STRATEGIC AND ANNUAL PROGRAMME REPORT 2014

EEA FINANCIAL MECHANISM 2009-2014

MALTA

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1. Executive Summary

It is now the third year that a combined Strategic and Annual Programme Report for EEA and Norway Fund Mechanisms is being presented to the Donor Authorities. Until last year, two separate reports were presented for each fund mechanism. Following discussions during the Annual Meeting held in March 2015, it was agreed that this annual Report will now be more holistic and integrated, in such a way that the report will give an overview of the strategies and activities related to all the projects under both mechanisms in one collated document. The aim of this Report is mainly to provide an overall indication of the progress made and outcomes reached both in programme and project implementation under these Grants.

The overall objectives of the Grants are to contribute to the reduction of economic and social disparities in the European Economic Area and to strengthen bilateral relations between the donor states and the beneficiary states. Throughout the implementation of the projects in 2015, these goals were always kept in perspective in all the activities. With regard to the contribution towards socio-economic development in Malta, the selected strategies and performance indicators, fully achieved through project MT04/1, shall constitute the basic tools towards ensuring economic stability of the local government system.

The bilateral relations between Malta and Norway were mainly fostered through collaboration sought with partner organisations in Norway, facilitated through continuous coordination between the Maltese NFP/PO and the FMO. The new Project CoRRs received assistance from the Directorate of the Norwegian Correctional Services (KDI) in order to ensure the successful implementation of the project. The partnership between Malta and Norway through the Norwegian Association of Local and Regional Authorities in MT04/1 created a set of initiatives to research, examine, focus and create a number of measures to strengthen institutional capacity. The interaction between Transport Malta and their Project Partner, Kystverket, in project MT02/2, will positively affect overall capacity building and a more efficient management and response to incidents on a national level. Considering that the legislative and economic environment is considered very stable in Malta, complemented with the decision granted in October 2015 to extend the eligibility date to
April 2017, no major risks have been identified in the process towards achieving the expected outcomes by the stipulated deadlines and/or at any particular moment of implementation. The key challenge in the implementation process still relates to matters arising out of procurement procedures and time constraints. However, the projects are now progressing according to their latest planned schedules which were reviewed after the granted extension. No major risk of failing in achieving the expected outcomes due to procurement procedures or time constraints needs to be taken into consideration.

The Maltese NFP/PO continued to monitor closely the implementation of all the projects in order to ensure that the expected outcomes are achieved by the new stipulated deadlines.

During 2015, following discussions between the Maltese NFP/PO and the Financial Mechanism Office (FMO), a new project “Malta Water Conservation Awareness Centre” under the EEA Grants was approved in August, to replace the project withdrawn by WasteServ in 2014. Furthermore, the project title “Re-organisation of the Young Offenders’ Unit of Rehabilitation Services” (YOURS) was renamed to “Renewing of the Centre of Residential Restorative Services” (CoRRs). An amendment in Annex B of the MOU between Norway and Malta entered into force on 1 July 2015. The FMO approved a detailed description of the budgets for both projects in August 2015. Both changes triggered a modification to the Programme Agreements, which are currently awaiting approval by the FMO. Both projects issued their main structural works’ tenders and are being expected to be awarded by early next year.

In conformity with the objectives of the Communication Strategy, the NFP/PO publicly promoted the EEA and Norway Grants on Air Malta’s in-flight magazine during four summer months of 2015, whereby visibility of the impact and progress of the grants was made possible to over approximately 700,000 passengers on board Malta’s national airline. Several other publicity events were held with the main objective of promoting the contribution which the EEA/Norway Grants give towards the economic and social stability of the Maltese Islands. Building on this rewarding experience, Malta looks forward towards extending this further collaboration with the Donor States for the next programming period.
2. Assessment of the Effect of the Grants

Following the Memorandum of Understanding between Malta and the EEA and Norwegian Financial Mechanisms 2009-2014, on the 10 October 2011 and 27 September 2011 respectively, financing is being received for seven (7) programme areas from the EEA and Norway Grants, namely:

Programme Area 1 Integrated Marine and Inland Water Management
Programme Area 7 Adaptation to Climate Change
Programme Area 10 Funds for Non-Governmental Organisations
Programme Area 16 Conservation and Revitalisation of Cultural and Natural Heritage
Programme Area 22 Global Funds for Decent Work and Tripartite Dialogue
Programme Area 25 Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities
Programme Area 32 Correctional Services, including Non-custodial Sanctions

The Programmes under the EEA and the Norway Financial Mechanisms 2009-2014 seek to contribute to the reduction of economic and social disparities within the EEA while enhancing bilateral cooperation between Malta and The Kingdom of Norway, Iceland and Liechtenstein. The EEA Financial Mechanism aims to contribute to socio-economic development in Malta through the adaptation to a changing climate, support to NGOs, the protection of cultural heritage and increased conservation awareness of inland water management. The Norwegian Financial Mechanism aims to contribute to socio-economic development in Malta through the partnering of the Department for Local Government with the Norwegian Association of Local Municipalities (KS) and the Council of Europe, the enhancement of the correctional services in compliance with relevant International Human Rights Instruments and the strengthening of tripartite cooperation and social dialogue in

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1 The Financial Mechanism Office is the Programme Operator for this Fund. The FMO designated SOS Malta as NGO Fund Operator following a call for expressions of interest in 2012.
Malta for a sustainable economy and social development.

2.1 Cohesion

2.1.1 Programme Area 1- Integrated Marine and Inland Water Management – Project MT02/7 – Malta Water Conservation Awareness Centre

One of the objectives of the Water Conservation Awareness Centre within the Project MT02/7 is to introduce visitors to the Water Framework Directive and the challenges being faced by Malta in achieving the objectives of this Directive, which primarily aims at achieving good water status and ensuring a high level of integration in water management.

The purpose of the Water Framework Directive (2000/60/EC), transposed into Maltese legislation as Legal Notice 194 of 2004, is to establish a framework for the protection of inland surface waters, transitional waters, coastal waters and groundwater. The Water Framework Directive promotes sustainable water use based on long-term protection of available water resources and aims at enhancing protection and improvement of the aquatic environment. This is done through specific measures for the progressive reduction and phasing out of discharges, emissions and losses of priority hazardous substances.

To reach its ambitious objective, the Water Framework Directive is based on a plan called the River Basin Management Plan, better known in the Maltese context as the Water Catchment Management Plan, together with a Programme of Measures.

The first Water Catchment Management Plan was targeted for the period 2010-2015. It included measures for achieving the environmental objectives of the Water Framework Directive and represented the most significant milestone in the implementation of the EU Water Framework Directive in Malta at that time. This first plan underlined the steps needed to protect, enhance and improve the water environment of Malta and Gozo. Four years later, Malta is reassessing this first plan with the aim of introducing a second revised plan. The Second Plan, that covers the period 2015 to 2021, assesses the new challenges that have been identified through the implementation of the First Water Catchment Management Plan. Furthermore an increase in knowledge on the state of our surface waters due to better monitoring results have enabled additional water management issues to be identified. Thus the second plan aims to target water management issues, which Malta failed to identify or deal with under the first cycle.
In Malta, the per capita availability of natural freshwater resources is less than 100 m$^3$ per year per inhabitant. This is well below the line of absolute water-poverty of 500 m$^3$ per year per inhabitant. Surface water is not presently being used as a potable water source. Although the major source of potable water comes from desalination from three reverse osmosis plants located across the Islands, Malta also heavily relies on ground water supply from aquifers, which are tapped both by private entities and by the Water Services Corporation.

In a recent study organised by the Sustainable Energy and Water Conservation Unit, the water demand of the domestic sector in the Maltese Islands is estimated to stand at around 40% of the national water demand. This uncharacteristically high relative demand arises due to the high population density of the islands. This water demand is primarily sourced from the national distribution network operated by the Water Services Corporation, which is estimated to supply around 85% of the total water demand.

It is estimated that each person in the Maltese islands consumes around 135 litres of water each day. Out of these 135 litres of water, only 7 litres are used for cooking and drinking, whilst the remaining 128 litres are used for various ‘washing’ purposes. In fact, on average, it is estimated that each person uses around 90 litres of potable water every day to flush toilets, dish washing and to wash oneself. Although, these water consumption figures are on the low side compared to other EU Member States, there is still scope for improvement in water use efficiency. Increased efficient water use contributes to a lower national water demand, thereby reducing the current pressures on Malta’s natural water resources\(^2\).

The Water Conservation Awareness Centre – Project MT02/7, which will be a first of its kind in the Maltese Islands, will include a number of water management measures aimed at reducing its water footprint to a minimum thus making the centre one of the first near-zero water impact buildings in the islands. In this way, the Centre will also serve as a demonstration venue for these innovative water management techniques.

Project MT02/7 will serve as a platform to raise local awareness on the challenges facing the water sector in Malta. It will also highlight the importance of water for sustaining the

natural environment of the Maltese Islands. The awareness generated through this project will aim at reducing consumption and increase water efficiency.

2.1.2 Programme Area 7 – Adaptation to Climate Change – Project MT02/2 – ‘Oil/HNS Spill Response Capacity Building for the Protection of Malta’s Seas’

Climate change is considered to be one of the most serious environmental issues facing the global community. The Maltese Islands, mainly due to their small size, are considered to be highly vulnerable to climate change.

As an island state in the Mediterranean Sea, Malta’s coast and marine waters are at risk from pollution incidents, either accidental or operational, involving vessel calling at Malta’s ports, anchored in waiting and bunkering areas or navigating international shipping routes past the Maltese coastline.

Malta’s strategic position in the central of the Mediterranean Sea and the available facilities provide the perfect combination for vessels to call in Malta for various cargo operations and other maritime related activities. Certain cargo operations and activities pose some threat to the Marine Environment due to the risk of Oil/HNS pollution. These are mainly cargo operation of tanker vessels and ship to ship operations such as Bunkering.

In 2014, 2,468 vessels called within territorial waters for bunkers, 144 vessels called at the Port of Valletta and 1 vessel called at the Port of Marsaxlokk specifically for bunkers. Additionally, 458 tankers called at the Port of Marsaxlokk and 56 tankers called at the Port of Valletta for cargo purposes³.

Malta’s location near a major shipping route carrying 25% of the world’s sea-transported oil and the projected global increase in shipping traffic means that the island is vulnerable to possible sea bourn pollution. Although the above mentioned operations have some risks, these can be minimised or zeroed if the necessary precautions and measures are in place.

The Malta Environment and Planning Authority (MEPA) reported that due to the high levels of maritime traffic, the Mediterranean continues to experience around 200 or more spills

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³ Statistics provided by the Research and Development Department within TM’s Ports and Yachting Directorate.
annually\textsuperscript{4}. Large oil spills can have serious repercussions on the Maltese environment, economy and infrastructure. In such incidents, oil can persist for years especially if it comes in contact with the seabed and/or the shoreline.

In 2012, the Gross Value Added (GVA) from the marine sector amounted to 10.8 per cent. This illustrates an increase in the sector’s performance, which in 2010 yielded 6.2 per cent of the GVA\textsuperscript{5}. Various activities contribute towards an increase in the Maltese economy, mainly the direct extraction of resources from the sea such as fishing and fish-farming, the production of potable water from sea water and the extraction of salt and mineral products. Sustainable economy is also the result of services related to the marine environment and products such as tourism, marine transportation and the processing of products derived from the sea\textsuperscript{6}.

During 2014, oil exploitation activities commenced in one of the designated areas within the Maltese continental shelf. These activities, which will be taking place around 70 nautical miles away from Malta, depend highly on weather conditions as these may accentuate the movement of potential oil spills, shortening travel times and rendering the margins for response even tighter.

\textbf{Offshore Malta acreage and major fields in the area}  
\textit{(Source: The Continental Shelf Department, Ministry for Transport and Infrastructure, Malta)}

Transport Malta has been designated as the Competent Authority in matters concerning marine pollution preparedness. Other major oil spill response players are the Civil Protection Department, the Armed Forces of Malta and the MEPA. In the event of a national disaster, the Civil Protection Department (CPD) plays an important role and therefore it is

\textsuperscript{4} Audit General at the National Audit Office in Malta, 2014 \textit{Malta’s level of preparedness to deal with oil pollution at sea}, Page 18  
\textsuperscript{5}Ibid., page 20  
\textsuperscript{6}Ibid.
very important that training is updated regularly. In fact, the year 2015 marked an increase in training within CPD, after sixty (60) new officers were recruited.

On 10 September 2015, Transport Malta coordinated a clean-up operation of an oil spill that was reported at the Malta Freeport Terminal, in the fishing village of Marsaxlokk. The spill occurred when a hose failed during a bunkering operation. Action was taken by the bunker operator to boom the vessels and contain the spill. A few days before, Transport Malta had conducted simulation exercises on handling oil pollution and ships in need of assistance. These exercises were conducted in conjunction with the European Maritime Safety Agency (EMSA), the European Commission, Member States and several local and international industry organisations and stakeholders. The primary aim of such exercises, which are held annually as part of Malta’s international obligations under the OPRC Convention, is to attest Malta’s preparedness to handle such incidents whilst ensuring that all synergies are in place in case an oil spill incident had to occur in territorial waters.

