



**STRATEGIC AND ANNUAL PROGRAMME REPORT 2013**

**NORWEGIAN FINANCIAL MECHANISM 2009-2014**

**MALTA**

**17 January 2014**

## **1 EXECUTIVE SUMMARY**

This combined Strategic and Annual Programme Report has been drawn up by the National Focal Point/Programme Operator for Malta in pursuance of Articles 2.2 and 5.11 of the Regulation on the implementation of the Norwegian Financial Mechanism 2009-14.

It is the first year that a combined Report is being presented. The aim of this Report is to provide an overall indication of the stage reached in programme and project implementation under the Grants. With programme execution starting in December 2012, this Report is restricted to information about the initial stages of implementation and how the national priorities will be addressed through the selected programme areas and projects.

The National Focal Point/Programme Operator is overseeing two pre-defined projects under the Norwegian Financial Mechanism Programme 2009-14. One of these signed its project contract in November 2013. At the cut-off date of this report, signature of the second pre-defined project contract was still to be completed, being conditional upon submission to the National Focal Point of a development permit issued by the Malta Environment and Planning Authority (MEPA).

## 2 ASSESSMENT OF THE EFFECT OF THE GRANTS

In accordance with the Memorandum of Understanding between Malta and Norway that was signed on 27 September 2011 and the Programme Agreement for the financing of the Norwegian Financial Mechanism Programme signed on 9 April 2013, the following three programme areas will be receiving financing from the Norway Grants:

- Programme Area 22 Global Fund for Decent Work and Tripartite Dialogue<sup>1</sup>
- 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 Programme under the Norway Financial Mechanism 2009-14 seeks to contribute to the reduction of economic and social disparities within the EEA while enhancing bilateral cooperation between Malta and Norway through two pre-defined projects under Programme Areas 25 and 32. Project MT04/1 entitled 'A Partnership for Creative Governance' is partnering with the Norwegian Association of Local Municipalities (KS) while Project MT04/2 'Renewing the Young Offenders' Unit of Rehabilitation Services (YOURS)' which formally has no Donor State partner, plans to draw best practices from similar correctional institutions in Norway.

### 2.1 Cohesion

#### **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'**

The evolving global scenario is presenting various challenges to governance at regional and local level. Globalisation, global economic turmoil, proliferation in the use of ICT and environmental dynamics are some of the main drivers to which local governance has to respond. Austerity policies throughout Europe necessitate that politicians and executives at local council level do more with less. Creative thinking and innovation play a crucial part if sustainable communities are to be developed.

The development of effective, democratic local government is a fundamental change from the old ways of governing. Local authorities need the capacity to attract committed elected representatives and a set up of competent staff. By training them to deliver good local public services they will become organisations that foster sound leadership and management, engage local people and meet high standards of public service to better serve the community.

---

<sup>1</sup> Innovation Norway is the Programme Operator for this Programme Area

Effective local government calls for a pertinent and well planned strategy that requires local initiative and increased and strengthened cooperation in the respective European public institutions and in regional and local government.

In this regard, 'A Partnership for Creative Governance' will undertake a comprehensive training needs analysis leading to a National Training Strategy as a key factor for change in the economic and social situation in local communities.

A study in 2008 by the Council of Europe's Centre of Expertise for Local Government Reform showed that local government in Malta remained centralised and that little changed since its inception in 1993. Training programmes for local council staff and elected representatives, indispensable in fostering the international experience of foreign local government systems, were not available. Newly elected representatives received little training for their important role. Most of the 68 Maltese local councils are short of budget and professional capacity with fewer than five councils having a training budget.

The year 2010 saw a reform in local government. The Department for Local Government (DLG) set up a training unit and several training initiatives to bring about the needed change. DLG embarked on the identification of gaps in the system by launching a skills' profiling exercise on individual and local council requirements. This was the first step towards confirming the need for a full training requirements assessment to establish all the possible gaps in the local government system. The second step consists of an assessment of the actual performance of local authorities against existing standards.

Local councils play an important role in implementing national priorities. Many Maltese local councils have good work practices which cannot be shared with other local councils as there are no identified mechanisms for exchange yet.

