

FRAMEWORK AGREEMENT

between

**THE GOVERNMENT OF THE REPUBLIC OF
MALTA**

and

THE SWISS FEDERAL COUNCIL

on

**THE IMPLEMENTATION OF THE SECOND SWISS
CONTRIBUTION TO SELECTED MEMBER STATES OF
THE EUROPEAN UNION TO REDUCE ECONOMIC AND
SOCIAL DISPARITIES WITHIN THE EUROPEAN UNION**

THE GOVERNMENT OF THE REPUBLIC OF MALTA (hereinafter referred to as the 'Malta'),

and

THE SWISS FEDERAL COUNCIL (hereinafter referred to as 'Switzerland')

hereinafter collectively referred to as the 'Parties' and individually as the 'Party'

- NOTING the solidarity of Switzerland with the endeavours of the European Union (EU) to reduce economic and social disparities within the EU;
- COMMITTED to further reducing the economic and social disparities within the EU and within Malta;
- BUILDING upon the successful cooperation between the Parties during Malta's transition process leading to its accession to the EU and within the framework of the Swiss contribution to the enlarged EU;
- SHARING AND PROMOTING the fundamental values of democracy, the rule of law and political pluralism;
- RESPECTING AND DEFENDING human rights, human dignity and fundamental freedoms;
- REFERRING to the United Nations Sustainable Development Goals;
- HAVING REGARD to the friendly relations between the Parties;
- DESIRING to further strengthen these relations and the fruitful cooperation between the Parties;
- REFERRING to the 'Memorandum of Understanding between the European Union and Switzerland on a contribution by Switzerland towards reducing economic and social disparities and for cooperation in the area of migration in the European Union' signed on 30 June 2022 for a total amount of CHF 1,302,000,000 (one billion three hundred and two million Swiss francs) to selected EU Member States for cooperation in the areas of cohesion and migration (hereinafter referred to as the 'second Swiss Contribution');
- NOTING the cooperation in the area of migration of up to CHF 200,000,000 (two hundred million Swiss francs) under the second Swiss Contribution;
- IN VIEW of the cooperation in the area of cohesion of up to CHF 1,102,000,000 (one billion one hundred and two million Swiss francs) under the second Swiss Contribution,

hereby agree as follows:

Article 1 – Definitions

For the purposes of this Framework Agreement:

'Contribution' means the maximum non-refundable financial contribution granted by Switzerland to Malta under this Framework Agreement;

'Country-Specific Set-Up' (Annex 1) means the thematic and geographical allocations of the Contribution and specific rules agreed between Switzerland and Malta as well as the attribution of responsibilities and tasks to entities involved in the implementation of the Swiss-Maltese Cooperation Programme and in Support Measures respectively;

'Memorandum of Understanding' means the 'Memorandum of Understanding between the European Union and Switzerland on a contribution by Switzerland towards reducing economic and social disparities and for cooperation in the area of migration in the European Union' signed on 30 June 2022 for a total amount of CHF 1,302,000,000 (one billion three hundred and two million Swiss francs) to selected EU Member States for cooperation in the areas of cohesion and migration;

'National Coordination Unit' means the national public entity of Malta designated to act on its behalf for the implementation of the Swiss-Maltese Cooperation Programme.

'Programme' means a coherent set of Programme Components carried out in line with national priorities, policies or strategies of the Partner State with the support of the Contribution comprising a single comprehensive implementation and budget framework with overarching goals. A Programme may be accompanied by a policy dialogue;

'Project' means an indivisible series of activities, carried out with the support of the Contribution, which is aimed at achieving agreed objectives and outcomes and is not part of a Programme;

'Regulations' means the Regulations on the implementation of the second Swiss Contribution in the area of cohesion issued by Switzerland and containing the general rules and procedures on the implementation of the Swiss-Maltese Cooperation Programme;

'Support Measure' is used as generic term and means a specific Project, Programme or Technical Support within the framework of the Swiss-Maltese Cooperation Programme;

'Support Measure Agreement' means an agreement between the Parties and, if need be, additional contracting parties, on the implementation of a Support Measure;

'Swiss-Maltese Cooperation Programme' means the bilateral programme for the implementation of this Framework Agreement;

'Technical Support' means part of the Contribution provided under the Cooperation Programme for the preparation of Support Measures and for the efficient and effective implementation of the Cooperation Programme.