Through project MT02/2, ‘Oil/HNS Spill Response Capacity Building for the Protection of Malta’s Seas’, Transport Malta will reinforce Malta’s capability in the handling of an Oil/HNS spill through capacity building and increased awareness of possible related risks and incidents at sea.

2.1.3 Programme Area 16 – Conservation and Revitalisation of Cultural and Natural Heritage – Project MT02/3 – A New Environmental Management System for the Hal Saflieni Hypogeum World Heritage Site

The tourism industry plays an important role in the Maltese economy. It is a crucial driving force of the national economy making essential contribution towards economic growth. The Maltese Islands attracts around 1.6 million tourists a year and accounts for 29% of GDP. In a survey conducted by the European Commission in 2014, Malta ranked second after Estonia, as the country where culture was the main reason as a tourist attraction. As in the previous year, history and culture were among the prime motivators for visiting Malta.

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7 National Tourism Policy, Draft National Policy, 2015-2020, pg 12

8 Attitudes of Europeans towards Tourism, Flash Euro barometer 392 Report 2014, pg 7
during the year 2014, with 92.9% of the tourists interviewed ranking ‘history and culture’ as the first reason to recommend travelling in the Maltese Islands. Studies also showed that tourists prefer visiting cultural and historical sites in off-peak seasons\(^9\). It is interesting to note that Malta is also competitive during off-peak season when considering that Malta’s performance is higher than that of the other Mediterranean countries. As a matter of fact, in 2014, growth in arrivals for Malta increased by 7.4% in comparison to the 6.2% in other Mediterranean countries. Over the past seven years, the average annual increase in tourist arrivals was 5%. This marks a continuous development in the Maltese economy in which tourism in the main source of income.

The principal legal instrument for the protection of cultural heritage resources in Malta is the Cultural Heritage Act (2002), which provides for, and regulates, national bodies for the protection and management of cultural heritage resources. Building development and land use is regulated by the Environment and Development Planning Act (2010 and subsequent amendments), which provides for and regulates the Malta Environment and Planning Authority (MEPA).

The Ħal Saflieni Hypogeum, in Paola, remains one of the most sought-after tourist attraction sites and contributes significantly to Malta’s tourism industry. The Ħal Saflieni Hypogeum, together with the Tarxien Temples, also attracts visitors to the harbour region, which being a predominantly urban area, does not attract a lot of tourists other than those visiting these sites. Therefore, it mainly contributes to economic growth and employment in the harbour region. Projects at these two sites will continue to ensure the influx of visitors to this region.

The Ħal Saflieni Hypogeum is the only known European example of a subterranean ‘labyrinth’, dating back to about 4,000 B.C. to 2,500 B.C. The quality of its architecture and its remarkable state of preservation makes it an essential prehistoric monument. Its value has been recognised by UNESCO and was inscribed on the list of World Heritage Sites in 1980 as a site that bears a unique testimony to a cultural tradition or to a civilisation which has disappeared (World Heritage Criterion iii).\(^{10}\)

\(^{10}\) http://whc.unesco.org/en/criteria/
As outlined by the World Heritage Site\(^{11}\), the main threats to the preservation of the Ħal Saflieni Hypogeum are the fluctuating temperatures and relative humidity levels within the site, as well as water infiltration and biological infestations. These threats highlight the importance that Project MT02/3 has to the conservation of this prestigious site. With the financial help from funding under the EEA Grants, studies could be carried out to assess the current condition of the site in terms of conservation, geology and organic residues. These studies will serve as a baseline for future monitoring of the condition of the site, which, in turn, will protect and preserve the site for future generations whilst strengthening its significant contribution to Malta’s tourism industry.

2.1.4 Programme Area 25 – Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities – Project MT04/1 – A Partnership for Creative Governance

Project MT04/1’s objective is to strengthen institutional capital and human resource development in the public institutions, local and regional authorities in the Maltese Islands.

Parliamentary Secretary for Local Government, Dr Stefan Buontempo, believes that sustainable development is one of the toughest challenges faced by governments, both at a local and national level and striking the right balance between conservation and development is crucial for the welfare of present and future generations. This is even more crucial for Malta, being such a small Island.

Sustainable development was the main issue discussed in the Commonwealth Local Government Conference 2015, which was held in Botswana between 16-19 June 2015, where over 600 delegates called on the Commonwealth Local Government Forum to develop a 15-year strategy for local government focusing on supporting its members in developing and implementing modes to achieve the Sustainable Development Goals by 2030. According to delegates at the 2015 Commonwealth Local Government Conference, which ended on 19 June, for local government to play its full role in achieving the Sustainable Development Goals by 2030, it needs to be empowered, capacities need to be

\(^{11}\) http://whc.unesco.org/en/list/130
reinforced, governance strengthened and citizens should be more engaged in the democratic process.

In 2015, the Department for Local Government shall conclude a project funded through the European Social Fund under Priority Axis 4 ‘Improving Public Governance and Management at Local Level’. The aim of this project is to introduce a common training framework specifically designed to meet the needs of Executive Secretaries working in Local Councils/Regional Committees and DLG staff with the aim of ensuring and improving Public Management and Governance at Local level. The relevance of the common training framework relates also to the increase of service to the public by means of greater efficiency in Local Councils with better trained public service and public sector employees. Through these grants, seventy-six (76) Executive Secretaries from Local Councils received a Diploma, which was accredited by the National Commission for Higher and Further Education (NCFHE) and therefore, recognised at EU level.

On 6 March 2015, 29 different localities in Malta benefitted from funding for 30 projects under the Government’s Capital Projects Fund with the aim of strengthening local councils. The projects were selected on the basis of various criteria, notably sustainability and the financial situation of the Councils concerned at the core of the selection process. The approved projects include new parking areas, rehabilitation of various public areas and the building of social and educational centres.

To complement the above, Project MT04/1 puts forward various activities that, further help in developing human capacities, both at personal and institutional level. The Department for Local Government compiled the National Training Strategy in a policy paper following an intensive consultation with stakeholders. Based on the research conducted, and resulting conclusions through a Training Needs Assessment for Local Government, the National Training Strategy for Local Councils in Malta identified six (6) strategic goals, namely:-

- the improvement of the regulatory framework for local government;
- the increase in stakeholders’ potential with the aim to ensure sustainable development of local government in Malta;
- the increase in key stakeholders’ awareness of contemporary model of local government operation across Europe;
• the enhanced competence of local councillors in the sphere of local government responsibilities;
• the key legal regulations concerning its operations and the role of local councils; and
• the introduction of a sustainable institutional training framework for local government and the increase in quality of performance of local government staff.

The National Training Strategy is currently being analysed by the Parliamentary Secretariat for Local Government for implementation on a national basis by the Government of Malta.

Despite the fact that the Maltese legal framework for local government established a performance management system, it was always felt difficult to implement it due to the lack of expertise in Maltese local government. The project MT04/1, with the assistance of a Council of Europe expert, studied an efficient system that can be implemented according to European standards. This was achieved through the setting up of a Pilot Project, in which nineteen (19) local councils participated.

The Pilot Project has concluded that a performance management system has been developed in Malta and has focused on three main areas of development: road maintenance, cleanliness of locality and the services provided at the administration offices. Key performance indicators were proposed and established, including the publication of a Performance Management Manual. The performance management guide shows the key aspects of performance management and gives a strategic direction towards a proposed set of nationally adopted measures that should be implemented to support effective improvement in the performance of public services. From the fieldwork conducted by the Pilot Project, it was also deemed necessary to evaluate the risk management issues and the lack of such a framework, whereby a Risk Management Manual was compiled and published and will be disseminated in all local councils in the Maltese Islands.

The Leadership Academy Programme (LAP) also established through Project MT04/1, is a learning and action programme for Mayors, senior officials and elected representatives of local government. Its implementation shall assist these officials in high positions in the local government in Malta to develop their capacities such a way as to strengthen the institutional capacities of their municipality and develop good local governance. The
Leadership Academy Programme is divided into three stages, which highlight the challenge of good governance, the personal and institutional capacity and the institutional and community leadership.

Project MT04/1 is of direct benefit to elected local and regional representatives and of institutions, civil servants and public administration staff who shall receive quality training and guidance to deliver a service of excellence.

2.1.5 Programme Area 32 – Correctional Services, including Non-custodial Sanctions – Project MT04/2 – ‘Renewing the Centre of Residential Restorative Services (CoRRS)

Back in November 2013, the juvenile prison was moved to another location away from the main prison compound of Corradino Correctional Facility in order to have all the young male inmates reside in another facility completely separate from that of adult inmates. The current juvenile prison has been located in a structure that had previously been built to serve as a school. Hence, it does not meet the desirable standards of accommodation for residential purposes or have the required infrastructure to implement the required service provision of education, psychology and social work services. The Corradino Correctional Facility that holds annual records of the whole prison population informed the NFP/PO that currently, the juvenile prison population in Malta marks 1.98% of the total prison population.

Contrary to the current situation of male young inmates, young female inmates are not accommodated in a section separate from that of adult female inmates. Hence, young female inmates are accommodated at the women’s division within the Corradino Correctional Facility. It is therefore undisputable, that there exists a need and necessity for better premises to accommodate this young female population, complemented with a renewed therapeutic programme.

Additionally, to date, correctional officers are primarily custodial in orientation and have had little training in dealing with young offenders. With a renewed structure and a modernised operational perspective, complimented with training sessions aimed at continuous professional development, the service provision at the juvenile prison will be
orientated at reintegrating the young inmates back into society through a process, which addresses behaviour, emotions and schemas of the residents.

As of 22 July 2015, a new residence\textsuperscript{12} in Malta started offering rehabilitation services to prisoners which will help them integrate in the community once they are out of prison. The Minister for Home Affairs, Hon Carmelo Abela, stated that in the last year and a half, there were 261 applications for parole. Forty-two (42) parole licences were issued with 10 applicants ending their parole successfully. Only two parole licences were revoked and one was suspended\textsuperscript{13}. These statistics show that the system is being operated in an efficient and effective manner, in such a way as to help strike a balance between ensuring justice is restored whilst society is still protected.

On 24 September 2015, the same Minister for Home Affairs, presented the results of a study “Finding Education for Female Inmates”, focussing on education for adolescent and young women in prison, conducted by ten partners from eight European countries, including Malta through the participation of the University of Malta - Faculty for Social Wellbeing. Discussing the progress in educational services offered to residents at Corradino Correctional Facility, Minister Abela noted a sense of optimism, driven by success in participation levels in the past 12 months. A third of the prison population, which is 93% male and 7% female, took part in one of the organised learning opportunities\textsuperscript{14}.

The Facility’s action plan for correctional services was outlined in the Home Affairs Minister’s address on 24 September 2015. In the field of formal education, the Corradino Facility strengthened its collaboration with different educational facilities, notably the University of Malta. In 2014, 6 residents attended such courses, which more than doubled in 2015, bringing the number of inmates following such courses to 15, including 3 females. The importance of education to inmates is an essential undertaking in order to make sure that all of them are given the opportunity to increase their employability potentials and thus re-integrate more quickly back in society.

In a programme developed by the Malta College of Arts, Science and Technology together with the University of Malta conducted in 2015; it was found that only one business, out of

\textsuperscript{13} As reported on The Malta Independent on 22 July 2015.
\textsuperscript{14} As reported on The Malta Independent on 24 September 2015.
ten, feels comfortable in employing former inmates. In fact, nearly half of those released in 2014 were unable to find a job. The Minister of Home Affairs highlighted the fact that it is pointless changing the sign outside the building from ‘prison’ to ‘correctional facility’ if society is not ready to rehabilitate the persons inside. EU Funds Parliamentary Secretary, Dr Ian Borg, explained that in the coming weeks the government of Malta would be unveiling a €40 million program, funded through the EU, aimed at bolstering social cohesion and integration, therefore reducing social disparities. Project MT04/2 plans to address such shortcomings by designing more accommodating premises and introduce a renewed programme of activities aimed at the age and gender requirements of the population to incentivise desirable behaviours and facilitate seamless re-integration and assimilation of these residents into society.

2.1.6 Risks

After discussing the possibility of an extension to the eligibility date of April 2016 during the Annual Meeting held in March 2015, The National Focal Point/Programme Operator received a confirmation from the Financial Mechanism Office (FMO) on 13 October 2015, stating that the extension of the eligibility date has been granted to April 2017, in line with Article 7.14 of the Regulation. This new deadline reduced the highly probable risk presented in last year’s report, mainly dealing with the possibility of incompletion of most of the projects. Consequently, the new disbursement project schedules will no more hinder the timely execution of project activities.

The most common risks of implementation remain those related to procurement. Some projects experienced instances where tender offers exceeded the available budget or were not found compliant, and as a result, the tenders had to be re-issued, jeopardising the timely finishing of all the works as established in the agreements. This was most prevalent in Project MT02/3 – “A New Environmental Management System for the Ħal Saflieni Hypogeum World Heritage Site”, due to the uniqueness of the site and its environmental conditions.