'A Partnership for Creative Governance' is expected to bring about the much needed culture change in the Maltese local government scenario. Through a stronger local government system the long-term benefits for the Maltese community shall include an improved standard of living, a change in mentality, and a local government system that operates more closely to that expected at a European level. This should ameliorate Malta's position in the Human Development Index, which currently stands slightly above the EEA average, particularly with regard to an improved standard of living.

The adoption of strategies and performance indicators are expected to create the necessary tools for economic sustainability of the system. The performance indicators will also entail the establishment of a faster process of service delivery, both at counter-level in council offices and more so in an ICT strategy to deliver more e-government services.

The project actions are designed to meet the present shortcomings of the system and to overcome challenges. They will be delivered with the additional comfort of expertise through Donor project partnership and the Council of Europe.

The National Training Strategy that will be developed and implemented under this Programme will also make provisions for an academic course that will be receiving funding under an ESF project<sup>2</sup>. The Norway Grants are therefore a crucial instrument in empowering local government with sustainable capacity building.

### **Programme Area 32 – Correctional Services, including Non-custodial Sanctions**

#### **- Project MT04/2 – ‘Renewing the Young Offenders’ Unit of Rehabilitation Services (YOURS)’**

All-male young prisoner population in Malta has grown since the establishment of the Young Offenders’ Unit of Rehabilitation Services (YOURS) within Malta’s Correctional Facility in 1994. Such a population is expected to continue increasing and include young female offenders, which up till the present have not been catered for. These trends mean that young inmate capacity is an issue of national concern from both a spatial and operational perspective.

As things stand, the existing premises do not address the needs and rehabilitation requirements of young residents. A structure that includes a maximum security wing and a highly restrictive floor-plan mean that a dedicated space for the educational, recreational and psychological needs of a young population are difficult to materialise. As long as the number of YOURS inmates awaiting trial remains consistently high, the introduction of parole will only have a marginal effect on the number of inmates. Better premises to accommodate the growing population, with a section reserved for female offenders, coupled with a renewed programme to help sentenced inmates earn their parole are essential for successful correction in the coming years.

Additionally, to date correctional officers are primarily custodial in orientation and have had little training, if any at all, in dealing with young offenders.

The project ‘Renewing the Young Offenders’ Unit of Rehabilitation Services (YOURS)’ plans to address such shortcomings by relocating the current YOURS to alternative premises and through the introduction of a renewed programme of activities aimed at

---

<sup>2</sup> Project 4.181 ‘Improving Public Governance and Management at Local Level’ under Priority Axis 4 aims to research, develop, accredit and deliver the first academic qualification in public management at local level. The diploma level course is accredited at Level 5 of the Malta Qualifications Framework and will be delivered to Executive Secretaries working in local councils around Malta and Gozo, in Regional Committees and at the Local Councils’ Association and to staff of the Department for Local Government. This project will provide complimentary action to project MT04/1 and will not constitute project overlap.

the age and gender requirements of the population to incentivise desirable behaviours and facilitate seamless reintegration and assimilation of these residents into society.

The project aims to satisfy the needs of the most vulnerable strata of society. Social inclusion is one of the cornerstones of Government's actions in favour of a just society. Government's strategy in active inclusion enables individuals to live up their full potential by taking active part in economic and social life through appropriate support at critical junctions in their lives.

The issue of training and ongoing personal development of the inmates and the correctional officers assigned to the Young Offenders Unit is in line with Malta's National Reform Programme, which has as one of its main thrusts the issue of Education and Training. Project MT04/2 will also secure the explicit provision for young offenders to spend their time of imprisonment 'in a young offenders rehabilitation institution or in a similar facility' in terms of Regulation 61 (e) (ii) of the Prisons Regulations (Subsidiary Legislation 260.03) issued by virtue of the Prisons Act.

Correctional staff will also undergo formalised training on current best practices in the adolescent correctional field as well as receive firsthand experience in the way a correctional facility is operated in Norway and in line with international practices and human rights standards.

Upon project completion, Malta will be in a better position to honour international regulatory frameworks for the treatment of young offenders in detention.

## Risks

A number of risks could impede the efficient implementation of the programme. Most common risks of implementation are related to procurement, such as tender offers exceeding available budget or the eventuality of appeals lodged following the publication of tender results. Other areas where risks exist include environmental/planning permitting procedures, the implementation of enhancements to the computerised accounting system and projects falling behind schedule.

