

**3rd Monitoring Committee**

**The EEA FINANCIAL MECHANISM**  
**and**  
**The NORWEGIAN FINANCIAL MECHANISM**

**2009–2014**

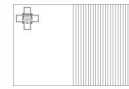
**National Focal Point – Malta**

Nicholas Bugeja, 31 January 2014

## EEA and Norway Grants 2009-2014

### Overall Objectives:

- To **reduce economic and social disparities** within the European Economic Area
- To **strengthen bilateral relations** between Donor States and Beneficiary States (15 in Central and Southern Europe)

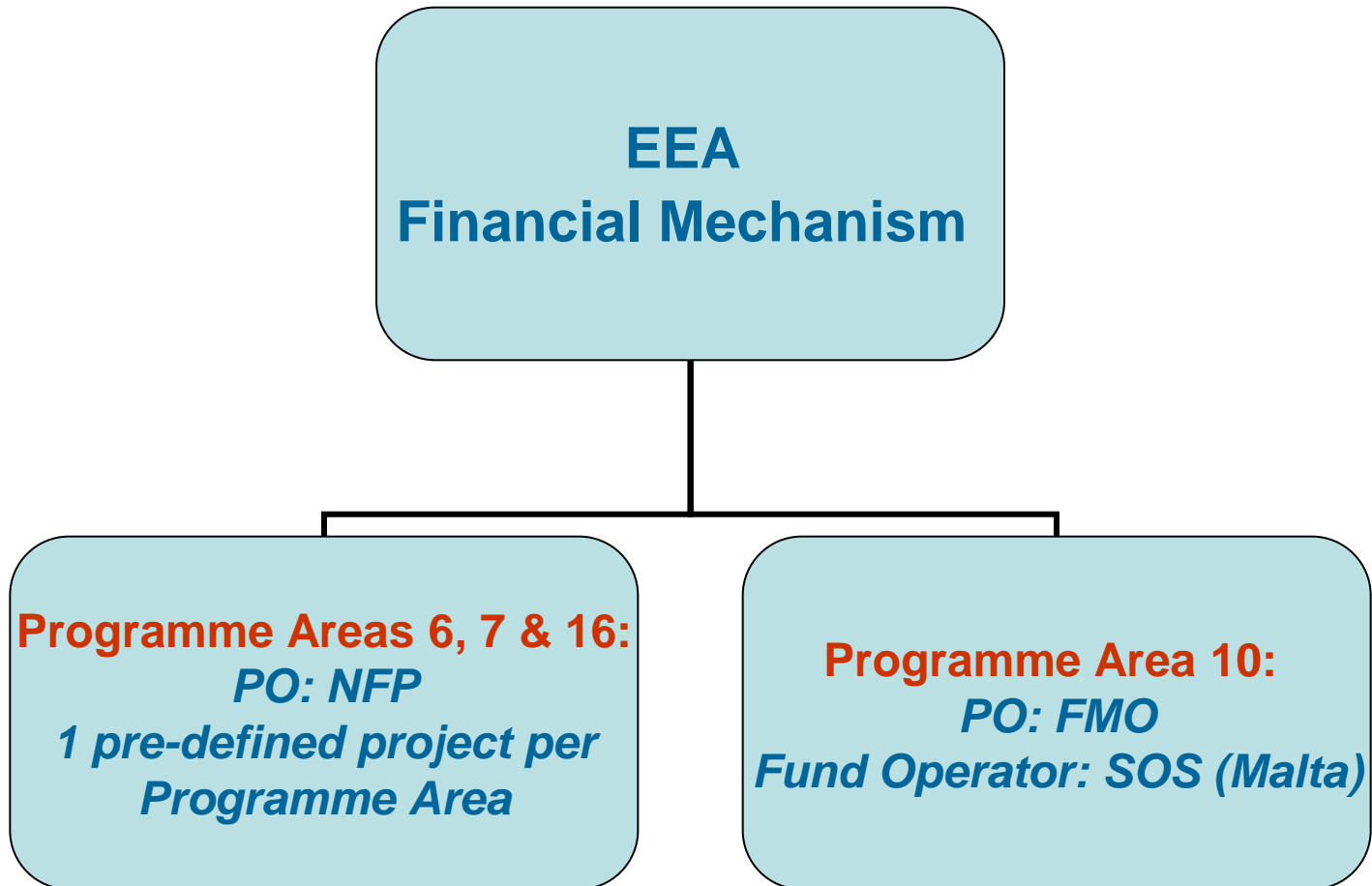
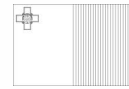