15 As reported on The Times of Malta on 6 May 2015.
The main concern for Project MT02/2 - ‘Oil/HNS Spill Response Capacity Building for the Protection of Malta’s Seas’ is related to the identification of the appropriate training participants, the appropriate training providers and the right consultant to carry out studies on offshore drilling operations as well as the issues related to the contractual obligatory roles of assigned personnel that may delay contract execution. After identifying the personnel, another risk worth noting is the possibility of delays for commencement of training if the selected personnel might not or is unable to attend the training on any stipulated dates.

Besides the above, Transport Malta is concerned about the delays in tender adjudication, which might be further jeopardised in case of an appeal – this would definitely have a direct impact on the overall timely execution.

In order to mitigate these risks, Transport Malta is liaising with the Donor Project Partner to support in the identification of appropriate personnel. Personnel will be informed well in advance in order to block dates. In order not to delay tenders, Transport Malta will ensure that the members on the Adjudication Committee are adequately resourced and available at the appropriate time, and that they are well briefed on the procedures adopted in tender adjudication.

Project MT02/3 raised particular concerns on their procurement procedures mainly due to tender offers exceeding budgets. Studies and technology foreseen in the implementation of this project are much specialised with the risk of being not readily available on the market. Public procurement procedures are also lengthy and may also carry the risk of appeal once a tender is awarded. Additionally, since the works are specialized offers, potential promising bids are often lacking in first time tender calls. In order to mitigate these risks, the technical team investigating environmental management within the site is made up of highly field expertise backed by a strong international network with whom they can ensure that relevant experts are notified in time about any such tender calls. These relevant experts will also be notified about any tender re-issue. To lessen the duration of tender procedures during the project timeframe, detailed tender specifications are prepared prior to project implementation.

Project MT04/1 is also risking that tendering offers may be above their allocated budget resulting in cancellation of awards of tenders or lack of funding. These risks, coupled with
the occurrence of an appeal, can mitigate delays in project implementation. The
Department for Local Government is thus ensuring that the members on the Adjudication
Committee members are adequately resourced and available at the appropriate time, and
that they are well briefed on the procedures adopted in tender adjudication. Tender
documentation is reviewed in detail prior to issuing the tender so as to ensure that there
are no areas that may give rise to misinterpretation. In order to address the risk of lack of
supplementary funding, it is being ensured that sufficient financial provision is made in the
government annual estimates during the project period.

MT04/2’s main concern is once again related to the timely execution of the project
activities, which are mainly covered by the tender for related works. The evaluation of this
tender is still underway and, as in every tender procedure, there is always the possibility of
having minor delays due to appeals or further negotiations with compliant bidders. Thanks
to the extension granted, the project is now planned to be concluded by February/March
2017.

To make sure that most of these risks are mitigated in the best way possible, the
Contracting Authority and the NFP/PO are closely monitoring the evaluation process of all
tenders in caption. Bilateral meetings are held on a monthly basis with the project leaders
as a follow-up on tasks/actions laid out from one meeting to another. Progress, or
otherwise, on the projects will thus be identified in real time and effective actions taken as
quickly as possible. Briefs from these meetings are also regularly sent to FMO for their
scrutiny. These reports are often discussed in further depth with FMO through phone
conferences, in an attempt to find feasible solutions to any problems identified in these
briefs.

2.2 Bilateral relations

2.2.1 Bilateral relations at National level

The Maltese National Focal Point and Programme Operator actively participated in the
communications workshop organised by the Financial Mechanism Office, which was held in
Prague in April 2015. This workshop served as a valuable opportunity for building a good
working relationship with the FMO whilst establishing new contacts with representatives of
other countries.
In its capacity as the National Focal Point and the Programme Operator of the EEA and Norway Grants in Malta, the Funds and Programmes Division is responsible for providing information about these funding mechanisms and the financed projects. To reach this objective, the FPD promotes widespread understanding and appreciation of the role and purpose of the Grants, as well as the Donors’ contribution to the socio-economic development of the Maltese Islands.

The regulations on the implementation of the Grants require that major information activities, such as a mid-term activity within the 2009-2014 programming period, are held by the Beneficiary State to present progress and impact of the Grants. In accordance with the Communication Plan, that refers to ‘print adverts’ as a concept for a mid-term information activity, and also as discussed and agreed to with the Donors during the March Annual Meeting, the Grants in Malta were advertised on Air Malta’s in-flight magazine, ‘Il-Bizzilla’, over four (4) summer months of 2015. Since this monthly magazine is made available to every passenger travelling on an Air Malta flight, it was thus made accessible to over 700,000 passengers cumulatively. Besides being a strong tool in promoting and increasing visibility of the grants, this activity is also aimed at enhancing the bilateral relations between Malta and donor countries.

A total of €4,812 (excluding VAT), made up of EEA and Norway Grants through Technical Assistance and Programme Operator Costs, including a 15% national co-financing share, have been allocated for this mid-term activity.

The covers of June, July, August and September issues for year 2015 of “Il-Bizzilla”, Air Malta’s in-flight magazine (Actual adverts to be reported under Information and Publicity) (Source: Official website of Air Malta)
On 11 March 2015, following the fourth annual meeting for the EEA and the Norway Grants 2009-2014, the Donor State Delegation together with the National Focal Point affected a site visit to the current Centre for Residential Restorative Services (CoRRS) premises in Mtaħleb. The site visit included a presentation of the new project plans as well as a tour of the current site, for better visualisation of the intended structure.

On 29 October 2015, the Minister for Foreign Affairs, the Hon. Dr George Vella, held bilateral talks with the State Secretary for EEA Affairs and the EU relations of the Kingdom of Norway, her Excellency Elsbeth Tronstad. Amongst other matters, the most prominent issues discussed were migration, the situation in Libya and Syria, and the preparation for Malta’s Presidency of the EU in 2017. After this meeting, her Excellency and the Donor State delegation visited the Hypogeum whereby she was welcomed by the Maltese NFP/PO. Project Leader, Ms Maria Elena Zammit, gave a private tour to the delegation explaining the activities co-financed through the project.
The Minister, Hon. Dr George Vella and H.E. Elsbeth Tronstad at the Ministry for Foreign Affairs, Malta on 

29 October 2015

(Source: Official website of the Ministry for Foreign Affairs, Malta)

The following day, her Excellency Elsbeth Tronstad held bilateral talks with Dr Ian Borg, Parliamentary Secretary for European Funds and 2017 Presidency. Amongst other matters, the most prominent issue discussed concerned the negotiations on renewing the EEA/Norway Financial Mechanisms until 2021. Her Excellency stated that it is being hoped to be finalised very soon. EU Member States are currently looking into the substance of these agreements. All parties concerned very much hope that the provisional application of the agreements will start very soon so that the beneficiaries would be able to proceed with the bilateral negotiations on the Memoranda of Understanding and practical implementation aspects.
The Parliamentary Secretary Hon. Dr Ian Borg and H.E. Elsbeth Tronstad at the Ministry for Foreign Affairs, Malta on

30 October 2015
2.2.2 Bilateral Funds at Programme Level

Project MT04/2 – Renewing the Centre for Residential Restorative Services (CoRRS), signed on 10 September 2015, enjoys a partnership arrangement with the Directorate of the Norwegian Correctional Services. A study visit was held between 7 and 10 April 2015 to Malta by Mr. Kim Ekhaugen, Director: International Unit of the Norwegian Correctional Facility. The visit involved meetings with the Maltese correctional authorities and the Ministry with particular focus on the internal organisation and training needs of the new facility. The main objective of this bilateral partnership is to collaborate on the eventual implementation of the new operational system based on Incentive and Earned Privilege (IEP) with particular focus on educational and therapeutic services, which will be merged with other operational requirements in the new premises. Further collaboration will include specialised training of a number of correctional officers and managerial staff on the needs of young people in detention as well as on the new operational and therapeutic system.

Project MT04/1 – A Partnership for Creative Governance - The partnership between Malta and Norway in MT04/1 created a set of initiatives to research, examine, focus and create a number of measures to strengthen institutional capacity. The latter will enhance people development within the respective departments responsible for local government as well as the elected and executive arms of local and regional government. The partnership aims to improve the quality and accessibility of services provided by the local government units and creates a professional programme for exchange of personnel. The Norwegian Association of Local and Regional Authorities (KS), in Oslo, are committed towards the development of a stronger and more vital local democracy in Norway as well as abroad. Its objective is to support the development of an efficient and independent local government sector that addresses the needs of the inhabitants. It can be said that this project and the Maltese Government have relatively similar objectives and therefore, the sharing of experiences and good practices will undoubtedly give added value to the expected results.
Project MT02/2 - ‘Oil/HNS Spill Response Capacity Building for the Protection of Malta’s Seas’ - The interaction between Transport Malta and their Project Partner, Kystverket, in project MT02/2, will positively affect overall capacity building and a more efficient management and response to incidents on a national level. The support and guidance of the Norwegian Coastal Administration (Kystverket or NCA), as the Project Partner, will also serve to address an educational (social) disparity as part of this process while economic disparity is addressed through the direct engagement of NCA, supported through the same funds from which the Project Promoter will also benefit.

The first call for expression sent to the Project Promoters in August 2014 received no feedback from any of its recipients. Consequently, as discussed during the bilateral meetings in February 2015 with the Project Leaders and the representatives from the Line Ministries, the Programme Operator re-issued the call for expression for Bilateral Relations at Programme Level with a deadline of 8 April 2015. Given that the majority of the interested promoters had not established project partners by the deadline, the Programme Operator extended the call up till 8 June 2015.

There was only one submission by the Sustainable Energy and Water Conservation Unit (SEWCU) from the Ministry for Energy and Health. However, they did not manage to get the application signed by their Norwegian partner by the deadline. Following this, the PO engaged into further discussions with the FMO and it was agreed that no further calls are required.

Instead the FMO suggested that a targeted approach would be more advantageous, especially considering the limited funds available. It was also agreed to amend the Programme Agreements, in such a way as to reflect a more targeted approach. As a result, the PO communicated with the following interested parties namely, the Sustainable Energy and Water Conservation Unit (SEWCU within the Ministry for Energy and Health), Heritage Malta, and the Office of the President. The PO also organised meetings with the Project Promoters in order to discuss the application, especially with regards to timelines and budgets. To date, only one full application has been submitted by SEWCU and was successfully reviewed by the PO.
With regard to the bilateral activity undertaken by the Office of the President, the PO sought assistance from the FMO to identify potential partners in Norway. The proposed partner was communicated by the FMO in November and immediately forwarded to the Office of the President for their perusal. Currently, Heritage Malta is in the process of having their application countersigned by their partner organisations the Norwegian University of Life Sciences in Oslo and the Cultural Heritage Science Open Source in Italy.

3. Reporting on Programmes

3.1 Overview of Programme status

None of the previously approved projects, namely MT02/2, MT02/3 and MT04/1 experienced major changes. The said projects are all being implemented as planned in the Project Contract. Meanwhile the following two projects needed approval from the FMO; one new project replacing another project; and the other, renaming of the project and a reduction in total project budget.

Following the consultation procedure carried out by the National Focal Point, a new project ‘Malta Water Conservation Awareness Centre’ was identified as an appropriate replacement of the pre-defined project led by WasteServ, “CO2 Energy-Development of Algae Derived Bio Fuel Production Plant for CO2 sequestration from waste management activities in Malta”, which was withdrawn in 2014. This was approved through a Cabinet Decision in June 2015 and the amendment to Annex B to the MOU between Iceland, Norway and Liechtenstein and Malta entered into force on 1 July 2015. FMO approved the detailed budget description of the project on 19 August 2015, which subsequently triggered a modification to the Programme Agreement MT02, which is currently in the process of being approved by FMO.

Following the renaming of the project “Re-organisation of the Young Offenders’ Unit of Rehabilitation Services (YOURS), including staff training” to “Renewing of the Centre of Residential Restorative Services (CoRRs), including staff training”, the Norwegian Ministry of Foreign Affairs proposed the inclusion of this change in Annex B to the MoU between Norway and Malta. This amendment entered into force on 1 July 2015. On 3 July 2015, the FMO requested the Maltese Programme Operator to submit a detailed budget description for the project, broken down by activity in line with the condition in Annex II, Section 6 of the Programme Agreement for MT04. This was approved by the FMO in August 2015. This
amendment triggered a modification to the Programme Agreement.

The 4th Monitoring Committee Meeting took place on 5 February 2015. The Annual meeting with the Donors was held on 10 March 2015. Amongst other matters the possibility of an extension was also discussed during the Annual Meeting held in March 2015. On the 13 October 2015 the FMO confirmed that the date of eligibility has been extended up to April 2017, in line with Article 7.14 of the Regulation.

A total of €2,516,471 in eligible expenditure has been committed through the EEA Programme which represents 100% of the Programme allocation. By 2015, an amount of €387,847 was contracted. A total eligible sum of €136,595.91\(^{16}\) was disbursed in the year 2015. Most of the remaining tenders under MT02 are in process of being contracted by Q1 of 2016. Namely the works tender under project MT02/7, and the works tender under MT02/3.