Procurement-related risks have been mitigated to a large extent with regard to project MT04/1. By means of a service agreement reached in November 2013 between the Department for Local Government and the Council of Europe, the latter has been directly entrusted to deliver the majority of the project's activities.

Given that project MT04/2 has an indicative implementation period of three years, slippage suffered due to delays in site selection mean that any procurement-related obstacles could impact the likelihood of the project being completed by the final eligibility date of 30 April 2017. The risk of appeals being lodged may be mitigated by

carrying out thorough market research prior to the launch of tenders/calls for quotations and making sure that terms of reference or specifications are adequately tight and feasible in relation to the financial resources available.

Risks are a common reality among projects that require a planning permit. A condition set by the Donors in that regard prevents the Programme Operator from signing the Project Contract before the necessary building and planning permits are in place. This is a point of concern for project MT04/2. The National Focal Point/ Programme Operator held several meetings with the Project Promoter but as at the cut-off date of this report, the Ministry for Home Affairs and National Security was still in the process of identifying an appropriate site that would address all the project objectives but at the same time would not have any adverse environmental implications. With the construction of new premises for the YOURS Unit being a fundamental project deliverable and an agreed implementation period of 36 months, project MT04/2 faces a serious risk of non-completion by April 2017.

The 2004-09 period had encountered problems in delayed financial reporting as the computerised payment and accounting system used to process payments on a national level during that period took considerable time to be developed. Given reasons of eligibility of expenditure, an IT system for the 2009-14 period could not be commissioned by the Programme Operator prior to signature of the Programme Agreements. As an interim measure to prevent experiencing the same delays again, the 2004-09 system was used to process payments in the year under review. Following the launch of the Programme Agreements on 9 April 2013 the Programme Operator commissioned the Malta Information Technology Agency (MITA) to assess and propose the enhancements deemed necessary to the system, henceforth to become known as the Computerised Accounting Records System (CARS). Following a series of technical meetings, MITA submitted a requirements document to the Programme Operator in December 2013. The next step is for the Programme Operator to review the document and give its feedback thereon to MITA. Following conclusion of the commentary stage and finalisation of the requirements document, work shall start on the implementation of the enhancements to the system.

In 2013, the National Focal Point/ Programme Operator adopted an additional practice in its quest for consistent and vigilant monitoring of project implementation. Bilateral meetings with Project Promoters and Departments responsible for Programme Implementation in the respective ministries were held every two months throughout the year. These meetings not only served to consolidate further the working relationship between all parties involved while facilitating the understanding of concerns and problem solving; they also provided an extra layer of regular project monitoring, significantly reducing the risk of projects falling behind or appreciably deviating from their implementation schedule.

The Monitoring Plan, prepared and updated each year by the Programme Operator, presents a risk tracing system as part of risk assessment and risk management. The plan also devises a tool to assess the probability and impact of identified risks which helps the Programme Operator to evaluate the level of the risk. The risks identified within each project will be monitored by the Programme Operator through periodical progress reports, desk-based expenditure verification checks and on-the-spot checks. Having started implementation in the second half of 2013, the projects have not yet given rise to any cause for concern that would normally require an on-the-spot visit. In line with the Monitoring Plan, however at least one of the projects shall undergo an on-the-spot visit in 2014.

A systems audit carried out by the Audit Authority on the management and control system of the National Focal Point/ Programme Operator in mid 2013 did not report any systemic risks. The Audit Authority made two recommendations<sup>3</sup>. These recommendations were taken on board and duly adopted the National Focal Point/ Programme Operator.

## 2.2 Bilateral relations

The Norwegian Financial Mechanism Programme was inaugurated on 9 April 2013. H.E. Bjørn T. Grydeland, Ambassador of the Kingdom of Norway, signed the Programme Agreement for the Norwegian Financial Mechanism on behalf of the Norwegian Ministry of Foreign Affairs. This was a high level event with the participation of the Hon. Dr. Ian Borg, Parliamentary Secretary for the EU Presidency 2017 and EU Funds, Donor State representatives, Royal Norwegian Embassy officials, Financial Mechanism Office representatives, relevant stakeholders and the press. Project Promoters were given the opportunity to introduce their pre-defined projects to all those present. The event was extensively covered in the local media where emphasis was made on the financial assistance secured through the Norway Grants.

