementing Regulation. It is also responsible for ensuring that the Communication Plan is integrated within all future communication strategies and guidelines at both programme and project level. This is important to ensure that all activities are well-synchronised, consistent and coordinated, and to avoid duplication or information over-load where possible.
3. In order to implement the Communication Plan, the MA has dedicated an internal Communications Team and Contact Persons to the day-to-day management and execution of the actions listed in this Plan. Some information and publicity functions are delegated to the IBs as explained in Chapter 3 of this Manual and the covenant signed between the MA and the respective IB.

8.2.2 *Objectives of the Communication Plan*

In order to meet the obligations set out in Article 69 of the General Regulation in terms of information and publicity, the MA commissioned a Communication Plan which aims to meet the strategic and operational objectives set out in the General Regulation and the Implementing Regulation.

The Communication Plan, which was officially approved by the Commission on 21st January 2008, is available for downloading through the following link: www.ppcd.gov.mt/publicity. The Plan will provide readers with further details in respect of this chapter.

1. **Strategic Objectives:** In accordance with Article 69 of the General Regulation, the strategic objectives of the Communication Plan for 2007-2013 can be summarised as follows:
 - **Ensuring transparency:** Communication activities should ensure that assistance from the Cohesion Policy Funds is transparent and accessible; and
 - **Increasing visibility and awareness:** Communication activities should highlight the role of the Community in Cohesion Policy 2007-2013, thereby increasing awareness and knowledge of the benefits and results of Cohesion Funds for the socio-economic development of the territory.
2. **Operational Objectives:** The operational objectives of the Communication Plan 2007-2013 are outlined in OP I and OP II, Section 5.3.6 as follows:
 - provide transparent information on the opportunities provided by Cohesion Policy 2007-2013 and the assistance to potential project proponents;

- devise a system that provides information about Structural Funds and Cohesion Fund interventions;
- inform the media, the general public and interested stakeholders about the role played by the EU in implementing the assistance;
- make visible results achieved through the assistance given by the Funds; and
- promote an understanding and appreciation of the role of Structural Funds and the Cohesion Fund and the EU's contribution to the overall socio-economic development of Malta and Gozo.

8.2.3 *Target Beneficiaries*

In line with Article 2(b) of the Implementing Regulation, the target beneficiaries for this Communication Plan consist of:

- i. **Potential Beneficiaries** as defined in the broad target groups identified in OPI and OPII. These include Public Sector organisations (including horizontal structures forming part of the implementation system), Government Ministries, Departments, Entities, Authorities, Public Commissions, Public Sector Foundations; Local Councils; other organisations such as Social Partners, NGOs and voluntary organisations who conform to the eligibility criteria as well as public or private firms which may be eligible for funding through aid schemes.
- ii. **Beneficiaries**, that is, organisations responsible for implementing projects selected for funding under Cohesion Policy 2007-2013, as defined by Article 2 of the General Regulation. In the context of aid schemes, these include public or private firms carrying out an individual project and receiving public aid.
- iii. **The Public**: This target group can be further sub-divided into the following two main groups:
 - The Professional Public and Potential Multipliers of Information, including the media; information agencies; research or academic institutions; local councils; social partners and NGOs; trade and professional groups; potential contractors and economic operators; lobby groups and other organisations.
 - The General Public, including both the population as whole and specific sub-groups which particular Programmes or measures are designed to assist.

8.2.4 *Message Content of the Communication Plan*

1. To ensure that Communication Activities are delivered in a consistent and targeted manner during the entire implementation period, key communications messages are given continuous exposure. In accordance with Article 9 (c) of the Implementing Regulation the MA chose the statement 'Investing in your future' as its key communication message in order to highlight the added value of the Community interventions. . This statement will be accompanied by the title of the respective Fund concerned⁷³ to highlight the valuable contribution of the Community's interventions. These statements will feature on all information and publicity measures aimed at the target audience listed above.
2. In view of the fact that Malta has two official languages: Maltese and English, it is envisaged that both languages are used in the activities depending on the target audience and the nature of the publicity action. The use of Maltese is encouraged to ensure the widest audience possible.