A total of €1,694,118 in eligible expenditure has been committed through the Norwegian Programme which represents 100% of the Programme allocation. By 2015, €249,197 was contracted. A total eligible sum of €49,268.77\(^{17}\) was disbursed in the year 2015. The main works tender under project MT04/2 is also in evaluation stage and will be contracted by Q1 of 2016.

Six Interim Financial Reports (IFRs) were submitted in 2015, three under the EEA Grants and another three under the Norway Grants, covering expenditure between 1 September 2014 and 31 August 2015 for both Programmes. The incurred expenditure under the EEA Grants is €86,536. The incurred expenditure under the Norway Grants is €111,551. Technical Assistance expenditure affected under the EEA and Norway Grants consisted of reimbursements of the salary of one officer carrying out full time duties as Programme Operator, the hosting of CARS and the mid-term information activity organised by the National Focal Point/Programme Operator.

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\(^{16}\) Sum reflects total eligible sum disbursed by 31 December 2015

\(^{17}\) Same as above.
### Table 1 - Allocated versus incurred expenditure under the EEA Grants from 5 December 2012 till 31 December 2015

<table>
<thead>
<tr>
<th>Budget Heading</th>
<th>Allocated Eligible Expenditure €</th>
<th>Contracted Eligible Expenditure till end of 2015 €</th>
<th>Incurred Eligible Expenditure till end of 2015 €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme management</td>
<td>114,412</td>
<td>114,412</td>
<td>62,198</td>
</tr>
<tr>
<td>Developed strategies and measures for adopting to a changing climate</td>
<td>520,238</td>
<td>107,875</td>
<td>52,484</td>
</tr>
<tr>
<td>Culture heritage restored, renovated and protected</td>
<td>880,500</td>
<td>150,560</td>
<td>63,769</td>
</tr>
<tr>
<td>Integrated marine and inland water management</td>
<td>948,574</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fund for bilateral relations</td>
<td>37,747</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Preparation of programme proposal</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,516,471</strong></td>
<td><strong>387,847</strong></td>
<td><strong>193,451</strong></td>
</tr>
<tr>
<td>Budget Heading</td>
<td>Allocated Eligible Expenditure €</td>
<td>Contracted Eligible Expenditure till end of 2015 €</td>
<td>Incurred Eligible Expenditure till end of 2015 €</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
<td>---------------------------------</td>
<td>----------------------------------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>Programme management</td>
<td>61,177</td>
<td>61,177</td>
<td>33,249</td>
</tr>
<tr>
<td>Increased and strengthened cooperation between public institutions, local and regional authorities in the Beneficiary states and similar institutions and authorities in Norway</td>
<td>321,976</td>
<td>188,020.00</td>
<td>88,805.62</td>
</tr>
<tr>
<td>Increased focus on vulnerable groups in prison</td>
<td>1,285,553</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fund for bilateral relations</td>
<td>25,412</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>1,694,118</td>
<td>249,197</td>
<td>122,054.62</td>
</tr>
</tbody>
</table>

Table 2 - Allocated versus incurred expenditure under the Norway Grants from 5 December 2012 till 31 December 2015
3.2 Individual Programme reporting

3.2.1 Programme Area 1 - Integrated Marine and Inland Water Management

- Project MT02/7 – Malta Water Conservation Awareness Centre

The Sustainable Energy and Water Conservation Unit (SEWCU) within the Ministry for Energy and Health (Energy), overtook its role as project promoter of MT02/7 in March 2015. The project contract for MT02/7 was signed under the EEA Financial Mechanism on 4 September 2015.

Way back on 9 March 2015, the SEWCU immediately embarked on excavation works required on the site by removing all superficial soil from the area earmarked for the new centre. Soil removal was concluded in a month. During this exercise, archaeological remains were identified on site and, as could be understood, entailed the need for a more menial and lengthy process of actually removing the soil manually in the archaeologically sensitive points. A number of contracts have already been awarded between March and April 2015 namely the removal of the trees planted on site; the services of a Health and Safety Inspector on site; the removal of electricity poles and the bedrock coring, in order to transform the site, formerly a roundabout, into a working site for MT02/7. In April 2015, the Superintendence of Cultural Heritage held investigations related to the archaeological findings at the project site. These archaeological findings resulted in additional works on site, which also required a financial commitment for additional funds at National level.

Figure 1: Amphorae found at the project site

Figure 2: Vine trenches at the project site
On 5 June 2015, the works tender was published by the Department of Contracts. The closing date for this tender was 16 July 2015, which was then extended by two weeks. The tender process is currently at evaluation stage. The number of clarifications, which had to be referred back to the bidders, and an operational problem encountered by bidders during the uploading of documents in the electronic procurement system, prolonged quite significantly the process of evaluation of this tender. The problem encountered by the bidders during electronic submission of bids resulted in incomplete submissions of documentation. Notwithstanding, the Project Promoter’s main interest remains in successfully completing this evaluation stage in such a way as to ensure that the process is carried out in the most transparent way possible, even if it results in a long process. All attempts to avoid any unnecessary delays in the procurement procedure are being continuously made through careful monitoring and regular contact between the project leader and the NFP/PO.

The project leader is planning on officially launching the project once the contract for works is awarded and actual works on site can be commenced. During works implementation, a facebook page for the project will be developed, providing regular updates on the works and other information on the project. Regular information will also be uploaded on the NFP/PO website.\textsuperscript{18}

Parallel to the structural works, once started, SEWCU will be collaborating with MITA (the government e-agency) and EkoSkola, under the Ministry for Education and Employment, on the production of interactive, educational material to be used at the Centre. The Unit is also working on establishing collaboration with the Directorate for Parks, Afforestation and Countryside Restoration (P.A.R.K.), under the Ministry for Sustainable Development, the Environment and Climate Change (MSDEC), for the future upkeep of the soft areas around the Centre.

\textsuperscript{18} https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Bilateral%20Programmes/Pages/Projects/MT027-MALTA-WATER-CONSERVATION-AWARENESS-CENTRE.aspx
3.2.2 Programme Area 7 – Adaptation to Climate Change – Project MT02/2 – ‘Oil/HNS Spill Response Capacity Building for the Protection of Malta’s Seas’

The tender related to the procurement of the service of a consultant to study and identify emergency response team requirements was re-issued in January 2015. A bidder was successfully found compliant, a contract was signed on 12 May 2015 and works on this tender could thus commence. The winning bidder, Gorton Consultancy Ltd, visited Malta and made the necessary consultations with all stakeholders. The company then re-visited Malta on 31 July 2015 to organise a workshop to the same stakeholders. The studies are now complete and through them, Malta will benefit from the Project Partner’s expertise to devise a way forward to address the current gap in Oil/HNS pollution response training.

A second tender and eventual contract, relating to the engagement of consultancy services to carry out studies to address pollution risks from oil industry offshore operations outside Malta’s territorial waters, was signed on 10 December 2014. To date, studies are all complete and payment has also been settled.

Transport Malta reported some savings on both tender 1 ‘Procurement of the services of a Consultant to study and identify emergency response team requirement and devise the training programme for oil/HNS pollution at sea’ and tender 2 ‘Studies to address pollution risks from oil industry offshore operations outside Malta’s territorial waters’, which will eventually be transferred to activity 4 ‘Upgrading of training equipment and facilities’ under the same budget heading. Based on the reports submitted, the National Marine Pollution Contingency Plan (NMPCP) 2009 will be revised and updated, including the risks from offshore drilling.

The only pending outcome on project MT02/3 is the strengthening of the technical capacity to respond to oil and HNS pollution risks at a national level. This will now be carried out by an increase in the number of trained personnel available to respond to oil/HNs pollution incidents with most of the personnel trained at a higher level. The tender for the provision of training courses, as identified in the studies carried out by Gorton Consultancy Ltd, will be issued in January 2016.
3.2.3 Programme Area 10 – Funds for Non-Governmental Organisations - SOS Malta

The EEA Grants NGO Programme has provided a number of Maltese NGOs the possibility to foster an enabling environment for the sector, to strengthen its capacity and to enhance its contribution to social justice, democracy and sustainable development. This was done through the second Call for Proposals for NGOs to submit their projects in the first part of 2014.

During year 2015, 75% of the projects have either ended or are coming to an end and relevant final reporting has been submitted including an external evaluation that beneficiaries are meant to outsource.

Some 1.5% of the eligible expenditure was set aside as a fund to facilitate a bilateral relation activity. This activity was held between 11 and 13 November 2015. SOS Malta organized the LADDER Conference on “Migration and Development – EYD 2015: the year for local action for global solutions” (being part of the LADDER Project) and for this event, two participants from Norway were invited: Enver Djuliman and Sylo Taraku. Enver Djuliman was also invited to be the speaker on the session “Diaspora and their role in Development”.

3.2.4 Programme Area 16 – Conservation and Revitalisation of Cultural and Natural Heritage – Project MT02/3 – A New Environmental Management System for the Hal Saflieni Hypogeum World Heritage Site

Project MT02/3 involves the issue of several tenders in order to reach the expected results. Following the signature of the contract related to the Condition Assessment in October 2014, Heritage Malta has, up till now, finalised three payments covering 70% of the total amount of this contract. The final amount will be settled on approval of the final report. The contract will end on 4 February 2016.

Tender 2 pertaining to the Biological Survey of Hal Saflieni was awarded on 26 June 2015 and works have started on site. The first payment, representing 35% of final amount, has also been processed through CARS. This contract ends on 31 March 2016.
Tender 3, which relates to the Rate of Deterioration, was first published on 19 December 2014. The bids submitted were over the estimated eligible amount of the tender and Heritage Malta was obliged to re-launch the tender on the open market in April 2015. Only one bidder was evaluated as technically compliant but once again the financial offer was over the budget.

In an attempt to find a feasible solution to this issue, Heritage Malta will be doing in-house the small scale reports emanating from tender 4, thus enabling the shifting of an amount of the eligible budget from tender 4 to tender 3. In this way, it would be covering the current cost of tender 3. Heritage Malta would carry out the reports in-house since an expert in the field was engaged with the Agency after the signature of the project contract.

Tender 5, related to structural works, which will absorb the largest eligible amount of the project budget, had to be re-issued for the second time since no bids were submitted in response to the first call. The deadline for submission for bids on this tender is 28 January 2016.

An approval from MEPA was required due to the proposed changes in the design of the Ħal Saflieni Hypogeum. Two applications were approved by MEPA, one to grant access for disabled persons and another for the actual structural works on site. The achieved outcomes and outputs of project MT02/3 will be reported in detail only once the final reports of each tender are submitted to the Project Promoter.

3.2.5 Programme Area 25 – Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities – Project MT04/1 – A Partnership for Creative Governance

Project MT04/1 has experienced extensive development through the last twelve months since it achieved a substantial number of outputs.

One of these outputs is the Training Needs Assessment Report, which was presented on 1 December 2014 to all Local Councils in Malta and Gozo. The National Training Strategy was drafted and presented in March 2015 in the form of a policy paper that was compiled
following an intensive consultation process with stakeholders involved. This process was followed by printing and dissemination of the strategy.

Another milestone of the project, the Performance Management Programme, also reached its full implementation in May 2015. The Project Promoter organised a visit to Norway as part of the Performance Management Pilot Project (PMP) to establish Performance Indicators for Local Government in Malta. The project, with the assistance of a Council of Europe expert, studied an efficient system that can be implemented according to European standards. This was achieved by the setting up of a Pilot Project, in which nineteen (19) local councils participated, and the valuable assistance given by the Norwegian Association for Local and Regional Authorities, KS. The final report was concluded in July 2015, together with the Manual for the PMP, and printed in August 2015.

The first two phases of the Leadership Academy programme (LAP), a learning and action programme for Mayors, senior officials and elected representatives of local government, were held between the 6 and 11 July 2015. The final stage shall be implemented in early 2016, when the successful candidates will receive a Council of Europe Accredited Certificate as inspirational leaders in Maltese local government.

3.2.6 Programme Area 32 – Correctional Services, including Non-custodial Sanctions – Project MT04/2 – ‘Renewing the Centre of Residential Restorative Services (CoRRS)

The project contract for MT04/2 was signed under the Norwegian Financial Mechanism on 10 September 2015. This was enabled following finalisation and signature of the project partnership agreements between the Department for Correctional Services within the Ministry for Home Affairs and National Security and the Directorate of the Norwegian Correctional Services on 9 September 2015.

Following discussions with the present Minister for Home Affairs and National Security, Hon Carmelo Abela, on 24 February 2015, it had been decided that the best solution towards facilitating and shortening the process to obtain MEPA permits, the site for the CoRRS would be re-dimensional to fit the available budget and timelines whilst still retaining the same original concept. Instead of the demolition of the existing structure in Mtaħleb and the
excavation and construction of a large complex, the Ministry decided to extend and refurbish the present site.

During the Annual Meeting on 10 March 2015, the Donors suggested the involvement of the Directorate of the Norwegian Correctional Services (KDI/NCS) in the CoRRS project in order to facilitate the successful implementation of the project. This partnership was not only to strengthen the bilateral dimension of the project, but also a means of sharing expertise in rehabilitation programmes for inmates and training staff. The role of the KDI/NCS in the project is to enhance the training component of the project due to its high level of expertise in the area and the need for specialised training. The training will be divided into two phases: phase one (1) is a 22-hour theoretical training programme for both correctional officers and managerial staff on topics such as communication skills, psychological developmental stages and prison education while phase two (2) is a two week practical/theoretical training programme on topics such as organisational/operational management system and staff training.