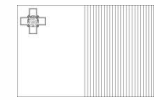
# EEA and Norway Grants 2009-2014 Programme Agreements

Date of signature: 9 April 2013

Final eligibility date: 30 April 2017

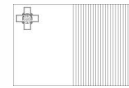






# Pre-defined projects (EEA Grants)

Programme Areas for Malta	Pre-defined project	EEA Grant (€)	Project Promoter	Project Partner
<b>EEA Financial Mechanism Programme (MT 02)</b>				
<b>Programme Area 6:</b> Renewable Energy	CO <sub>2</sub> Energy – Development of an Algae-derived Bio-Fuel Production Plant for CO <sub>2</sub> Sequestration from Waste Management Activities in Malta	806,288	WasteServ Malta Ltd	-
<b>Programme Area 7:</b> Adaptation to Climate Change	Oil/HNS Spill Response Capacity Building for the Protection of Malta's Seas	442,202	Transport Malta	The Norwegian Coastal Administration (Kystverket)
<b>Programme Area 16:</b> Conservation and Revitalisation of Cultural and Natural Heritage	A new environment management system for the Hal-Saflieni World Heritage Site	748,425	Heritage Malta	-

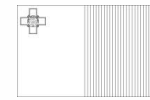


## Norwegian Financial Mechanism

**Programme Areas 25 & 32:**  
*PO: NFP*  
*1 pre-defined project per  
Programme Area*

**Programme Area 22:**  
*Fund Operator:*  
*Innovation Norway*

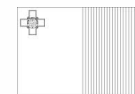
# Pre-defined projects (Norway Grants)



Programme Areas for Malta	Pre-defined project	Norway Grant (€)	Project Promoter	Project Partner
<b>Norwegian Financial Mechanism Programme (MT 04)</b>				
<b>Programme Area 25:</b> Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities	A Partnership for Creative Governance	273,680	Department for Local Government (DLG)	Local Councils Association; The Norwegian Association of Local and Regional Authorities (KS); Council of Europe
<b>Programme Area 32:</b> Correctional Services, including Non-custodial Sanctions	Renewing the Young Offenders' Unit of Rehabilitation Services (YOURS)	1,092,720	Department for Correctional Services	-

# Programme Areas 10 and 22

*Not operated by the NFP*



Programme Areas for Malta	Programme Grant (€)	Fund Operator	Project Promoter
<b>EEA Financial Mechanism (MT 02)</b>			
<b>Programme Area 10:</b> Funds for Non-governmental Organisations	500,000	Solidarity Overseas Services (SOS) Malta	SOS Malta has concluded the selection process following the issue of the first call for project proposals
<b>Norwegian Financial Mechanism (MT 04)</b>			
<b>Programme Area 22:</b> Global Fund for Decent Work and Tripartite Dialogue	16,000	Innovation Norway	Proposal by the Department for Industrial and Employment Relations (DIER) selected following a call issued by Innovation Norway in March 2012

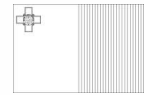




**Overview of the implementation of  
the EEA FINANCIAL MECHANISM  
and  
the NORWEGIAN FINANCIAL MECHANISM  
2009 – 2014**

**2013**

# Key activities – 2013

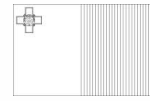


## January

- **Second Meeting of the Monitoring Committee**
- **Submission of the first Strategic Reports and Audit Plan**
- **Revision of the Monitoring Plan**

## April

- **Signature and launch of the Programme Agreements**
- **Annual Meeting with the Donors**
- **Approval of the Description of the Management and Control System (DMCS)**



## Key activities – 2013 *(continued)*

### July

- System Audit on management controls by the Audit Authority
- Signature of Project Contract – Heritage Malta
- Signature of Project Contract – WasteServ Malta Ltd

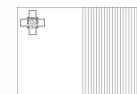
### December

- Signature of Project Contract – Transport Malta
- Signature of Project Contract – Department for Local Government

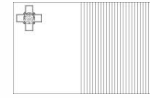
### Submission to the Certifying Authority of:

- Interim Financial Reports 4, 5 and 6 for Programme MT 01 (Technical Assistance) and Interim Financial Report 1 for Programmes MT 02 (EEA Grants) and MT 04 (Norway Grants)
- Forecasts of likely payment applications