Article 2 – Legal Framework

1. This Framework Agreement, together with the following documents, constitutes the legal framework of the implementation of the second Swiss Contribution in the area of cohesion:

- (a) the Regulations and subsequent amendments thereof;
- (b) Support Measure Agreements, or other agreements between the Parties, resulting from the Framework Agreement; and
- (c) any operational procedures or guidelines adopted by Switzerland after consultation with Malta.

2. In the event of conflicts or inconsistencies between the provisions of these instruments, the aforementioned order of precedence shall apply.

Article 3 – Objectives and Principles

1. The overall objective of the Swiss-Maltese Cooperation Programme is to contribute to the reduction of the economic and social disparities within the EU and within Malta, building upon and further strengthening the bilateral relations between Switzerland and the EU and its Member States.

2. The Parties shall select Support Measures that contribute to the achievement of the overall objective and which, with the exception of Technical Support, contribute to at least one of the five objectives of the second Swiss Contribution, which are:

- a) promoting economic growth and social dialogue, reducing (youth) unemployment;
- b) managing migration and supporting integration. Increasing public safety and security;
- c) protecting the environment and the climate;
- d) strengthening of social systems;
- e) civic engagement and transparency.

3. Support Measures, with the exception of Technical Support and unless otherwise agreed upon by the Parties, shall be assigned to at least one thematic area of cooperation, as set out in the Regulations. The Parties shall achieve a thematic focus for the Contribution. Therefore, the Parties shall mutually agree on a limited number of thematic areas to receive support under the Swiss-Maltese Cooperation Programme, as set out in the Country-Specific Set-Up.

4. The Parties shall encourage partnerships and the exchange of expertise between actors from Malta and Switzerland.

5. Support Measures shall respect social inclusion and ensure environmental sustainability.

6. All actions under the Swiss-Maltese Cooperation Programme shall be implemented in line with the objectives, principles, strategic directions, and geographical and thematic focus as outlined in the Country-Specific Set-Up and the Regulations.

Article 4 – Financial Framework

1. Switzerland agrees to grant a Contribution to Malta of up to CHF 3.560 million (three million and five hundred sixty thousand Swiss francs) with reference to the agreed thematic areas and geographical allocation and according to the indicative allocation defined in the Country-Specific Set-Up.

2. The Contribution in paragraph 1 does not include expenditures by Switzerland on the management costs of the 'Swiss-Maltese Cooperation Programme' and on the 'Swiss Expertise and Partnership Fund Cohesion'. The latter is a fund administered by Switzerland, aimed at making Swiss expertise available to selected EU Member States, ensuring the quality and sustainability of Support Measures, strengthening bilateral relations and fostering partnerships between Switzerland and Malta.

3. The period of eligibility of expenditures from Support Measures, as defined in Chapter 6 of the Regulations, ends on 3 December 2029, inclusive. Funds not used by this date shall no longer be available to Malta.

4. Under the Swiss-Maltese Cooperation Programme, with the exception of the amounts reserved for Swiss management costs and the Swiss Expertise and Partnership Fund Cohesion, the Contribution should be provided in the form of non-refundable grants or concessional financial facilities such as credit lines, guarantee schemes, equity, debt participation, and loans.

5. The financing from the Contribution shall not exceed 60% of the eligible expenditures from the Support Measure, except for:

- a) Projects or Programmes receiving additional financing in the form of budget allocations from national, regional or local authorities, in which case the financing from the Contribution may not exceed 85% of the total eligible expenditures;
- b) Projects or Programmes implemented by non-governmental organisations, which may be financed to a degree higher than 60% or fully by the Contribution;
- c) Technical Support, which may be financed to a degree higher than 60% or fully by the Contribution;
- d) Support Measures in the form of credit lines, guarantee schemes, equity and debt participation and loans to the private sector, which may be financed to a degree higher than 60% or even fully by the Contribution.