On 11 March 2015, the Donors visited the current premises at Mtaħleb as part of the Annual Meeting Programme in Malta. During this site visit, the Donors had the opportunity to tour the site for better visualisation of the intended structure.

On 1 July 2015, MEPA board approved the extension of the CoRRS premises at Mtaħleb and this was immediately followed by the vetting of the tender for structural works. The tender was published on 28 August 2015, having 29 October 2015 as its deadline for submission of bids. The tender related to works, holding a financial allocation of €1,249,673 is currently being evaluated. This tender is expected to be contracted by early 2016.

### 3.3 Cross-cutting issues

Malta as a Beneficiary State is expected to adhere to the three crosscutting issues: good governance, sustainable development and gender equality as stipulated in Chapter 3.11 of the Programme Operator’s Manual.
3.3.1 Principles of Good Governance

The NFP/PO continued to adhere to the six main principles of good governance. In fact, this year the NFP/PO increased the frequency of bilateral meetings with the project promoters to a monthly regular basis carried out several on-the-spot checks, notably on every contract, immediately on signature, and carried out 100% checks on all verified expenditure. As a result, the PO, as well as one of the Line Ministries, detected a number of irregularities, which were promptly investigated at verification stage. The necessary financial correction was applied before claiming reimbursement through the respective IFR. During these checks, the PO ensures that procurement is carried out in line with the Public Procurement Regulations outlined in Legal Notice 296/2010 (Laws of Malta). In parallel, the PO regularly maintains and updates the Manual of Procedures for Project Promoters. This Manual is intended to serve as an aid tool for all key players, in relation to the Regulation for the implementation of the EEA Financial Mechanism 2009-2014, the Regulation for the implementation of the Norwegian Mechanism 2009-2014 and all Guidelines issued by the FMO\(^\text{19}\).

On a project level, project MT04/1 has already completed Stage One of the ‘The Challenge of Good Governance’, with a sound participation of 24 local government Mayors and officers through training sessions held both in Malta and in the sister island of Gozo. The final stage shall be implemented in early 2016, when the successful candidates will receive the Council of Europe Accreditation Certificate as inspirational leaders in Maltese local government. Its implementation is helping these officials in high positions in local government in Malta to develop their capacities to strengthen the institutional capacities of their municipality and develop good local governance.

3.3.2 Sustainable Development

The National Focal Point/ Programme Operator make every effort possible to ensure that measures favourable to the environment are being undertaken by the Project Promoters.

Based on a study undertaken to identify emergency response team requirements and devise a training programme for oil/HNS pollution at sea under Project MT02/2, TM are now in the process of issuing a tender for the provision of training courses. As a result, the project will enhance Malta’s capacity to respond to an eventual incident of oil/HNS pollution and hence, reduces the chances of extensive damage done on the sea environment.

Through the design and installation of an environmental control system at Hal Saflieni MT02/3, apart from preserving a UNESCO world Heritage site it will also help to reduce electrical consumption. This will offset the site’s carbon footprint.

All preparatory work has been carried out to build underground water reservoirs, ensuring adequate water storage, in project MT02/7. This formed part of an exercise, carried out by the Project Promoter, and financed through national funds during the planning stage of the Application. This stored water will eventually be used to irrigate the green areas on site. Grey water will also be treated in the Centre’s constructed wetland, rendering it one of the first examples of natural water treatment methods in the Maltese Islands. Additionally, best practices in water conservation will be taught to school children visiting the Centre, in the hope that these practices are passed on to their families for a more widespread adoption of better management and conservation of water resources.

Project MT04/1 does not target environmental issues directly. However, the general environment of localities will indirectly benefit from the improved quality standards set by the established performance management indicators.

Both during the design stage and the planning stage of the MEPA planning application, it was ensured that Project MT04/2 will take all necessary steps to respect the natural and cultural heritage of the surrounding area of the site designated for the development of a new correctional facility. The finished complex, the site of which is already located in a NATURA 2000 conservation area, must visually blend in with the surrounding natural environment for both aesthetic and environmental purposes.
3.3.3 Sustainable development – Economic

Due to its geographical and strategic location, Malta is particularly susceptible to marine and coastal pollution. It is quite evident that an oil/HNS incident at sea would have a devastating ripple effect on tourism, on which Malta’s economy depends heavily, and other economic marine activities such as fishing and aquaculture. In this respect, an efficient response achieved through Project MT02/2 would significantly minimise such impact on the industry thus increasing the national economy sustainability.

Through its interventions, Project MT02/3 will strive to keep the site of the Hal Saflieni Hypogeum, being one of the most sought-after visitor destinations in Malta, accessible to the public for future generations. In this way, it will also ensure maintaining its significant contribution to Malta’s tourism industry and the sustainability of the generated revenue contribution to Malta’s economy.

Through its activities, Project MT02/7 will raise awareness and appreciation, especially among the younger generation, of water as a scarce yet fundamental resource. Less consumption and wastage will mean less demand for the production of treated water.

With regard to Project MT04/1, the selected strategies and performance indicators will represent the basic tools to ensure economic sustainability of the local government system. It is also foreseen that the initiatives, emanating from this project, will, for the first time, generate performance indicators. The project results will also be of benefit to central and local government since better value for money in the services provided and more innovative ways in creating sustainable communities is foreseen.

Project MT04/2 will contribute to the reduction of economic and social disparities through various measures aimed at both the correctional officers and the inmates. Professional staff will be recruited and trained as part of the new CoRRS unit, thereby paving the way for new employment opportunities and personal development in the field of juvenile rehabilitation in Malta.

3.3.4 Sustainable development – Social
Project MT02/2 involves the interaction between Transport Malta as the Project Promoter and Kystverket as the Project Partner. Kystverket is considered to be highly experienced in the field of contingency planning and pollution prevention and control and therefore Transport Malta’s engagement with the latter will positively affect overall capacity building and a more efficient management and response to incidents on a national level.

Reduction in disparities shall be reflected through the enhanced capacity of Transport Malta as the Project Promoter. Other persons or entities will directly or indirectly benefit as a result of the increased capacity of the latter. To this extent, the support and guidance of the NCA as the Project Partner will serve to address an educational (social) disparity as part of this process while economic disparity is addressed through the direct engagement of NCA, supported through these funds that will benefit the Project Promoter.

Project MT02/3 will ensure that the Ħal Saflieni Hypogeum World Heritage Site will remain accessible to the general public. The site’s Outstanding Universal Value was recognized by UNESCO when it was inscribed in the World Heritage List in 1980, on the basis of Criterion (iii) of the Operational Guidelines for the Implementation of the World Heritage Convention, which it fulfils as a site that bears a unique testimony to a cultural tradition, which has disappeared. Ensuring that the site remains accessible to the public contributes to the preservation and promotion of the site in accordance with the UNESCO World Heritage Convention (1972) on behalf of the international community.

With regard to Project MT02/7, the social impact resulting from the delivery of highly educational and awareness messages is undoubtedly priceless. The result and effect of this increased awareness campaign will be a culture change throughout the entire society.

The National Training Strategy (NTS) is considered as a local government tool for improving the social situation of local communities through the creation of a high training standards, clearer policies and information that facilitates more effective training for administrative staff and elected members working in a local government environment. Project MT04/1 also provides support and training to the Maltese local government through the participation of a team of experts from its Norwegian counterpart and the Council of Europe.

Norway is known to be at the forefront of correctional practice, having the expertise and willingness to implement new models of correctional practices, based on studies and
experience. Much of the value of knowledge lies in sharing it and through the partnership established in project MT04/2, Malta will definitely benefit from the knowledge bank of its Norwegian counterparts, especially in areas related to the setting up of an efficient and effective correctional system that truly reflects the values of social reintegration.

3.3.5 Gender equality

Ever since the commencement of preparations on both Programmes, it was ensured that gender equality is always respected. In its checks, the NFP/PO makes sure that, in their terms and conditions, tender documents clearly state that bidders are obliged to incorporate equal opportunities policies within their organisations. Bidders are also required to report about such policies in their offers. Furthermore, any publicity carried out for both Programmes is gender sensitive, avoiding stereotyping.

All projects undertaken by both Programmes are of benefit to the entire country, irrespective of age, gender or nationality. Where projects involve training, this activity is open to all genders. With regard to Project MT04/2, provision of segregated accommodation for males and females will be provided, bearing in mind the sensitivity of the situation of the population in question.

4. Management and Implementation

4.1 Management and control systems

The Description of Management and Control Systems (DMCS) stipulates the following staff complement under the Bilateral, Other Funds and Programmes Unit: a Senior Manager and two desk officers that carry out Programme Operator duties. Another desk officer from the Financial Control Unit within the Funds and Programmes Division performs duties on verification of payment claims performed by the Programme Operator. This officer reports directly to the Director General in his capacity as the Head of the National Focal Point/Programme Operator. It is actually the current staff complement at the Bilateral, Other Funds and Programmes Unit, under the Funds and Programmes Division.
This year, unlike the previous year, the Certifying Authority has full staff complement since two Programme Managers are now engaged and report directly to the Senior Manager.

4.1.1 The Computerised Accounting Records System (CARS)

Article 4.7 of the Regulations on the Implementation of the EEA and Norway Grants stipulates that the Programme Operator shall ensure that each project under these Grants is recorded and stored in the Computerised Accounting Records System (CARS).

During 2015, the Funds and Programmes Division, in its role as Programme Operator, concluded the enhancement of the system by the Malta Information Technology Agency (MITA), which is the focal driver of Government’s Information and Communications Technology (ICT) policy, programmes and initiatives in Malta. This enhancement consisted of development, testing and implementation of the new business requirements and MITA assisted the Division with the training of end users on the functionality of the new system.

In 2015, the Funds and Programmes Division signed another contract with MITA in order to improve the monitoring service as well as a backup media loading and unloading service to ensure that written data can be read back from the tape in the case of disaster recovery.

4.2 Compliance with the EU legislation, national legislation and the MoU

The Laws of Malta cover various chapters outlining the obligations, which bind the project promoters in respect of project contracts. These obligations relate to equal opportunities for both men and women irrespective of gender, age, race or disability. Project promoters need to follow public procurement rules as well as state aid and environmental regulations. Public Procurement in Malta is governed by the Public Procurement Regulations under Legal Notice 296 of 2010, Chapter 174 of the Laws of Malta. The Act on Equality for men and women is governed by Chapter 456 of the Laws of Malta, State Aid is governed by Legal Notice 210 of 2004 and the Protection of the Environment by Chapter 435 of the Laws of Malta.
As of 1st February 2015, as part of the preparations underway for the transposition of the new EU Public Procurement Directives, and taking note of the fact that Contracting Authorities have built the necessary experience and know-how in EU co-funded Calls for Tender, the departmental threshold in respect of EU co-funded Calls for Tender has increased from €47,000 to €120,000. Tenders below this value can now be published departmentally without seeking prior approval from the Department of Contracts. In line with this change in procedures, more procurement officers were engaged in Line Ministries to monitor calls for tenders issued by their departments.

On 29 June 2015, the Chairman of the Financial Mechanism Committee, Mr Anders Erdal, referred to the National Focal Point the amendments required in the MoUs for the EEA and Norway Grants 2009-2014. The change for the EEA Grants reflects the sequestration from “Waste Management Activities in Malta” by the new project “Malta Water Conservation Awareness Centre” whilst the change for the Norway Grants reflects the renaming of the project “Re-organisation of the Young Offenders Unit of Rehabilitation Services (YOURS)” to “Renewing the Centre of Residential Restorative Services (CoRRS)”. Further changes proposed to the MoU were made in order to correct the programme and the grant amount of each amended pre-defined project, thus reducing the management costs of the Programme Operator and costs related to bilateral funds. The National Focal Point accepted the changes in the MoU on 1 July 2015.

4.3 Irregularities

Three actual irregularities were detected for reporting period 1 May to 30 August 2015, two of which were detected at a desk-based check carried out at Programme Operator level for Project MT02/2. All irregularities were deducted prior submission of the relevant IFR.

One of the irregularities was incurred by Transport Malta, whereby this project promoter opted to award a contract to another bidder besides the cheapest compliant bidder, as is the normal practice or as stipulated in the tender. The other irregularity, also affected by Transport Malta, concerned the rejection of a Performance Guarantee which was issued by a notary instead of by a commercial bank, as stipulated in the General Conditions of the Call for Tender. These financial corrections were carried out before being reported in the IFRs.
The last irregularity was reported during the payment process on CARS concerning an issue whereby the beneficiary did not choose the cheapest option for travel purposes.