⁷³ ERDF/CF, ESF, or both.

8.2.5 *Timing*

Some events are related to the Programming cycle and must therefore be implemented within strategic time-frames. Communication activities relating to results will be launched towards the mid to latter half of the programming period. It is also important to point out that although most activities will be implemented during the period 2007-2013, certain communication activities – particularly those relating to results – may be conducted until 2015.

8.3 Information and Publicity Measures

The Communication Plan for Cohesion Policy for Malta for 2007-2013 has identified a total of eleven information and publicity measures which can convey the value added of Community's interventions.

8.3.1 *Visual Identity*

1. In order for communication activities to be successful, it is imperative that measures related to Cohesion Policy 2007-2013 are immediately and consistently recognisable by all target audience in Malta and Gozo over the entire programming period. Therefore a coordinated visual identity was drawn up and developed by the MA including the creation of logos per fund.
2. Supplementary to the development of the logos, the MA has prepared the Visual Identity Guidelines which provide guidance on the coordinated visuals that must be used in order to ensure that measures related to the Structural Funds and Cohesion Fund assistance are immediately and consistently recognizable by all target audiences in Malta and Gozo over the entire programming period. The Visual Identity Guidelines can be downloaded from www.ppcd.gov.mt/publicity. These guidelines complement Chapter 10 of the Manual of Procedures for Project Implementation.
3. All documents, publicity and information items, publications or measures are to include the following *visual identity requirements* in accordance with Article 9 of the Implementing Regulation and in line with national requirements:
 - The National Flag of Malta
 - The EU Emblem
 - The Relevant Cohesion Policy Logo
 - The Compulsory Text adapted to the publicity measure ⁷⁴

The visual identity requirements are to follow the layout presented in the Visual Identity Guidelines.

8.3.2 *Advertising*

A number of creative and appealing communication activities are employed to publicise the funding Programmes and deliver the key messages to the target audience. These activities support the identity of the OPs on a recurring basis, provide viewers/readers with updated information whilst at the same time increasing their awareness about the role of the EU's assistance in the socio-economic development of Malta and Gozo.

⁷⁴ Refer to Chapter 10 of the Manual of Procedures for Project Implementation for the relevant compulsory text.

8.3.3 *Promotional Material*

1. With the aim of boosting promotional measures in a creative and very attractive way, the MA develops a series of branded items that can be distributed at the MA's key events as free promotional material. Where possible, and according to availability, the use of environmentally friendly items and materials will be used.
2. All promotional items – including their colours, materials, dimensions and design – must be consistent to the campaign/event in question. Logos and text will be included on all items as per the Implementing and General Regulations, and where relevant and space viable, the inclusion of the main specific slogan and/or logo(s) of the campaign/event. The items could also include the MA's website(s), and if necessary any other required links, which would direct the public to obtain further information most suitably via a website or any other communications access point.

8.3.4 *Informative Publications and Collateral Material*

Information materials are essential to ensure successful message dissemination since these could play a key communicative role. A solid distribution base ensures that all items are delivered to the actual target audience, thus facilitating message consumption.

8.3.5 *Media Relations*

1. It is important to ensure that citizens are kept informed about Cohesion Policy and its impact on the national sphere and people's daily lives in Malta. It is also useful for news to be communicated through a 'human interest' approach, showing the public how Cohesion Policy is of relevance to them personally and to their quality of life. The MA should also focus on communicating success stories, focusing on concrete results and achievements.
2. The communications team within the MA aims to consolidate its links and relations with the media and other distributors of information in order to ensure that the right opportunities are created in the print media, internet, radio and TV to promote opportunities, progress and success of the respective OP. The media is welcomed to gain more concise knowledge about Cohesion Policy (2007-2013) and the respective OP through invitations to mainstream Information Events.