---

<sup>3</sup> Recommendation 1: Adoption of a reconciliation sheet to record checks carried out in relation to the verification procedure between the Computerised Accounting Records System (CARS) and DoRIS and the bank accounts.

Recommendation 2: Introduction of a control in the desk-based checks during the verification process to ensure that the local purchase order (LPO) commitment is made on the appropriate line item. Project Promoters directed to upload the LPOs on CARS.





**H.E. Bjørn T. Grydeland, Ambassador of the Kingdom of Norway (third from left) and Mr Raphael Scerri, Head of the Maltese Focal Point (fourth from left) signing the Programme Agreement for the Norwegian Financial Mechanism on 9 April 2013**

In the run up towards the signing of a partnership and services agreement for project MT04/1, the Department for Local Government held a meeting with the Council of Europe in Strasbourg in May 2013. During the meeting, the contents of the agreement itself were discussed, along with other aspects of the project's implementation. The partnership and services agreement with the Council of Europe was eventually signed on 27 November 2013.

Meanwhile the partnership agreement between the Department for Local Government and the Norwegian Association of Local Municipalities (KS) was signed on 6 December 2013. With its international experience in project management, KS has a vital contribution towards the success of this project and is an ideal partner to assist the Department for Local Government.

In September 2013, two representatives from the Maltese National Focal Point and Programme Operator actively participated in a seminar organised by the Financial Mechanism Office in Oslo on risk management for results and fighting corruption. The purpose of the seminar was to chart progress on this subject since the previous seminar which had taken place in Sofia. The topics discussed during the Oslo seminar included results and risk management in the EEA and Norway Grants, the corruption risk filtering exercise performed by Transparency International and next steps, the complaints mechanism and integrity pacts. The seminar also provided an opportunity for networking and establishing new contacts.

Funds are available for further bilateral cooperation between the Donor States and Malta. One of the proposed activities listed in the Work Plan for these funds is a 1- or 2-

day seminar on a theme of common interest. To this end, a number of possible themes were considered jointly by the National Focal Point, the FMO and the Royal Norwegian Embassy, competent Maltese authorities and academic institutions. These ranged from irregular migration and challenges in the field of energy to a theme of a social nature. Finally it was agreed to select the latter as the theme for the seminar, with the Ministry for the Family and Social Solidarity to prepare a detailed proposal. This seminar is foreseen to take place around mid-2014.

The Programme Operator has also started planning about how to implement the Funds for Bilateral Relations at Programme Level. It intends to issue a call for expression of interest among the current project promoters to facilitate partner networking on themes based on the Programme Areas where Malta has projects. 1.5% of the allocation under the Norwegian Financial Mechanism Programme has been reserved for this purpose.

The Funds for Bilateral Relations at both national and programme level present further opportunities for Malta to invest in strengthening relations with Norway through various aspects of collaboration. Nevertheless, due to the limited funds available, events planned to promote bilateral relations have to be contained to certain limitations. Careful planning and prioritising of bilateral opportunities according to importance can mitigate this risk to fulfil the Funds' maximum potential.

Beyond the framework of the Grants, the following key events/meetings at national level between Norway and Malta have also contributed to strengthened bilateral relations:

The Avoidance of Double Taxation Agreement between Malta and Norway that was revised in 2010 and signed on 30 March 2012 entered into force on 14 February 2013.

Ambassador Grydeland held a number of bilateral meetings in 2013, following the formation of the new Cabinet. On 8 April 2013, he met the Hon. Dr. George Vella, Minister for Foreign Affairs.

The Ambassador of Norway paid a further official visit to Malta on 4 and 5 December 2013 for meetings with the Hon. Marie Louise Coleiro Preca, Minister for the Family and Social Solidarity and the Hon. Dr. Emmanuel Mallia, Minister for Home Affairs and National Security. Ambassador Grydeland paid a courtesy call at the Ministry for Foreign Affairs and met on 4 December 2013 with the Director of European Affairs, Mr. Neville Aquilina.