### 4.4 Audit, monitoring, review and evaluation

In 2013, the Audit Authority carried out a systems audit on the management controls performed by the National Focal Point/Programme Operator. No systematic risks were reported but the following two recommendations were made. The first recommendation was to reconcile between CARS and Doris and bank statements. In this regard, the NFP/PO reconciles with the CA the amount verified through CARS by the NFP/PO, the amount verified by the NFP/PO at IFR level through DoRIS, the amount certified by the CA, the amount reimbursed through DoRIS and finally the amount transferred to Revenue. The second recommendation was to ensure that the Project Promoters’ internal accounting procedures reconcile with the expenditures and revenue declared in respect of the project with the corresponding accounting statements and supporting documents. This was implemented by adding an extra check during verification by NFP/PO ensuring that payments have been made through the distinct accounting code for the relative project.

The Monitoring Plan for 2015 is adhered to by the National Focal Point/Programme Operator. Monthly bilateral meetings were held with Project Promoters and Programme Implementation Departments within the respective Line Ministries. During these meetings concerns arising at project level in the course of implementation are discussed. Additionally, the NFP/PO also attends Steering Committee Meetings held by a number of respective Line Ministries to discuss any updates on the funded projects and iron out concerns. Furthermore, Project Progress Reports (PPRs) are compiled every six (6) months by the Project Promoters.

The Audit Plan for 2016 and the updated Monitoring Plan are being forwarded together with this report.

In total, five on-the-spot checks supplemented by administrative checks were performed in 2015. Two checks were performed on Project MT04/1. Another check was performed on Project MT02/3. The last two checks were performed on Project MT02/2 during which two
separate irregularities already mentioned in point 4.3 were recorded. The purpose of the on-the-spot checks is to examine the correctness of the procurement process of all projects under the EEA and Norway Grants while ensuring that the filing system for project-related documentary records was in good order as instructed in the Manual of Procedures for the EEA and Norway Grants.

The National Focal Point envisages the commissioning of an independent mid-year evaluation of the EEA and Norway Grants in 2016. The evaluation would look at the relevance, efficiency, effectiveness and sustainability of the programme and the projects. The budget under this heading is €19,000, one hundred percent of which would be disbursed in 2016 in the form of one payment to the contractor upon completion of the evaluation exercise.

4.5 Information and publicity

In conformity with the objectives of the Communication Strategy, the National Focal Point/Programme Operator publicly promoted the EEA and Norway Grants on Air Malta’s in-flight magazine during four summer months of 2015, whereby visibility of the impact and progress of the grants was made possible to over approximately 700,000 passengers on board Malta’s national airline.
Adverts used for the promotion of the EEA and Norway Grants on Air Malta’s in-flight magazine

One of the activities incorporated within each project under the EEA and Norway Grants, and for which there is always a specific amount allocated from the project’s budget, is actually publicity.

During 2015, the Transport Authority in Malta took a number of measures to promote and publicise the project MT02/2 - Oil/HNS Spill Response Capacity Building for the Protection of Malta’s seas. The main promotional event was a stakeholder’s workshop that was held in Malta on 31 July 2015. The workshop was attended by the major stakeholders including NGOs, which were provided with an update on the project progress and were presented with the training proposal. The proposal, which was presented by Gorton Consultancy Ltd, was welcomed by all the attendees. This event was given media coverage from local TV stations and a Press Release[^20] was also issued by the Authority.

Mr. Mevric Zammit, Project Manager of MT02/2: Oil Spill Response Capacity Building for the Protection of Malta’s Seas addressing the audience during the stakeholders’ workshop on 31st July 2015, in Malta

An interview with Ms. Maria Elena Zammit, Project Leader of MT02/3, and Mr. William Powney, Health and Safety Officer at Heritage Malta, was carried out for the Health, Safety and Environment Worldwide International Magazine, which was published on issue number 94 of January 2015. During the interview, a brief description of the Ħal Saflieni Hypogeum UNESCO World Heritage site was given, stating the importance to preserve and conserve it for future generations while at the same time catering for the health and safety of visitors. Publicity was given to the new ongoing project at the site and the EEA grants through which this project is funded.
The first of three information seminars about the project MT02/3: *A New Environmental Management System for the Ħal Saflieni Hypogeum World Heritage Site* was held at the Ħaġar Qim Visitor Centre on Wednesday 25th February. This seminar was aimed at stakeholders in the tourism industry such as tourist guides and tour operators, who tend to be the first contacts of foreign clients. The aim of this seminar was to inform them about the project and the funding programme, and to provide an informal forum where the participants could discuss issues, ask questions and understand the purpose, actions and timeframes of the works.

On the day, Heritage Malta also launched a facebook page for the site *Ħal Saflieni Hypogeum World Heritage Site* through which Heritage Malta also intends to update the public regularly about the ongoing works and direct the public to the project page. The Project Promoter felt this was useful as social media is nowadays more widespread than the normal webpages, and the project would get more coverage in this way. The link to the webpage is https://www.facebook.com/HypogeumMalta/?fref=nf.
On 18 September 2015, Ms. Katya Sammut, Project Manager of MT02/3, was invited for an interview from a local radio station. The aim of this interview was to introduce the project ‘MT02/3: A New Environmental Management System for the Ħal Saflieni Hypogeum’, which is partly financed by EEA Grants 2009-2014 through support from Iceland, Liechtenstein and Norway. During the interview, it was also briefly stated that the Hypogeum will only be closed for the least amount of time possible until the necessary works are carried out on site.

Project MT02/7 received extensive publicity through the local media when the Parliamentary Secretary for EU Funds, Hon. Dr. Ian Borg, visited the site of the Malta Water Conservation Awareness Centre Project and together with the project leader, Mr Manuel Sapiano from SEWCU, informed the general public through visual media and journalists about the project and what will it incorporate. Hon Dr Borg explained the role of the Funds and Programmes Division within the Ministry for European Affairs as the National Focal Point of the EEA and Norway Grants.

![Image of Dr. Ian Borg and colleagues](image-url)
Project MT04/1: The Department for Local Government promoted the Norway Grants through the various events held in connection with the Study Visit and Training in Performance Management, as part of the activities of the Pilot Project. The Project leader together with the Maltese Delegation and the Maltese Parliament Secretary for Local Government visited Oslo, Norway between 25 May and 29 May 2015.

Mr. Adrian Mifsud, Project Leader of MT04/1: A Partnership for Creative Governance together with the Maltese Delegation and the Maltese Parliamentary Secretary for Local Government in Oslo between 25 and 29 May 2015
4.6 Work plan

The work plan (annex 1) outlining the milestones for the implementation of the EEA and Norway Grants 2009-2014 over the next year, is provided as a separate document to this report.

5. Summary List of issues and recommendations

The National Focal Point/ Programme Operator is highly grateful for the extension provided for the implementation of all projects. This made a huge difference especially in the implementation for projects where a Planning Permit was needed prior to issuing of tenders, namely MT02/3, MT02/7 and MT04/2.

With regard to implementation of Project MT04/1, activities within this project are progressing quite well and it is expected that this will be this first project to be completed followed by Project MT02/2.

The National Focal Point/ Programme Operator shall continue with its close monitoring on the implementation and disbursement of all projects in line with the Programme Regulations and National procurement regulations. It also plans to continue its bilateral meetings with the project promoters on a monthly basis.

The National Focal Point/ Programme Operator is highly appreciative for the support provided by the FMO, as well as the Royal Norwegian Embassy in Rome. It also looks forward to further collaboration over the next year, especially with the new country officer at FMO and also the new Minister Counsellor at the Norwegian Embassy in Rome.
6. Attachments to the Strategic Report

This report also includes the following attachments:

Annex 1  Work plan for 2016
Annex2  Irregularities
Annex3  MT02 Monitoring Plan-Activities planned for 2016
Annex4  MT04 Monitoring Plan-Activities planned for 2016
Annex5  Risk Assessment at National Level for EEA Financial Mechanism
Annex6  Risk Assessment at National Level for Norway Financial Mechanism
Annex7  Risk Assessment at Project Level for EEA Financial Mechanism
Annex8  Risk Assessment at Project Level for Norwegian Financial Mechanism
Annex9  Information on Donor project partner MT02/2
Annex10  Information on Donor project partner MT04/1
Annex11  Information on Donor project partner MT04/2
Annex12  Audit Plan for 2016
Annex 1—WORKPLAN FOR 2016

<table>
<thead>
<tr>
<th>Period</th>
<th>Activity</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>5&lt;sup&gt;th&lt;/sup&gt; Monitoring Committee meeting</td>
<td>NFP</td>
</tr>
<tr>
<td></td>
<td>Submission of combined Strategic and Annual Programme Reports together</td>
<td>NFP</td>
</tr>
<tr>
<td></td>
<td>with Annexes and Annual Meeting draft Agenda to FMO</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>4&lt;sup&gt;th&lt;/sup&gt; Annual Meeting and approval of Strategic and Annual</td>
<td>NFP + PO &gt; FMC/NMFA</td>
</tr>
<tr>
<td></td>
<td>Programme Reports</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interim Financial Reports for Programmes MT01, MT02 and MT04</td>
<td>NFP/PO&gt;CA</td>
</tr>
<tr>
<td>Q1</td>
<td>Launch of Project MT02/7: Malta Water Conservation Awareness Centre</td>
<td>PP: SEWCU, Ministry for Energy and Health (Energy)</td>
</tr>
<tr>
<td></td>
<td>Launch of Project MT04/2: Renewing the Centre of Residential Restorative</td>
<td>PP: Department of Correctional Services, Ministry for Home Affairs and National Security</td>
</tr>
<tr>
<td></td>
<td>Services (CoRRs)</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>Publishing of Strategic and Annual Programme Reports and Annual Meeting</td>
<td>NFP</td>
</tr>
<tr>
<td></td>
<td>minutes on FPD website</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>Interim Financial Reports for MT01, MT02 and MT04</td>
<td>NFP/PO&gt;CA</td>
</tr>
<tr>
<td>September</td>
<td>Submission of Annual TA budget for the following year</td>
<td>NFP &gt; CA&gt; FMC/NMFA</td>
</tr>
<tr>
<td>November</td>
<td>Interim Financial Reports for MT01, MT02 and MT04</td>
<td>NFP/PO&gt;CA</td>
</tr>
</tbody>
</table>
Annex 2-Irregularities

EEA and Norwegian Financial Mechanism Programmes 2009-2014

Irregularities detected at Project Level during the reporting period. All irregularities were deducted prior the verification and certification of the relevant IFR.

<table>
<thead>
<tr>
<th>Project</th>
<th>MT02/2 – Oil/HNS Spill Response Capacity Building for the Protection of Malta’s Seas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Area 7</td>
<td>Adaptation to Climate Change</td>
</tr>
</tbody>
</table>

**IRREGULARITY 1 DESCRIPTION**

As part of its publicity campaign on the project, Transport Malta presented a Request for Quotations for the provision of catering services, for which however, the selected option turned out not to be the cheapest offer. The irregularity was detected during an on-the-spot check held by the Financial Control Unit (FCU) and the Desk Officer from Funds and Programmes Division at the offices of the Project Promoter.

**IRREGULARITY 2 DESCRIPTION**

This irregularity was detected during an on-the-spot check carried out by the FCU and the Desk Officer on the tender document TM004/2015 ‘Engagement of consultancy services to study and identify emergency response team training requirements for Oil/HNS Spills at Sea’. The Terms of Reference of this tender were infringed by the contractor as he did not provide a bank performance guarantee, as stipulated in the General Conditions, but a guarantee issued by an advocate’s office.
### Annex 3-MT02 MONITORING PLAN - ACTIVITIES PLANNED FOR 2016

<table>
<thead>
<tr>
<th>Project #</th>
<th>Name Project</th>
<th>Monitoring action</th>
<th>Planned timing: Q1, Q2, Q3, Q4</th>
<th>Criteria for monitoring (especially for site visits)</th>
<th>Risk issue with the project (if applicable)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>All</td>
<td>Computerised Accounting Records System</td>
<td>Ongoing</td>
<td>Financial management, monitoring of expenditure, verifications</td>
<td>Not related to any specific risk. Ongoing monitoring.</td>
<td>-</td>
</tr>
<tr>
<td>All</td>
<td>All</td>
<td>Bilateral meetings</td>
<td>Monthly</td>
<td>Periodical monitoring</td>
<td>Not related to any specific risk. Regular monitoring</td>
<td>-</td>
</tr>
<tr>
<td>All</td>
<td>All</td>
<td>Regular contact with Project Promoter</td>
<td>Day to day</td>
<td>Financial and Physical monitoring</td>
<td>Not related to any specific risk. Ongoing monitoring.</td>
<td>-</td>
</tr>
<tr>
<td>MT02/7</td>
<td>Malta Water Conservation Awareness Centre</td>
<td>Project Progress Report</td>
<td>Q2, Q4</td>
<td>Periodical reporting</td>
<td>Not related to any specific risk. Regular monitoring.</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>On-the-spot checks (OTS)</td>
<td>To be carried out following award</td>
<td>Very low impact</td>
<td>Not related to any specific risk. Awarded</td>
<td>OTSs will be undertaken as part of the PO</td>
</tr>
<tr>
<td>MT02/2</td>
<td>Oil/HNS spill response capacity building for the protection of Malta’s seas</td>
<td>Project Progress Report</td>
<td>Q2, Q4</td>
<td>Periodical reporting</td>
<td>Not related to any specific risk. Regular monitoring.</td>
<td>-</td>
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</tr>
<tr>
<td>MT02/3</td>
<td>A new environmental management system for the Hal Saflieni Hypogeum World Heritage Site</td>
<td>Project Progress Report</td>
<td>Q2, Q4</td>
<td>Periodical reporting</td>
<td>Not related to any specific risk. Regular monitoring.</td>
<td>-</td>
</tr>
</tbody>
</table>