6. Malta shall ensure compliance with applicable rules on state aid and public procurement.

Article 5 – Principles for Support Measures

1. Support Measures shall be implemented in accordance with the legal framework pursuant to Article 2.
2. Malta is responsible for the identification of Support Measures, which are
 - a) relevant and in line with national priorities;
 - b) effective in addressing the identified needs;
 - c) feasible and efficient to implement;
 - d) expected to have impact;
 - e) designed to create sustainable benefits.
3. Malta shall avoid any duplication of and/or overlap with any part of a Support Measure which is receiving support from any other structural and/or cohesion funds, such as the European Funds, the European Economic Area Financial Mechanism or the Norwegian Financial Mechanism, as the case may be.
4. Each Support Measure shall be approved first by Malta and then by Switzerland.
5. Each Support Measure shall be subject to a Support Measure Agreement.
6. The Parties attach high importance to the monitoring, evaluation and auditing of the Support Measures and the Contribution. Each Party shall share, without delay, any useful information requested by the other Party. The Parties shall ensure effective coordination and monitoring of the Swiss-Maltese Cooperation Programme.
7. Switzerland, or any third party appointed to act on its behalf, shall have the right to visit, monitor, review, audit and evaluate all activities and procedures related to the implementation of the Support Measures, as deemed appropriate by Switzerland. Malta shall provide any and all information, assistance and documentation, which may be requested or useful, to allow Switzerland to exercise such right.
8. In order to ensure effective implementation of the Swiss-Maltese Cooperation Programme, the competent authorities referred to in Article 6 shall hold annual meetings. The purpose of such meetings shall be to review the progress achieved in the Swiss-Maltese Cooperation Programme, agree on any necessary measures to be taken, and provide a forum for discussion of issues of bilateral interest.

Article 6 – Competent Authorities

1. Malta has authorised a national public entity to act on its behalf as the National Coordination Unit (see Country-Specific Set-Up). The National Coordination Unit shall have overall responsibility for reaching the objectives of the Swiss-Maltese Cooperation Programme as well as for its implementation in accordance with this Framework Agreement.

2. Switzerland has authorised the Federal Department of Foreign Affairs, acting through the Swiss Agency for Development and Cooperation (SDC), and the Federal Department of Economic Affairs, Education and Research, acting through the State Secretariat for Economic Affairs (SECO), to act on its behalf for the implementation of the Swiss-Maltese Cooperation Programme. Support Measures are assigned to either the SDC or SECO in line with their respective fields of competence.

Article 7 – Liability

The responsibility of Switzerland with regard to the Swiss-Maltese Cooperation Programme is limited to providing funds in accordance with the relevant Support Measure Agreements. No liability to Malta, to any public or private entity involved in a Support Measure or to any third parties is or will be assumed by Switzerland.

Article 8 – Common Concern

The Parties share a common concern to prevent and fight against corruption, which jeopardises good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition in procurement procedures based upon price and quality. The Parties therefore agree to combine their efforts to fight corruption and, in particular, agree that any offer, gift, payment, remuneration or benefit of any kind whatsoever, made to whomsoever, directly or indirectly, with a view to being awarded a mandate or contract under this Framework Agreement, or during the performance hereof, will be construed as an illegal act or corrupt practice. Any act of this kind constitutes sufficient grounds for terminating this Framework Agreement and the relevant Support Measure Agreement, cancelling the procurement or resulting award, or taking any other proportionate corrective measure laid down by applicable law. The Parties shall promptly inform each other of any well-founded suspicion of an illegal act or corrupt practice.

Article 9 – Amendments

1. Any amendment to this Framework Agreement shall be made in writing with the mutual agreement of the Parties.
2. Notwithstanding paragraph 1 above, the Country-Specific Set-Up may be amended by mutual agreement of the competent authorities referred to in Article 6 through an exchange of letters between them.

Article 10 – Final Provisions

1. The Country-Specific Set-Up (Annex 1) shall form an integral part of this Framework Agreement.

2. This Framework Agreement shall enter into force, after its signature, on the date of receipt of the last notification confirming the completion by both Parties of their respective approval procedures. It applies until both Parties have fulfilled all their obligations. The Parties shall provisionally apply this Framework Agreement and the Annex hereto commencing on the date on which this Framework Agreement is signed by both Parties.