8.3.6 *Information Events*

1. It is the intention of the MA to undertake a number of events and outdoor initiatives with the aim to keep the campaign accessible and to encourage a consistent dialogue with the internal and external target groups. A mixture of events will be undertaken throughout the whole programming period with some events consisting of national public events such as Annual Information events⁷⁵ aimed for the whole spectrum of the target groups, whilst internal events target a narrower range of sub-groups, such as institutional stakeholders.
2. These events enable the MA to connect with the target audiences and to allow for two-way debate and feedback. The main aspects of these events are to keep the public informed, to deliver transparent information, to create awareness, and to highlight Structural Funds and Cohesion Fund success stories.

⁷⁵ Article 7.2 (b) of the Implementing Regulation requires the organization of at least one major information event per year.

8.3.7 *Launching of the Operational Programmes & Information Seminars*

1. In accordance with Article 7.2(a) of the Implementing Regulation, the MA undertook a commitment to launch officially both the Cohesion Policy for 2007-2013 and Malta's OPI and OPII at a high level event with the target audience of the launch being the stakeholders, the potential beneficiaries and the media.
2. Following the official launch, and ahead of the call for applications, the MA organises a set of Information Seminars aimed at providing potential beneficiaries with concise information on the call being launched.
3. Should any major changes to the Operational Programmes be effected at any time during the programming period, these changes are communicated to the stakeholders.

8.3.8 *Audio Visual Products*

Following the MA's experience through the audio visual material utilised through the 2004-2006 Structural Funds campaign, it is the intention of the MA to utilize these effective products throughout the 2007-2013 programming period. The production and distribution of audio-visual items facilitates the dissemination of information to the public and to the media. These materials – alongside the national website – are very useful in clearly explaining documents and policies, sharing best practices and disseminating information about the Structural Funds and Cohesion Fund assistance.

8.3.9 *Website*

1. The MA seeks to build on the success achieved through the Government's experience in relation to e-Government, which has enabled Malta to rank second in terms of electronic government among 31 European countries. Malta is the fourth country in the world to have the most internet users according to an International Telecommunication Union world rating. This modern tool provides a level of flexibility and interactivity that is unlike that of any other medium.
2. A newly designed website for the PPCD has been developed within a common and consistent framework of websites falling under the Office of the Prime Minister. The new website acts as the cornerstone for communications initiatives throughout the entire implementation period. The website contains information on all Programmes and Initiatives managed by PPCD, including a specific section on Cohesion Policy (2007-2013) Programmes and contains all the available pertinent information relating to the OPs.
3. The site carries downloadable versions of all relevant documentation, including the lists of beneficiaries, the names of the operations, a short description of the projects, and the amount of public funding allocated to the operations as well as the information required by the Implementing Regulation.
4. The portal is equipped with the MA's generic email link info.ppcd@gov.mt which functions as an Email Helpdesk, as described in Sub-Section 8.3.10 below.

8.3.10 *Helpdesk*

1. The generic email info.ppcd@gov.mt has been set up with the aim of facilitating the communication process between the MA and the general public, stakeholders and potential beneficiaries.

2. The Email Helpdesk info.ppcd@gov.mt allows users to send questions and receive appropriate responses by e-mail. This provides for a direct contact with all stakeholders and enables the MA to gather opinions and suggestions.
3. The Helpdesk mainly targets the potential beneficiaries and the general public who require more in-depth and specialist information on a one-to-one basis. This Helpdesk is manned by the MA's Communication Unit, whose contact details are publicised, in accordance with Article 5 of the Implementing Regulation.
4. It is envisaged that this MA Help Desk could also collaborate with other information points already operating across the Maltese islands, including the Euro-Info Correspondence Centre, MEUSAC the European Commission Representation for Malta as well as the EU Fund Desk Officers within the various Government Ministries and entities.