# Budget review



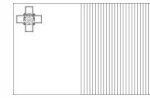
	<b>EEA Grants (MT 02)</b>	<b>Norway Grants (MT 04)</b>
Total eligible expenditure	€2,516,471	€1,694,118
Expenditure incurred	€31,824	€8,987
Expenditure verified and claimed (IFR 1)	€24,236	€4,930



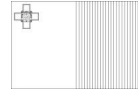
## Funds for Bilateral Relations



- **At national level** (Article 3.5 of Regulations)
  - **€22,500** (= 0.5% of the total allocation)
  - Managed by the **NFP**, no additional co-financing required
- **At programme level** (Art. 3.6 of Regulations)
  - **€53,685** (= 1.5% of the total EEA and Norway Grants share under each programme)
  - Managed by the **PO**, additional 15% co-financing required



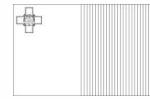
## Funds for Bilateral Relations at National Level



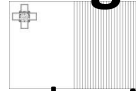
To strengthen bilateral relations between the Donor States and Beneficiary States

**Total eligible expenditure is €22,500, distributed as follows:**

- €6,000 for participation in workshops organised by FMO / Donor States
- €11,000 for project preparation meetings between Project Promoters and Project Partners from Donor States
- €5,500 to hold a seminar on a theme of common interest. This seminar is envisaged for mid-2014



## Funds for Bilateral Relations at Programme Level

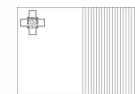


To facilitate networking, exchange, sharing and transfer of knowledge, technology, experience and best practices between Project Promoters and Donor State entities

**Eligible expenditure: €53,685 (EEA and Norway Grants share, additional 15% co-financing required)**

The PO will issue a call for expression of interest among the current Project Promoters to facilitate networking with partners from the Donor States on themes related to the programme areas selected for Malta, but outside the framework of the existing pre-defined projects.

# Indicative work plan – 2014

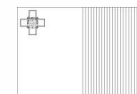


Period	Activity	Responsibility
January	Third Monitoring Committee	NFP
	Submission of combined Strategic and Annual Programme Reports together with Annexes and Annual Meeting draft Agenda to FMO	
	Launch of Project MT02/2 'Oil/HNS Spill Response Capacity Building for the Protection of Malta's Seas'	Transport Malta
February	Launch of Project MT04/1 'A Partnership for Creative Governance'	Department for Local Government
March	NFP/PO participation at FMO Communication Workshop in Bucharest	NFP/PO > FMO
	Third Annual Meeting and approval of combined Strategic and Annual Programme Reports	NFP > FMC/NMFA
	Interim Financial Reports for programmes MT01, MT02 and MT04	NFP/PO>CA
April	Publication of combined Strategic and Annual Programme Reports and Annual Meeting minutes on FPD website	NFP
June	Seminar on theme of common interest (Funds for Bilateral Relations at National Level)	NFP/PO+FMO+FMC+NFMA
Q2	Implementation of enhancements to the Computerised Accounting Records System (CARS)	NFP/PO
July	Interim Financial Reports for MT01, MT02 and MT04	NFP/PO>CA
September	Submission of Annual Technical Assistance budget for 2015	NFP > CA> FMC/NMFA
November	Interim Financial Reports for MT01, MT02 and MT04	NFP/PO>CA



# MT 02 Monitoring Plan

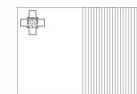
## Activities planned for 2014



Project #	Name Project	Monitoring action	Planned timing: Q1, Q2, Q3, Q4	Criteria for monitoring (especially for site visits)	Risk issue with the project (if applicable)	Comments
All	All	Computerised Accounting Records System	Ongoing	Financial management, monitoring of expenditure, verifications	Not related to any specific risk. Ongoing monitoring.	-
MT02/1	CO2 Energy: Development of algae-derived bio-fuel production plant	Project Progress Report	Q1, Q2, Q3	Periodical reporting	Not related to any specific risk. Regular monitoring.	-
MT02/2	Oil/HNS spill response capacity building for the protection of Malta's seas	Project Progress Report	Q2, Q3	Periodical reporting	Not related to any specific risk. Regular monitoring.	-
MT02/3	A new environmental management system for the Hal Saflieni Hypogeum World Heritage Site	Project Progress Report	Q1, Q2, Q3	Periodical reporting	Not related to any specific risk. Regular monitoring.	-

# MT 02 Monitoring Plan

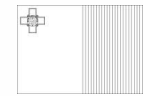
## Activities planned for 2014 *(continued)*