3. Any dispute which may result from the application of this Framework Agreement shall be resolved by diplomatic means.

4. This Framework Agreement may be terminated at any time by one of the Parties giving six months' prior written notice. Prior to making such a decision, the Parties shall enter into consultation regarding the reasons for the termination.

5. In the event of termination of this Framework Agreement, its provisions shall continue to apply to the relevant Support Measure Agreements concluded before the termination of this Framework Agreement. The Parties shall decide by mutual agreement on any other consequences of the termination.

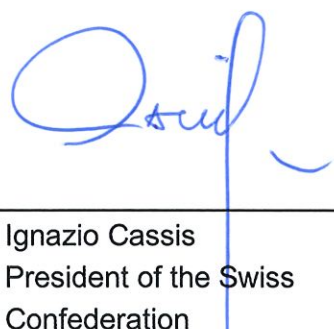
Signed in Valletta on 18 November 2022, in two original copies in the English language.

For the Government of the
Republic of Malta



Ian Borg
Minister for Foreign and European
Affairs and Trade

For the
Swiss Federal Council



Ignazio Cassis
President of the Swiss
Confederation

Annex

COUNTRY-SPECIFIC SET-UP

FRAMEWORK AGREEMENT

between

THE GOVERNMENT OF THE REPUBLIC OF MALTA

and

THE SWISS FEDERAL COUNCIL

On

**THE IMPLEMENTATION OF THE SECOND SWISS
CONTRIBUTION TO SELECTED MEMBER STATES OF
THE EUROPEAN UNION TO REDUCE ECONOMIC AND
SOCIAL DISPARITIES WITHIN THE EUROPEAN UNION**

1. General provisions

- 1.1.** This Country-Specific Set-Up is an integral part of the Framework Agreement between the Swiss Federal Council (hereinafter referred to as 'Switzerland') and the Government of the Republic of Malta (hereinafter referred to as 'Malta') on the implementation of the second Swiss Contribution to selected Member States of the EU to reduce economic and social disparities within the EU (hereinafter referred to as the 'Framework Agreement').
- 1.2.** For the purposes of this Country-Specific Set-Up, the definitions in the Framework Agreement shall apply.
- 1.3.** This Country-Specific Set-Up lays down the thematic and geographical allocations of the Contribution and the specific rules agreed between Switzerland and Malta, as well as the attribution of responsibilities and tasks to entities involved in the implementation of the Swiss-Maltese Cooperation Programme and in Support Measures respectively.
- 1.4.** For specific rules and procedures not provided in the Country Specific Set-Up, the provisions of the Regulations shall apply.

2. Roles and responsibilities for the Swiss – Maltese Cooperation Programme

2.1. National Coordination Unit

The Partner State has authorised the Funds and Programmes Division (FPD) to act on its behalf as National Coordination Unit of the Swiss – Maltese Cooperation Programme.

The Funds and Programmes Division, within the Ministry for the Economy, European Funds and Lands, is responsible for the management and coordination of the overall Swiss-Maltese Cooperation Programme and for the identification, planning, approval by the Partner State, monitoring, financial management, controlling, evaluation, visibility, reporting and post-completion monitoring of Support Measures.

The Director General of Funds and Programmes Division shall act as the head of the National Coordination Unit. The Funds and Programmes Division reports to the Permanent Secretary (EU Funds) within the Ministry responsible for EU Funds.

The role and responsibilities of the National Coordination Unit are set out in the Regulations.

2.2. Paying Authority

The Paying Authority is the EU Payments Unit within the Strategy and Implementation Division within the Ministry for the Economy, European Funds and Lands.

The EU Payments Unit is led by the Director (EU Funding Policies) and reports to the Director General (Strategy and Implementation) EU Funds within the Ministry for the Economy, European Funds and Lands.

The roles and responsibilities of the Paying Authority are set out in the Regulations.