8.3.11 *Mail shots*

Throughout the programming period, the MA plans to utilize this e-distribution tool as it offers the possibility of sending information and promotional material rapidly and directly to interested parties within predefined target categories and email databases.

8.4 **Monitoring, Evaluation and Reporting**

1. The successful implementation of the Plan depends on ensuring that all decisions made are based on sound information. The effectiveness of communications interventions needs to be measured on a regular basis to ascertain that the desired level of message penetration is being achieved.
2. Evaluation and monitoring exercises shall be proportional to the information and publicity measures identified in the Plan. Evaluation exercises should monitor the popularity of the OPs and increase the public general awareness of its existence and knowledge of key projects. The MA is to carry out a number of basic measures to facilitate the collection and assessment of the data required for the ongoing monitoring and reporting.
3. The MC of the respective OP is to be informed of the progress in the implementation of the Communication Plan and; the information and publicity measures carried out and the means of communication used.
4. Annual reports and the final report on the implementation of the respective OP include examples of information and publicity measures and the content of any major amendments to the Communication Plan.
5. The AIR for the year 2010 and the final implementation report shall contain a chapter assessing the results of the information and publicity measures in terms of visibility and awareness of the respective OP and of the role played by the Community. The means used for implementing, monitoring and evaluating the Communication Plan shall be proportional to the information and publicity measures identified in the Plan.

9. Technical Assistance

9.1 Overview

1. Technical Assistance (TA) supports and accompanies the programme implementation in accordance with Article 46 of the General Regulation. The TA supports actions related to management, monitoring, evaluation, control, information and publicity of the respective OP.
2. Priority 7 of OP I provides for TA for the needs arising under ERDF and CF while Priority 5 of OP II caters for the needs arising under ESF. The TA is managed by the MA.

9.2 General Objectives of the TA

The general objectives of the TA are to:

- ensure the proper administration of the programme through an effective application of regulations;
- ensure the smooth implementation of the respective OP with regard to the defined objectives of the respective OP;
- optimise the programme quality and efficiency of the interventions; and
- increase the visibility and awareness of Cohesion Policy interventions through dissemination of relevant information and targeted publicity actions.

9.3 Roles & Responsibilities in the utilisation of the TA

Head of OP, MA

The MA's Head of the OP shall have the overall responsibility for the TA budget within the OP. The Head shall approve, in principle, all the initiatives to be funded through TA

TA Manager

The MA appoints a TA Manager for the day-to-day management of the TA of the respective OP. The TA Manager, works closely with the Senior Manager under the supervision of the Head of the respective OP, and acts as the overall coordinator of the Technical Assistance budget line. The TA Manager:

- receives applications from Applicants;
- carries out preliminary checks of the application and following discussions with the Senior Manager makes recommendations to the Head together with the preparation of the necessary documentation in order for the Head of the respective OP to carry out an informed decision;
- informs the Applicant of the approval/rejection of the request/s for TA;
- monitors budgetary allocations by component;
- draws up the necessary reports on implementation;
- coordinates procurement (where applicable) and payment processes;
- liaises with Department of Corporate Services, Office of the Prime Minister (DCS,OPM) and Line Ministries; and
- retains documents as per Manual of Procedures for Project Implementation.

The Applicant

1. Eligible Applicants for TA are those stakeholders involved in the management, implementation and control of the relevant OP/Cohesion Policy. These include the MA, CA, AA, Treasury Department, DoC, IBs and LMs.

2. The Applicant should fill in the request for approval for TA Funding and must ensure that the relevant TA form is filled in correctly and that all the necessary documentation is provided. The application form should be signed by the Applicant's Head of Department/Unit.
3. The Applicant is responsible for the procurement process and for the drafting of the tendering documents/call for specifications to proceed with the procurement of the item requested, once approved. When the Applicant is the respective OP Unit responsible for the TA, the procurement may in certain instances be undertaken by the TA Manager.