## 3 REPORTING ON PROGRAMME

### 3.1 Overview of Programme Status

The Programme Agreement for the Norwegian Financial Mechanism 2009-14 was signed on 9 April 2013. From that date until the end of 2013, one project contract was signed: that between the Programme Operator and the Department for Local Government, which is the Project Promoter of MT04/1 - 'A Partnership for Creative Governance'.

Funds were set aside for the Global Fund for Decent Work and Tripartite Dialogue under Programme Area 22. Innovation Norway, an entity designated by Norway operates this Fund. Two proposals were submitted by Malta in response to the call published by Innovation Norway of which the one by the Department of Industrial and Employment Relations was selected. The implemented project under this Programme Area, entitled 'Enhancing Social Dialogue and Labour Institutions', delivered an analysis of the current labour market situation particularly with regard to flexible employment and the current regulatory provisions.

A conference, held on 5 December 2013, was addressed by Hon. Dr. Helena Dalli, Minister for Social Dialogue, Consumer Affairs and Civil Liberties and H.E. Bjørn T. Grydeland, Ambassador of the Kingdom of Norway. Ambassador Grydeland expressed his satisfaction with efforts being made to enhance bilateral relations between Norway and Malta and with the way his government was paving the way for successes emanating from the Nordic economic model to be shared with and emulated by other countries.

Among the various speakers from trade unions, employers' associations and other bodies for social dialogue, two Norwegian experts from the trade union confederation LO and from the research institution FAFO, gave presentations highlighting best-practices from the Norwegian economy.

The second meeting of the Monitoring Committee for the 2009-2014 programme period took place in January 2013. The Annual Meeting with the Donors was held in April 2013.

A total of €1,694,118 in eligible expenditure has been committed by means of the Programme. Out of this amount, a total eligible sum of €8,986.61 was disbursed by end 2013. The first and only Interim Financial Report submitted in 2013 covering incurred expenditure between 5 December 2012 and 31 August 2013 declared €4,930 in eligible expenditure incurred under the Norwegian programme. Expenditure effected in 2013 consisted of the reimbursement of salary of one officer carrying out full time duties as Programme Operator and the advance payment in respect of a requirements document for CARS. This expenditure falls under the category 'Programme Management'.

The National Focal Point also produced a Manual of Procedures and annexes to serve as guidance for Project Promoters during implementation. This document and its annexes are accessible on the Grants webpage<sup>4</sup>.

## 3.2 Individual Programme Reporting

### 3.2.1 Overall progress as regards implementation of the Programmes and their sub-projects

As stated earlier in this Report, only the project contract for MT04/1 was signed under the Norwegian Financial Mechanism Programme on 12 December 2013. This was enabled following finalisation and signature of the project partnership agreements between the Department for Local Government and its three respective partners, namely the Local Councils Association in Malta, the Norwegian Association of Local Municipalities (KS) and the Centre of Expertise for Local Democracy Reform within the Council of Europe.

Originally, this project had a fourth partner, the Royal Ministry of Local Government and Regional Development Norway. However, this partner withdrew from the partnership. An amendment was made to the Programme Agreement as the Royal Ministry of Local Government and Regional Development Norway was listed as one of the partners under project MT04/1 in that document.

Separately, following a review of the project's financial requirements, the Project Promoter submitted a justified request to transfer €159 from the budget heading and activity 'Project Management' to 'Consumables and Supplies'. The National Focal Point accepted the Project Promoter's request for such financial transfer in terms of Article 2.9.2.a of the Programme Agreement.

The official project launch event is expected to be held in January 2014. The Project Promoter also intends to convene the first Steering Committee meeting in the same week, taking advantage of the presence of all project partners for the launch.

The project plans to develop a national strategy for innovation and good governance at local level. A comprehensive Training Needs Analysis/ Assessment shall be conducted to identify gaps in the current local government system. This would then feed into the design and development of a national training strategy for local government. A training academy for leadership at all levels of local government shall also be formed. To secure quality standards, the project plans to develop a set of performance indicators which local government shall be required to adhere to.