2.3. Audit Authority

The Audit Authority is the EU Funds Audits Directorate within the Internal Audit and Investigations Directorate (IAID). IAID lies within the Ministry for Finance and Employment.

The Director General of IAID shall act as the head of the Audit Authority. The IAID is an independent unit within the Office of the Prime Minister established by Legal Act. The IAID reports to the Internal Audit and Investigations Board (IAIB), which is appointed by the Prime Minister of Malta. The Secretary to Cabinet shall act as the Chairperson of the IAIB. The Audit Authority shall be functionally independent of the National Coordination Unit and the Paying Authority.

The roles and responsibilities of the Audit Authority are set out in the Regulations.

3. Parameters of cooperation

3.1. Thematic allocation

Specific objective & thematic area	Indicative allocation of the Contribution [in CHF millions]
1. Promoting economic growth and social dialogue, reducing (youth) unemployment	
(i) Vocational and professional education and training	
(ii) Research and innovation	
(iii) Financing for micro, small and medium-sized enterprises	
2. Managing migration and supporting integration. Increasing public safety and security	
(iv) Providing support to migration management and promoting integration measures	
(v) Improving public safety and security	
3. Protecting the environment and the climate	
(vi) Energy efficiency and renewable energy	
(vii) Public transport	
(viii) Water and waste-water management	
(ix) Waste management	
(x) Nature conservation and biodiversity	
4. Strengthening of social systems	
(xi) Health and social protection	3.56
(xii) Minorities and socially disadvantaged groups	
5. Civic engagement and transparency	
(xiii) Civic engagement and transparency	
6. Technical support	
(xiv) Technical Assistance Fund	
(xv) Support Measure Preparation Fund	
Total allocation	3.56

Any unused balances in the Support Measure of the Swiss-Maltese Cooperation Programme may be transferred to any newly approved Support Measure provided the feasibility is ensured until the end of the eligibility period, by mutual agreement (e.g. confirmed in the minutes of meetings)

or by correspondence) between the competent authorities mentioned in Article 6 of the Framework Agreement in the course of the implementation of the Swiss-Maltese Cooperation Programme. For the consequent modification of the Support Measure, Article 4.12 of the Regulations shall apply.

3.2. Pre-specified parameters per thematic area

(xi) Health and social protection

Support Measure name	Comprehensive response to heart diseases	
Support Measure type	Project	
Objectives	To enhance comprehensive measures regarding heart diseases in Malta.	
Strategic Focus	<p>The project responds to the fact that cardiovascular diseases are the leading cause of mortality and that the need for pre-hospital assistance has significantly increased in recent years.</p> <p>Cardiovascular mortality shall be reduced through the two project pillars a) improved diagnostic and therapeutic facilities (with procurement of a cardiac catheterization suite theatre) and b) prevention and awareness raising campaigns on cardiovascular risk factors (promotion of healthy lifestyles). As a third project pillar, pre-hospital care shall be improved by providing trainings to accident and emergency responders and trainings in inter-hospital patients transfer. The project is in line with the National Health Systems Strategy and improves nationwide the access to quality health services and the quality of life of patients and relatives.</p>	
Swiss indicative Commitment	CHF 3'560'000	
Project Operator	<p>Ministry for Health</p> <p>The Ministry for Health (Project Operator) shall act as the Executing Agency.</p>	
Swiss Support Measure Partner(s)	Swiss expert institutions in the fields of heart diseases (prevention, diagnosis and therapy) and pre-hospital care (search and rescue, interhospital transfers).	
Other specificities related to the Support Measure	- The involved Swiss expert institutions will be defined in the Support Measure Agreement.	

	- Consultations carried out as part of a wider policy or project development can be considered as fulfilling the requirements on the stakeholder consultations set out in the Regulations. This shall be duly justified in the Support Measure Proposal with provision of the necessary information.
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4. Partner State specific rules and procedures

Switzerland and Malta agree to the following specific provisions in derogation / modification / complement / specification of the Regulations:

Art 2.7 Geographic allocation of the Regulations is not applicable for Malta.

In the event of a conflict between the Regulations and these specific provisions, the specific provisions of this Annex shall prevail.