Financial Control Unit

The Financial Control Unit (FCU) within the MA is responsible for carrying out administrative and on-the-spot checks in relation to operations co-financed through the TA. Checks are carried out by the FCU in line with Article 13 of the Implementing Regulation and shall cover administrative, financial, technical and physical aspects of the TA. This unit is under the direct supervision of the Director General PPCD.

9.4 Implementation Process

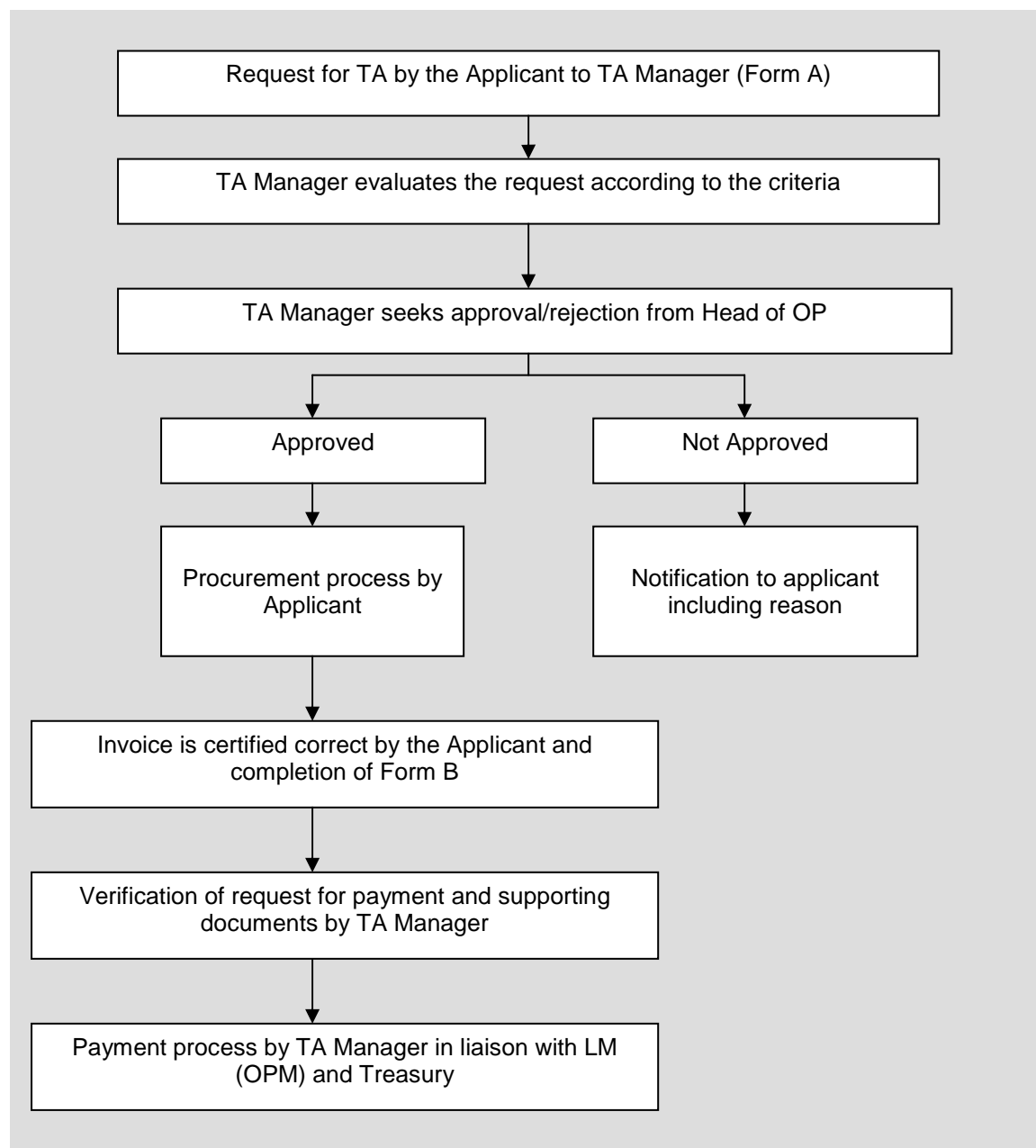
1. The Applicant drafts a TA request, through Form A - Request for Approval, which should be accompanied by supporting documents outlining the necessity and the rationale of the request; quantities; cost estimates; procurement procedure to be undertaken in line with value of request. The TA request is to be signed by the Head of the department/unit and is then submitted to the respective TA Manager within the MA.
2. The TA Manager carries out an evaluation of the request in line with the relevant criteria and following discussions with the Senior Manager seeks the approval/rejection from the Head of the relevant OP.
3. The TA Manager informs the Applicant whether the request has been approved or otherwise.
4. If approved, the Applicant undertakes the procurement process in line with Public Procurement Regulations.