---

<sup>4</sup> [https://secure2.gov.mt/fpd/eea\\_2009-2014](https://secure2.gov.mt/fpd/eea_2009-2014) or <http://www.norwaygrants.gov.mt>

Besides being an active partner in the project, the Council of Europe will also deliver the majority of services required in the project's activities, such as the Training Needs Analysis/Assessment as well as the preparation of a National Training Strategy, the Leadership Academy Programme, a Performance Management Programme and the Strategy for Innovation and Good Governance at Local Level. All applicable approvals at a local level were sought and obtained for a direct agreement for services with the Council of Europe. The fact that the majority of this project's activities have been entrusted to this highly reputable institution has also reduced the risk of having multiple tenders on the market, each possibly presenting procurement-related difficulties along the course of the project timeline.

The contract with the Council of Europe stipulates payment in two instalments, the first upon signature and the second following the service provider report. At the cut-off date of this report, the Project Promoter was in the process of paying the first instalment.

Support from the project partners is directly linked to the project's successful implementation. The Steering Committee headed by the Project Promoter requires the input of all partners concerned. Additionally, the Project Promoter requires the services and assistance of a full-time project manager. A tender for project management services was published on 6 December 2013 with a closing date of 8 January 2014.

For project MT04/2, the year 2013 has been characterised by attempts at finding a suitable site for the construction of a new correctional facility according to European standards and housing 68 prison cells to meet the needs of a growing population of young residents. Given the limited land available in Malta that is in Government ownership, only a handful of sites are potentially suitable, each presenting limitations of its own, such as being outside development zone or having been already designated for other use. Moreover, permits for planning and construction involve a lengthy procedure. Given that this project needs a full 36 months to complete, it is feared that unless a site is selected and the necessary planning permits are secured by March 2014, the project might not be completed by the final eligibility date of April 2017. This concern was communicated to the Country Officer for Malta at the Financial Mechanism Office in July 2013 and to the Minister Counsellor in December 2013. At the cut-off date of this report, the Ministry for Home Affairs and National Security was still in the process of identifying an appropriate site that would address all the project objectives but at the same time would not have any adverse environmental implications.

### **3.2.2 The use of funds for bilateral relations**

An allocation was reserved for project MT04/1 under the Funds for Bilateral Relations at National Level in order to facilitate networking between the Project Promoter and the relevant project partners. Meetings were held particularly with the Council of Europe since most activities within the project are being entrusted to that institution.

Under these Funds, the National Focal Point/Programme Operator intends to hold a seminar on a theme of common interest in mid 2014.

As for the Funds for Bilateral Relations at Programme Level, the Programme Operator is planning to issue a call for expression of interest among the current project promoters to facilitate partner networking on themes related to the selected programme areas for Malta.

## **4 MANAGEMENT AND IMPLEMENTATION**

### **4.1 Management and control systems**

There have been no changes to the management and control system since submission of the Description of Management and Control Systems (DMCS) in November 2012. All the elements in the DMCS are in place and the system functioned as planned during the reporting period.

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

Public procurement in Malta is governed by the Public Procurement Regulations (Legal Notice 296 of 2010, Chapter 174 of the Laws of Malta). In the case of local councils public procurement is governed by the Local Councils (Tendering) Regulations (Subsidiary Legislation 363.03).

State aid is governed by Legal Notice 210 of 2004 (Chapter 325 of the Laws of Malta), equal opportunities by Chapter 456 of the Laws of Malta and protection of the Environment by Chapter 435 of the Laws of Malta.

Project Promoters have been made aware of their obligations with regard to public procurement, state aid, the environment and promoting equality of opportunity for all people irrespective of gender, age, race or disability.

In the case of public procurement, it should be noted that for most public entities, public procurement above the threshold of €47,000 is co-ordinated by a central unit (Department of Contracts) within the Ministry for Finance. In such cases, templates are standard and the Department of Contracts oversees the procurement process and provides guidance to all organisations carrying out public procurement. This guarantees a degree of quality assurance across all public entities. In the case of procurement below the €47,000 threshold, departments and public entities can carry out their own procurement in line with the Public Procurement Regulations; however guidance can be sought from the Department of Contracts. The Ministry for Finance issues circulars from

time to time to all Ministries and agencies carrying out their own procurement. Detailed information is also provided in chapter 6 of the Manual of Procedures which is available on the website of the National Focal Point / Programme Operator.