### Project Progress Report Q2, Q4
- **Periodical reporting**: Not related to any specific risk. Regular monitoring.
- **On-the-spot checks (OTS)**: To be carried out following award of contracts and prior to verification of first expenditure. Very low impact. Not related to any specific risk. Awarded contracts. OTSs will be undertaken as part of the PO obligations to perform at least one on-site visit per programme per year.
- **On-the-spot checks**: To be carried out following award of contracts and prior to verification of first expenditure. Very low impact. Not related to any specific risk. Awarded contracts. This on-site visit will be undertaken as part of the PO obligations to perform at least one on-site visit per programme per year.
## Annex 4- MT04 MONITORING PLAN - ACTIVITIES PLANNED FOR 2016

<table>
<thead>
<tr>
<th>Project #</th>
<th>Project name</th>
<th>Monitoring action</th>
<th>Planned timing: Q1, Q2, Q3, Q4</th>
<th>Criteria for monitoring (especially for site visits)</th>
<th>Risk issue with the project (if applicable)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>All</td>
<td>Computerised Accounting Records System</td>
<td>Ongoing</td>
<td>Financial management, monitoring of expenditure, verifications</td>
<td>Not related to any specific risk. Ongoing monitoring.</td>
<td>-</td>
</tr>
<tr>
<td>All</td>
<td>All</td>
<td>Regular contact with Project Promoter</td>
<td>Day to day</td>
<td>Financial and Physical monitoring</td>
<td>Not related to any specific risk. Ongoing monitoring.</td>
<td>-</td>
</tr>
<tr>
<td>All</td>
<td>All</td>
<td>Bilateral Meetings</td>
<td>Monthly</td>
<td>Periodical reporting</td>
<td>Not related to any specific risk. Regular monitoring.</td>
<td>-</td>
</tr>
<tr>
<td>MT04/1</td>
<td>A partnership for creative governance</td>
<td>Project Progress Report</td>
<td>Q2, Q4</td>
<td>Periodical reporting</td>
<td>Not related to any specific risk. Regular monitoring.</td>
<td>-</td>
</tr>
<tr>
<td>MT04/1</td>
<td>On-the-spot checks (OTS)</td>
<td>To be carried out following award of contracts and prior to verification of first expenditure</td>
<td>Very low impact</td>
<td>Not related to any specific risk. Awarded contracts</td>
<td>OTSs will be undertaken as part of the PO obligations to perform at least one on-site visit per programme per year.</td>
<td></td>
</tr>
<tr>
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<td>-------------------------------------------------</td>
<td>------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>MT04/2</td>
<td>Renewing the Centre of Residential Restorative Services (CoRRs)</td>
<td>Project Progress Report</td>
<td>Q2, Q4</td>
<td>Periodical reporting</td>
<td>Not related to any specific risk. Regular monitoring.</td>
<td>-</td>
</tr>
</tbody>
</table>

On-the-spot checks (OTS)  
To be carried out following award of contracts and prior to verification of first expenditure  
Very low impact  
Not related to any specific risk. Awarded contracts  
OTSs will be undertaken as part of the PO obligations to perform at least one on-site visit per programme per year.
### Annex 5: Risk assessment at the national level for EEA Financial Mechanism

The risk assessment at the national level regards risks to the two overall objectives and overall operations of the Grants.

<table>
<thead>
<tr>
<th>Type of objective</th>
<th>Description of risk</th>
<th>Likelihood</th>
<th>Consequence</th>
<th>Mitigation planned/done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohesion objective: Reducing economic and social disparities in the European Economic Area</td>
<td>Project implementation</td>
<td>1</td>
<td>1</td>
<td>Regular contact between NFP/PO and PP is kept on a regular basis to mitigate any risks which might evolve during the project duration. The extension granted by FMO to all project partners has further mitigated the risk that any one of the projects are not implemented on time!</td>
</tr>
<tr>
<td>Bilateral objective: To Strengthening of bilateral relations with the 15 Beneficiary States in Central and Southern Europe</td>
<td>Cooperation of Donor Project Partners</td>
<td>1</td>
<td>1</td>
<td>Close contact between NFP/PO and FMO thus ensuring that the FMO is alerted immediately and in a timely manner regarding any difficulties encountered in this regard by any of the project partners.</td>
</tr>
<tr>
<td>Operational issues:</td>
<td>Possible delays in procurement</td>
<td>2</td>
<td>2</td>
<td>Regular contact between NFP/PO and PP and timely necessary action taken by the Head of NFP/PO through contacts with the Department of Contracts.</td>
</tr>
<tr>
<td></td>
<td>The TA allocation seems to be insufficient to cover the whole implementation period</td>
<td>2</td>
<td>2</td>
<td>TA budget was restricted to NFP only.</td>
</tr>
</tbody>
</table>

1 The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

2 Each risk should be described as to whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue, where 4 = Almost certain (75 – 99% likelihood); 3 = Likely (50 – 74%); 2 = Possible (25 – 49%); 1 = Unlikely (1 – 24%)

3 Assess the consequence(s) in the event that the outcomes and/or crucial operations are not delivered, where 4 = severe; 3 = major; 2 = moderate; 1 = minor; n/a = not relevant or insignificant.
# Annex 6: Risk assessment at the national level -Norwegian Financial Mechanism

The risk assessment at the national level regards risks to the two overall objectives and overall operations of the Grants.

<table>
<thead>
<tr>
<th>Type of objective</th>
<th>Description of risk</th>
<th>Likelihood</th>
<th>Consequence</th>
<th>Mitigation planned/done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohesion objective: Reducing economic and social disparities in the European Economic Area</td>
<td>Project implementation</td>
<td>1</td>
<td>1</td>
<td>Regular contact between NFP/PO and PP is kept on a regular basis to mitigate any risks which might evolve during the project duration. The extension granted by FMO to all project partners has further mitigated the risk that any one of the projects are not implemented on time!</td>
</tr>
<tr>
<td>Bilateral objective: To Strengthening of bilateral relations with the 15 Beneficiary States in Central and Southern Europe</td>
<td>Cooperation of Donor Project Partners</td>
<td>1</td>
<td>1</td>
<td>Close contact between NFP/PO and FMO thus ensuring that the FMO is alerted immediately and in a timely manner regarding any difficulties encountered in this regard by any of the project partners.</td>
</tr>
<tr>
<td>Operational issues:</td>
<td>Possible delays in procurement</td>
<td>1</td>
<td>1</td>
<td>Regular contact between NFP/PO and PP and timely necessary action taken by the Head of NFP/PO through contacts with the Department of Contracts.</td>
</tr>
<tr>
<td></td>
<td>The TA allocation seems to be insufficient to cover the whole implementation period</td>
<td>2</td>
<td>2</td>
<td>TA budget was restricted to NFP only.</td>
</tr>
</tbody>
</table>

---

24 The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

25 Each risk should be described as to whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue, where 4 = Almost certain (75 – 99% likelihood); 3 = Likely (50 – 74%); 2 = Possible (25 – 49%); 1 = Unlikely (1 – 24%)

26 Assess the consequence(s) in the event that the outcomes and/or crucial operations are not delivered, where 4 = severe; 3 = major; 2 = moderate; 1 = minor; n/a = not relevant or insignificant.
## Risk Assessment

### MT02/2 - Oil/HNS spill response capacity building for the protection of Malta’s seas

<table>
<thead>
<tr>
<th>Type of Objective&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Outcome</th>
<th>Description of risk</th>
<th>Likelihood&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Consequence&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Mitigation plan/action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohesion</td>
<td>Developed strategies and measures for adapting to a changing climate</td>
<td>Identifying the appropriate training participants, the appropriate training providers and the right consultant to carry out studies on Offshore drilling operations.</td>
<td>1</td>
<td>1</td>
<td>Donor Project Partner to support in the identification of appropriate personnel. Terms of Reference will be specific to ensure that bids are received from the appropriate training providers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Issues with the contractual obligatory roles of assigned personnel that may delay contract execution.</td>
<td>1</td>
<td>1</td>
<td>Foresee any contractual obligations that may arise during execution so that these are addressed during drafting of tender document.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Identified personnel may not be able to attend training on stipulated dates.</td>
<td>1</td>
<td>1</td>
<td>Inform about training dates in advance. In case identified personnel could not attend, other officers of a similar rank will be delegated to attend in their place.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Delays in tender adjudication or in case of an appeal that would have a direct impact on the overall timely execution.</td>
<td>2</td>
<td>2</td>
<td>Ensure that adjudicating committee members are resourced and available at the appropriate time, and that they are well briefed on the procedures adopted in tender adjudication. Tender documentation is reviewed considerably prior to issuing tender to ensure that there are no areas that may give rise to misinterpretation.</td>
</tr>
</tbody>
</table>

---

<sup>1</sup> The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

<sup>2</sup> Each risk should be described as to whether it poses a risk to the cohesion outcomes (programme outcomes), the bilateral outcome or crucial operational issues. 4 = Almost certain (75 – 99% likelihood); 3 = Likely (50 – 74%); 2 = Possible (25 – 49%); 1 = Unlikely (1 – 24%)

<sup>3</sup> Assess the consequence(s) in the event that the outcomes and/or crucial operations are not delivered, where 4 = severe; 3 = major; 2 = moderate; 1 = minor; n/a = not relevant or insignificant.
## Risk Assessment

<table>
<thead>
<tr>
<th>Type of Objective&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Outcome</th>
<th>Description of risk</th>
<th>Likelihood&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Consequence&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Mitigation plan/action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohesion</td>
<td>Cultural heritage restored, renovated and protected</td>
<td>The design outlining the detail of the environmental control system may deviate from the proposed budget.</td>
<td>1</td>
<td>2</td>
<td>Designs for the environmental control system have been completed. Clear instructions given to contracted engineer to design alternative solutions to allow a degree of flexibility in the best and most economically advantageous system for the site.</td>
</tr>
<tr>
<td>Cultural heritage restored, renovated and protected</td>
<td>Cultural heritage made accessible to the public</td>
<td>Studies and technology foreseen in the implementation of this project are very specialised with the risk of being not readily available on the market.</td>
<td>1</td>
<td>1</td>
<td>The technical team investigating environmental management within the site is made up of experts in the field with international contacts who shall ensure that relevant experts are notified about tender calls. Relevant experts will be notified about tender re-issue.</td>
</tr>
<tr>
<td>Cultural heritage restored, renovated and protected</td>
<td>Public procurement procedures are lengthy and may also carry the risk of appeal once a tender is awarded. Additionally, since the works are specialized offers are often not submitted on the first time tender calls are issued.</td>
<td>2</td>
<td>2</td>
<td>To lessen the duration of tender procedures during the project timeframe, tender documents are prepared prior to project implementation.</td>
<td></td>
</tr>
<tr>
<td>Cultural heritage restored, renovated and</td>
<td>Owners of overlying houses may refuse giving permission to investigate and replace house connections and hence some elements of the project</td>
<td>2</td>
<td>1</td>
<td>Good relations established with the neighbours of the site who are also kept informed of project</td>
<td></td>
</tr>
<tr>
<td>Risk Description</td>
<td>Likelihood</td>
<td>Need for Progress</td>
<td>Potential Mitigation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>------------</td>
<td>-------------------</td>
<td>----------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adverse weather conditions during site’s roof replacement which may cause flooding of the site.</td>
<td>2</td>
<td>3</td>
<td>The project architect has designed an alternative possibility for replacing the roof in stages thus minimising the site’s exposure.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material that shall be removed from the site as part of restoration is organic and may biologically contaminate the site during removal.</td>
<td>2</td>
<td>3</td>
<td>The site shall be sealed before works commence to ensure that no contaminants enter the site. The removal of these biological materials shall be employed in a way which minimises the spread of organic contaminants. Works shall also be monitored to ensure that the methodology is adhered to.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3 The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.
4 Each risk should be described as to whether it poses a risk to the cohesion outcomes (programme outcomes), the bilateral outcome or crucial operational issues 4 = Almost certain (75 – 99% likelihood); 3 = Likely (50 – 74%); 2 = Possible (25 – 49%); 1 = Unlikely (1 – 24%) |
5 Assess the consequence(s) in the event that the outcomes and/or crucial operations are not delivered, where 4 = severe; 3 = major; 2 = moderate; 1 = minor; n/a = not relevant or insignificant.
<table>
<thead>
<tr>
<th>Outcome</th>
<th>Description of risk</th>
<th>Likelihood</th>
<th>Consequence</th>
<th>Mitigation plan/action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohesion</td>
<td>Increased awareness of and education in integrated marine and inland water management</td>
<td>Delay in the outcome of public procurement processes resulting from various scenarios such as appeals to tender award.</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Possible loss of expertise along the course of project implementation.</td>
<td>1</td>
<td>1</td>
<td>Expertise to be engaged on a contractual basis to ensure availability and continuity of work. Contracted expert must also provide a performance guarantee against contract.</td>
</tr>
<tr>
<td></td>
<td>Issues arising during the reviewing of landscaping agreements with ELC for the roundabout area.</td>
<td>2</td>
<td>1</td>
<td>Back-up plan (for the direct undertaking of landscaping works) to be developed by project promoter should ELC not agree to contract amendments.</td>
</tr>
<tr>
<td></td>
<td>Possible delays in procurement and implementation processes related to the development of the multi-media platform for</td>
<td>2</td>
<td>2</td>
<td>Project Promoter to start the procurement process (writing and issuing calls for tenders and evaluate</td>
</tr>
</tbody>
</table>

---

27 Likelihood of risks to whether it poses a risk to the cohesion outcomes (programme outcomes), the bilateral outcome or crucial operational issues: 4 = Almost certain (75 – 99% likelihood); 3 = Likely (50 – 74%); 2 = Possible (25 – 49%); 1 = Unlikely (1 – 24%).