9.5 Payment Process

MA as beneficiary of TA

1. The relevant TA Manager certifies the invoices for the TA related expenditure undertaken by his/her respective OP Unit, upon delivery. In the case of procurement undertaken by other units/departments within the MA, the required certification of the invoice is carried out by the relevant unit/department that has carried out the procurement process. After the invoices are certified correct, the Applicant is obliged to complete Form B - Request for Payment/Reimbursement. All relevant documentation is forwarded to the TA Manager.
2. TA Manager confirms Form B, processes the payments through the SFD and forwards the necessary documentation to the LM (OPM). LM submits documents to Treasury for continuation of the payment process.

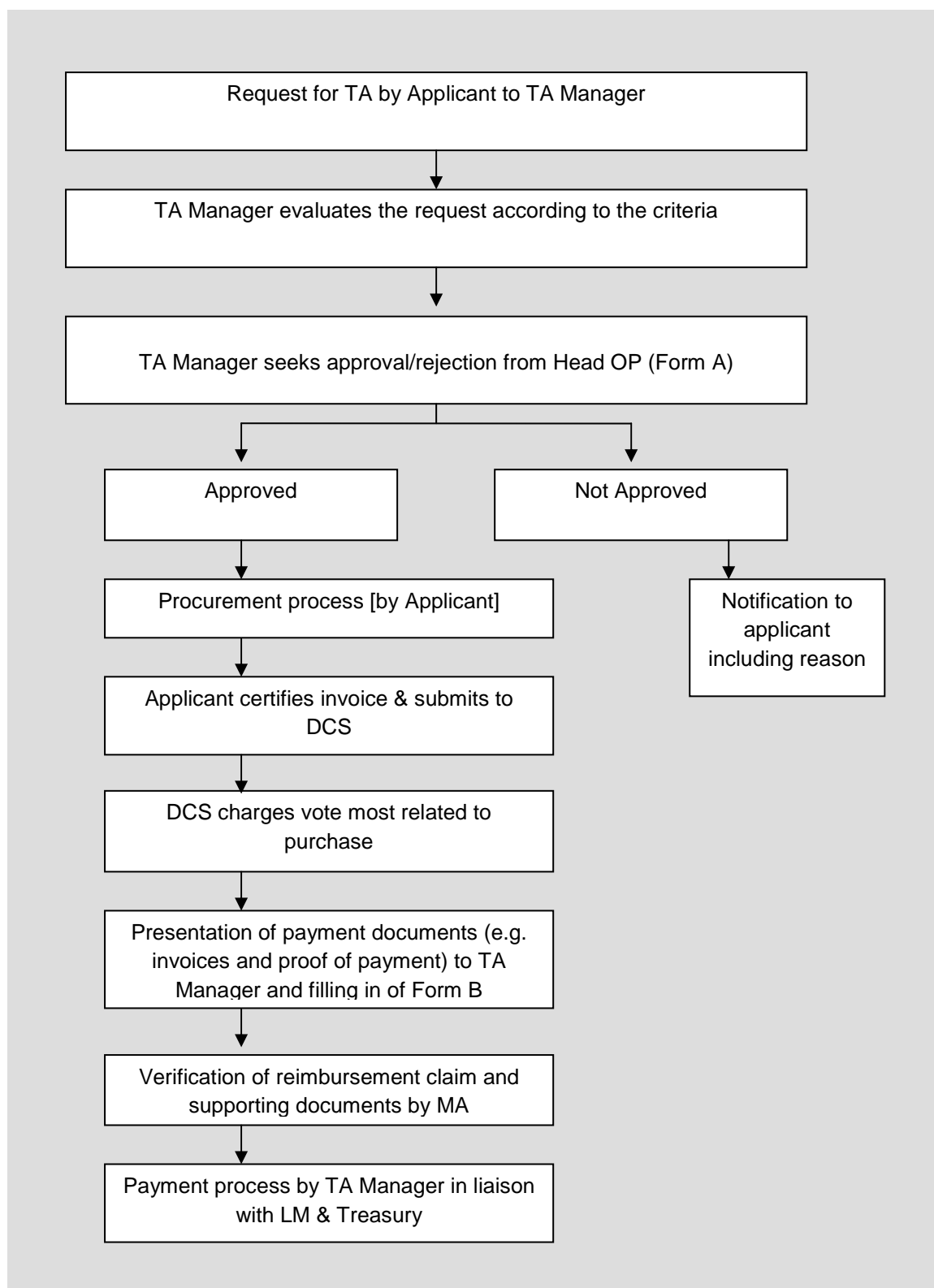
Figure 1 – Implementation/Payment Process [where the MA is applying for TA]