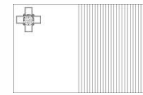
Project #	Project name	Monitoring action	Planned timing: Q1, Q2, Q3, Q4	Criteria for monitoring (especially for site visits)	Risk issue with the project (if applicable)	Comments
All	All	Bilateral meetings	Quarterly	Periodical monitoring	Not related to any specific risk. Regular monitoring	-
MT02/3	A new environmental management system for the Hal Saflieni Hypogeum World Heritage Site	On-the-spot check	Q1	Very low impact	A service contract has been entered into by the Project Promoter. The will go on site to perform procurement checks.	This on-site visit will be undertaken as part of the obligations to perform at least one on-site visit per programme per year.

# MT 04 Monitoring Plan

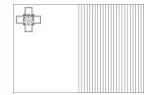
## Activities planned for 2014



Project #	Project name	Monitoring action	Planned timing: Q1, Q2, Q3, Q4	Criteria for monitoring (especially for site visits)	Risk issue with the project (if applicable)	Comments
All	All	Computerised Accounting Records System	Ongoing	Financial management, monitoring of expenditure, verifications	Not related to any specific risk. Ongoing monitoring.	-
MT04/1	A partnership for creative governance	Project Progress Report	Q2, Q3	Periodical reporting	Not related to any specific risk. Regular monitoring.	-
All	All	Bilateral Meetings	Quarterly	Periodical reporting	Not related to any specific risk. Regular monitoring.	-
MT04/1	A partnership for creative governance	On-the-spot checks	Q1	Very low impact	A service contract has been entered into by the Project Promoter. The PO will go on site to perform procurement checks.	This on-site visit will be undertaken as part of the obligations to perform at least one on-site visit per programme per year.

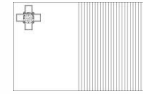


- No irregularities were detected during 2013
- Systems Audit carried out by the Audit Authority on the management controls performed by NFP and PO
- No systemic risks were identified by the Audit Authority



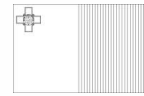
## Launch of the EEA and Norway Grants 2009-14 (9 April 2013)





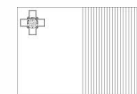
## Site visit to Project MT02/1 'CO<sub>2</sub> Energy' at Magtab (April 2013)





## Launch of Project MT02/3 at the Hal-Saflieni Hypogeum (July 2013)

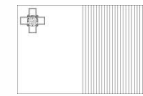




## Risks at National Level

Type of objective	Description of risk	Mitigation planned/done
Cohesion objective: Reducing economic and social disparities in the EEA	Insufficient time for project implementation	End date allows a buffer between the project end date and the final eligibility date of the Programme.
Bilateral objective: To Strengthening of bilateral relations with the 15 in Central and	Insufficient cooperation of Donor Project Partners	Close and regular contact between NFP/PO and Project Promoters in order to alert FMO in a timely manner.
Operational issues	Possible delays in public procurement procedures	Regular contact between NFP/PO and Project Promoters. Regular contact between Head of NFP/PO and the Department of Contracts.
	Delay in signature of MT04/2 Project Contract Project may not be completed by final eligibility date of 30 April 2017	A site is in the final stages of being identified. MEPA was an active partner in the new site selection process.
	The Technical Assistance budget is likely to be insufficient to cover Malta's participation in all the FMO workshops / seminars over the whole implementation period	Technical Assistance budget has been restricted to NFP only.

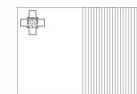




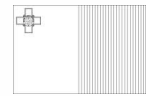
## Risk Assessment at Programme Level

Risks	Mitigation
Risks identified within each project	Regular bilateral meetings with Project Promoters; Periodical Progress Reports and on-the-spot checks
Staff retention and resignations	Reinforced capacity
Non-timely cooperation between stakeholders	Consistent and vigilant monitoring; Follow up actions with Project Promoters
Tender offers exceeding available budget	Provision of a realistic financial allocation in the annual Budget Estimates

# Verified Expenditure 2013 – Technical Assistance and Funds for Bilateral Relations at National Level



	Allocation	IFR4	IFR5	IFR6
Technical Assistance	€45,000	€4,896	€2,338	€1,045
Funds for Bilateral Relations at National Level	€22,500	€1,685	€0.00	€0.00
<b>Total</b>	<b>€62,500</b>	<b>€6,581</b>	<b>€2,338</b>	<b>€1,045</b>



**Thank you**