28 Consequence(s) in the event that the outcomes and/or crucial operations are not delivered: 4 = severe; 3 = major; 2 = moderate; 1 = minor; n/a = not relevant or insignificant.
<table>
<thead>
<tr>
<th>Extent of cooperation</th>
<th>Risk of cooperation ending with project finalisation.</th>
<th>1</th>
<th>1</th>
<th>Project Promoter to seek to establish links with Water Management institutions from funding country in order to maintain cooperation beyond project timeframe.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared results</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>Contacts with Technical Experts from these institutions to be established well before the technical visits.</td>
</tr>
<tr>
<td>Improved knowledge and mutual understanding</td>
<td>Risk of diverse geographical and climate conditions hampering the establishment of common issues with technical entities involved in the Bilateral Project</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Wider effects</td>
<td>Inclusion of Centre as a visiting point during water related meetings under Malta’s Presidency of the EU.</td>
<td>1</td>
<td>1</td>
<td>Use of Centre as a venue to be outlined to Presidency Unit with initial submissions on these meetings.</td>
</tr>
<tr>
<td>Operational</td>
<td>Implementation Possible delays in procurement.</td>
<td>2</td>
<td>2</td>
<td>Monitoring and regular contact between NFP/PO and PPs.</td>
</tr>
</tbody>
</table>
### Risk Assessment

<table>
<thead>
<tr>
<th>Type of Objective</th>
<th>Outcome</th>
<th>Description of risk</th>
<th>Likelihood</th>
<th>Consequence</th>
<th>Mitigation plan/action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohesion</td>
<td>Enhanced institutional capacity and human resources development in public institutions, local and regional authorities in the Beneficiary States</td>
<td>Training may not be sufficient to the local government context.</td>
<td>1</td>
<td>1</td>
<td>Tight terms of reference so that service providers ensure training of local government practices are optimal.</td>
</tr>
<tr>
<td></td>
<td>Enhanced capacity and quality of the services provided by public institutions, local and regional authorities through enhanced institutional capacity and human resources development</td>
<td>Tendering offers may be above the allocated budget resulting in cancellation of awards of tenders or lack of funding. This could delay implementation.</td>
<td>1</td>
<td>1</td>
<td>Crosscutting measures can be set and assistance sought from Government in the first year. It is to be ensured that sufficient financial provision is made in the government annual estimates during the project period.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of value in tender offers and/or the event of appeals that may delay project implementation.</td>
<td>1</td>
<td>1</td>
<td>Ensure that adjudicating committee members are resourced and available at the appropriate time, and that they are well briefed on the procedures adopted in tender adjudication. Tender documentation is reviewed considerably prior to issuing tender to ensure that there are no areas that may give rise to misinterpretation.</td>
</tr>
</tbody>
</table>

1. The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

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### Risk Assessment

<table>
<thead>
<tr>
<th>Type of Objective</th>
<th>Outcome</th>
<th>Description of risk</th>
<th>Likelihood</th>
<th>Consequence</th>
<th>Mitigation plan/action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational</td>
<td>Tendering</td>
<td>The tender related to works, holding a financial allocation of €1,249,673, is currently in evaluation stage. Evaluation was expected to be concluded by the end of November and the contract awarded by the third week of December 2015. However, till the end of December evaluation was still ongoing, and hence one has to be rather cautious when establishing deadlines for the completion of certain outcomes. For this particular reason, the Contracting Authority (CA) cannot exclude the possibility of the project enduring minor delays, perhaps due to further negotiations with compliant bidders or else due to appeals.</td>
<td>1</td>
<td>1</td>
<td>The Contracting Authority is making its utmost so that deadlines are adhered to as much as possible. Adversely, it is to be expected that some circumstances, on which there is no direct control, might constrain the CA to accept a slow-down in the process of adjudication of this main tender on the project. Nevertheless, the CA is envisaging that, in case of such occurrences, the impact on the successful completion of the project would still be of minor concern.</td>
</tr>
<tr>
<td>Cohesion</td>
<td>Increased application of alternatives to prison</td>
<td>Inmate risk assessments might deter some residents from partaking of alternatives to imprisonment opportunities. Hence number of inmates benefitting from these programmes might be minimal. Opposition to change current legal ‘practices’ into ones that enable more integration and participation of inmates in community work and community-based educational programmes. Given the difficulty in forecasting future population parameters, there might be an oversupply or undersupply of inmates who can partake of community work.</td>
<td>1</td>
<td>1</td>
<td>Psychosocial interventions shall be directed at lessening the risk potential of these inmates. Ongoing consultation and cooperation with the relevant Ministry and the Commissioner for Children. Risk mitigation plan shall need to be drawn once the risk situation is properly identified.</td>
</tr>
</tbody>
</table>
### Increased focus on vulnerable groups in prison

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Recommended Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in professional personnel might not be financially feasible.</td>
<td>1</td>
<td>1</td>
<td>Hiring of part-time instead of full-time personnel.</td>
</tr>
<tr>
<td>Legal authorities might not concede changes in legislation in line with proposed</td>
<td>1</td>
<td>1</td>
<td>Adjust the programme in line with prevalent legislation.</td>
</tr>
<tr>
<td>programme.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female offender capacity might, at times, be too small, risking isolation or</td>
<td>2</td>
<td>2</td>
<td>Programme shall have to be adapted to very small populations or to isolated units.</td>
</tr>
<tr>
<td>limitations of service provision.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Improved competences of both inmates and prison staff

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Recommended Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education levels of inmates and staff might render it difficult to benefit from</td>
<td>1</td>
<td>1</td>
<td>Staff needs to be properly selected and inmates need to be helped more in their</td>
</tr>
<tr>
<td>certain training with the result that inmates and staff might need to be left out</td>
<td></td>
<td></td>
<td>literacy skills.</td>
</tr>
<tr>
<td>of certain training opportunities.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Length of inmate stay might not be long enough to fully partake of educational and</td>
<td>2</td>
<td>2</td>
<td>Participation in certain programmes needs to be made available even after the</td>
</tr>
<tr>
<td>therapeutic programmes and so the success of the programme shall be diminished.</td>
<td></td>
<td></td>
<td>resident has left the facility.</td>
</tr>
<tr>
<td>Lack of finances available to run periodic in-service training courses for the</td>
<td>2</td>
<td>2</td>
<td>Utilise free public training services to deliver specific training.</td>
</tr>
<tr>
<td>staff. Hence, the skills and competencies attained by the initial training shall</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>be lost.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Operational Implementation

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Recommended Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible delays from the original timeframes.</td>
<td>1</td>
<td>1</td>
<td>Monitoring and regular contact between NFP/PO and Project Promoters. The Contracting</td>
</tr>
<tr>
<td>Authority is now projecting to conclude the project by February or March 2017.</td>
<td></td>
<td></td>
<td>Authority and the NFP/PO are very closely monitoring the evaluation process of the</td>
</tr>
<tr>
<td>Every success depends on the tender related to works. Hence, as stated above, the</td>
<td></td>
<td></td>
<td>tender in caption.</td>
</tr>
<tr>
<td>Contracting Authority and the NFP/PO are very closely monitoring the evaluation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>process of the tender in caption.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

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ANNEX 9: INFORMATION ON THE DONOR PROJECT PARTNER

**MT02/2**

**EEA FINANCIAL MECHANISM 2009-14**

## INFORMATION ON THE DONOR PROJECT PARTNER

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Oil/HNS spill response capacity building for the protection of Malta’s seas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Area 7</td>
<td>Adaptation to Climate Change</td>
</tr>
<tr>
<td>Donor Project Partner</td>
<td>Norwegian Coastal Administration (Kystverket / NCA)</td>
</tr>
<tr>
<td>Number of partnership projects</td>
<td>1</td>
</tr>
<tr>
<td>Proportion of partnership projects</td>
<td>33%</td>
</tr>
</tbody>
</table>

## SHORT DESCRIPTION OF THE PROJECT

This project will compliment the project carried out by the EEA Financial Mechanism 2004-09 and can be considered as a continuation of what has been achieved so far with respect to oil/HNS pollution preparedness and response at State level. Malta’s capacity to respond to oil/HNS spills will be taken a step further through the actions undertaken as part of this project. The project objectives are to:

- Address training requirements at national level in case of Tier 2 or Tier 3 spills
- Establish a training programme once the training needs have been identified
- Address pollution from oil offshore drilling operations within and outside of Malta’s territorial waters following recent concerns in this sector

With respect to identifying training needs and embarking upon them, a training gap analysis and proposals to address this gap is necessary. The training requirements for the twenty-five roles identified in the National Maritime Pollution Contingency Plan (NMPCP) 2009 as requiring specialised or refresher training, as well as the deployment of additional personnel including volunteers and their coordinators, will be addressed. Training courses will be provided. The project will also establish which equipment would be required for immediate and sustainable long-term training and will also include study visits.

In order to address risks from offshore drilling, the project will also yield studies addressing potential pollution from offshore oil drilling operations. The results of these studies will then be incorporated as an appendix to the approved NMPCP 2009, thereby addressing this risk in line with national requirements and International Conventions such as OPRC90.
### INFORMATION ON THE DONOR PROJECT PARTNERS

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Partnership for Creative Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Area 25</td>
<td>Capacity Building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities</td>
</tr>
</tbody>
</table>
| Donor Project Partners | 1. Department for Local Government, Royal Ministry of Local Government and Regional Development, Norway  
2. Norwegian Association of Local Municipalities (KS) |
| Other Project Partners | 3. Local Councils Association, Malta  
4. Centre of Expertise for Local Democracy Reform, Council of Europe |
| Number of partnership projects | 1 |
| Proportion of partnership projects | 50% |

### SHORT DESCRIPTION OF THE PROJECT

The proposed partnership between Malta and Norway in the area of local government will create a set of initiatives that will research, examine, focus and create a number of measures to strengthen institutional capacity, strengthen people development within the respective departments responsible for local government, the elected and the executive arms of local and regional government, improve the quality and accessibility of services provided and create a professional programme for exchange of personnel.

The project consists of a comprehensive training needs analysis (TNA) which will kick start with the setting up of a national Steering Group composed of key stakeholders. This shall be followed by the preparation and launch of a National Training Strategy (NTS) as well as a number of other activities including the development of a Leadership Academy Programme (LAP), a strategy on innovation and good governance and a European Label of Excellence. This label is to be awarded nationally to local authorities that have achieved a high overall level of governance, as measured against the twelve European principles of Good Democratic Governance.
ANNEX 11: INFORMATION ON THE DONOR PROJECT PARTNERS MT O4/2

NORWEGIAN FINANCIAL MECHANISM 2009-14

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Renewing the Centre of Residential Restorative Services (CORRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Area</td>
<td>32 Correctional Services, including Non-Custodial Sanctions</td>
</tr>
<tr>
<td>Donor Project Partners</td>
<td>Directorate of the Norwegian Correctional Services (NCS)</td>
</tr>
<tr>
<td>Number of partnership projects</td>
<td>1</td>
</tr>
<tr>
<td>Signature of Partnership Agreement</td>
<td>9 September 2015</td>
</tr>
<tr>
<td>Proportion of partnership projects</td>
<td>50%</td>
</tr>
</tbody>
</table>

SHORT DESCRIPTION OF THE PROJECT

The Directorate of the Norwegian Correctional Services (NCS or KDI) has offered to help in the training component of the project, due to its high level of expertise in the area and the need for specialised training. In this regard, the training component of the project will be divided into two phases. Phase one will cover general topics related to dealing with young offenders in correctional facilities and will be carried out by Maltese trainers. This training will form part of an EU funded initiative and will prepare the trainees for the second phase of their training. The second phase, which shall be funded through the project’s eligible budget, will be more specialised and will focus on the new operational system of the correctional facility. It will be conducted by Mr Ekhaugen himself.

Part of the eligible project budget will be used to cover travel-related expenditure, i.e. flights and travel subsistence allowance of the experts from NCS, as well as fees for the rental of training venues.