Other Horizontal stakeholders as Beneficiaries of TA:

1. If the beneficiary of the TA is a horizontal stakeholder, the Applicant certifies the relevant invoice/s and submits the documentation to the DCS of the respective LM. The latter charges the budget vote which is mostly related to the purchase in question and proceeds with the payment to the relevant supplier.
2. Once payment has been effected, the Applicant submits the documentation together with proof of payment and Form B to the TA Manager at the MA. The TA Manager is to initiate the reimbursement process. Once payment is completed through the SFD from MA's end the necessary documentation is forwarded to the LM. LM submits documents to Treasury for the continuation of the payment process.

Figure 2 – Implementation/Payment Process [where the Applicant is a horizontal stakeholder]



9.6 TA Request Forms

Operational Programme I 2007-2013 *Investing in Competitiveness for a Better Quality of Life*

TECHNICAL ASSISTANCE FORM A - REQUEST FOR APPROVAL



Applicant's Details

Name of applicant ¹	Telephone number
Designation	Fax number
Department/Organisation	Email address
Ministry	Applicant's signature

Items being Requested

Item/Title of overseas event ²	Detailed Description ³	Justification ⁴	Estimate in Euros ⁵ <i>to be filled ex-ante by applicant</i>
eg. Item A			
eg. Item B			
Overall Cost in Euros			

In which aspect of the implementation of the OP/Cohesion Policy are you/organisation making the request involved in?

In which way does the request contribute to the achievement of the concerned priority objectives of Cohesion Policy (in terms of capacity, regulatory issues, timely implementation and/or regularity of operations)?

How is the request going to address & continue to address horizontal priorities (equal opportunities & environmental sustainability)? (where applicable)

Procurement process foreseen to be used (N/A in the case of travel)

Director Approval

<input type="checkbox"/> Approved	<input type="checkbox"/> Rejected	Date	Official stamp MA	Signature of approval of Head OP
--	--	------	-------------------	----------------------------------

For Office Use only

TA request Ref No	Validity of TA approval
-------------------	-------------------------

*Notes:

¹ Applicant

The applicant should be the head of department/Unit and not the individual

² Item

Name of item requested by applicant. In the case of overseas event the title of the event should be provided

³ Detailed description

Details and specifications of the items requested, quantity of items, location of items, etc. In the case of overseas event, the location, date & organisers of event must be provided, the agenda must also be attached. If the applicant is not the attendee then the attendee's details (full name & designation) are to be provided.

⁴ Justification

The intended use of the items requested must be clearly explained. In the case of capacity building, a detailed explanation is to highlight how the event to be attended is clearly linked to the attendee's role in the implementation of the OP/Cohesion Policy.

⁵ Estimate in Euros

Estimate is to exclude any ineligible expenses. The estimate should only quote a breakdown of the estimated eligible amount.



Operational Programme I – Cohesion Policy 2007-2013
Investing in Competitiveness for a Better Quality of Life
Operation part-financed by the European Union
European Regional Development Fund (ERDF) and Cohesion Fund
Co-financing rate: 85% EU Funds; 15%



TA Request Form A
(OPI template).

Note that the OPII
version of this
template is based on
the same structure.

Operational Programme I 2007-2013 Investing in Competitiveness for a Better Quality of Life
TECHNICAL ASSISTANCE
FORM B- REQUEST FOR PAYMENT / RE-IMBURSEMENT APPLICATION



TA approval sought through Form A ¹	yes		no		Ref No (given through Form A ¹)
Procurement letter ² as approved by DG/Perm Sec of department	yes		no		

Financial Details												
Section A - to be filled in by applicant												
Item	Quotation 1 ³ /Bidder 1 ⁴			Quotation 2 ³ /Bidder 2 ⁴			Quotation 3 ³ /Bidder 3 ⁴			Successful bidders		
	€	VAT ⁵	Total	€	VAT ⁵	Total	€	VAT ⁵	Total	€	VAT ⁵	Total
eg. Item A												
eg. Item B												

Section B									
Actual in Euros					Verified in Euros				
<i>to be filled in & signed ex-post by TA Manager</i>					<i>to be filled in & signed ex-post by TA Manager</i>				
1.1. Item - Successful bidders					1.2 Overseas Event				
€	VAT ⁵	Total	€	VAT ⁵	Total	<i>to be filled & signed ex-post by DCS</i>	<i>to be filled in & signed ex-post by TA Manager</i>		
eg. Item A Quotation 2/bidder 2						Flights			
eg. Item B Quotation 1/bidder 1						Daily Allowance quoted in travel circular ⁶			
Signature					Signature				
					Total amount				

The Procurement Procedure carried out respects the general guidelines in the MOP/instructions given by DOC (delete where applicable)

For Official Use only				
<input type="checkbox"/> Approved	<input type="checkbox"/> Rejected	Date	Official stamp MA	Signature of TA Manager

***Notes:**
¹ Form A Technical Assistance - Request for Approval
² Procurement letter Procurement letter is to be attached to Form B
³ Quotations 1, 2 & 3 3 (or more) quotations should be submitted for each item (where applicable). The cheapest should be chosen (where applicable)
⁴ Bidder 1.2.3 The first 3 ranked bidders are to be quoted when the method of procurement chosen is through tender
Documentation: In the case of **Overseas event** the following documentation is required for payment for treasury:
 1. Flight ticket payment receipt 2. Signed GA 27A (public officers) 3. Statement of Expenditure 4. Financial Identification Form (non-public officers) 5. Flight tickets & boarding passes 6. Accommodation receipt(s) if necessary 7. Conference payment receipt(s) 8
 For all **other TA expenditure** relevant documentation including full details of technical specifications of items, necessary justifications, quotations and original invoices should be attached.
 For TA reimbursements the original rec

TA Request Form B (OPI template). Note that the OPII version of this template is based on the same structure.



Managing Authority
Planning and Priorities Coordination Division

Office of the Prime Minister
12, St. Paul's Street
Valletta VLT 1210
Malta



Tel. Nos.: +356 2200 1142/3
Fax no.: +356 2200 1141
Email: info.ppcd@gov.mt
Web: www.ppcd.gov.mt