### **4.3 Irregularities**

No irregularities were detected during 2013 in relation to the projects under the Norwegian Financial Mechanism Programme 2009-14.

### **4.4 Audit, monitoring, review and evaluation**

A systems audit carried out by the Audit Authority in mid-2013 on the management controls performed by the National Focal Point/Programme Operator did not report any systemic risks. The Audit Authority made two recommendations though and these recommendations were taken on board and duly adopted the National Focal Point/Programme Operator.

The Audit Plan for 2014 and an updated Monitoring Plan are being forwarded together with this Report.

The National Focal Point/ Programme Operator introduced an additional means of monitoring progress a couple of months before the signing of the Programme Agreements. Bilateral meetings held regularly with Project Promoters and Programme Implementation Departments of the respective line Ministries, iron out many concerns arising at project level in the course of implementation. Additional to these meetings, which so far have proved a success in settling most issues, the National Focal Point/Programme Operator also attends Steering Committee meetings held by a number of respective line Ministries to discuss any updates on the funded projects.

No on-the-spot checks were performed in 2013 since no procurement contracts were awarded by Project Promoters during the year.

At this point of Programme implementation, the National Focal Point/ Programme Operator believes it is still early to undertake review and evaluation activities.

### **4.5 Information and publicity**

The main promotional event held locally in 2013 was the launch of the EEA and Norwegian Financial Mechanism Programmes 2009-14. H.E. Bjørn T. Grydeland, Ambassador of the Kingdom of Norway and the Hon. Dr. Ian Borg, Parliamentary Secretary for the EU Presidency 2017 and EU Funds were the key high-ranking speakers at this event. Other notable guests included Donor State and Financial Mechanism Office representatives and officials from the Royal Norwegian Embassy. Project



Promoters and the press were invited to the launch. The National Focal Point also issued a press release. The launch event presented the objectives of the Financial Mechanisms, the selected Programme Areas, the projects to be financed, and the importance of bilateral relations between Malta and the Donor States. The event was extensively covered by the local media with emphasis being placed on the financial support received through the Grants. The press release and photographs of the launch event are published on the National Focal Point's website.

The Programmes' launch event was one of three major information activities that the National Focal Point/ Programme Operator has to organise in accordance with Article 4.3(4)(b) of the Regulation. The other two activities will be held mid-way into the programme implementation period and at closure.

The aim of information and publicity activities is to connect with the target audience and to allow for active engagement. The main aspects of these events are to keep the public informed, to deliver transparent information, to heighten awareness, and to highlight success stories.

As the programme starts to progress, the National Focal Point will report further on the status of the implementation of the Communication Strategy.

Pages dedicated to the Grants in Malta on the website of the National Focal Point/ Programme Operator ([www.norwaygrants.gov.mt](http://www.norwaygrants.gov.mt)) provide information on the relevant priority sectors, programme, and projects. The MoU, the Manual of Procedure, reports and other relevant documents of public interest are also uploaded. Given the change in Government last March and the migration of the National Focal Point/ Programme Operator to the Ministry for European Affairs and Implementation of the Electoral Manifesto, the Grants webpage is being currently integrated into the new Ministry's website. The National Focal Point plans to revamp the Grants webpage following this integration.

The Department for Local Government, together with its project partners, plans to hold the launch of Project MT04/1 in January 2014. The Hon. Dr. Borg, the Royal Norwegian Embassy and the Financial Mechanism Office will be invited to attend. This will be another opportunity to communicate the Grants to the public as direct beneficiaries.

The National Focal Point ensures that the Norway Grants logo features on all information and promotional material, including power point presentations and reports.

Although no studies have been carried out, the National Focal Point expects that the impact of the Grants on the visibility and image of the Donor States on a local level to be proportionate to the size and number of projects in Malta.



## **4.6 Work plan**

The work plan outlining the milestones for the implementation of the Norwegian Financial Mechanism over the next year is provided as a separate document to this Report.

## **5 SUMMARY LIST OF ISSUES AND RECOMMENDATIONS**

The signature of the project contract of MT04/1 – ‘A Partnership for Creative Governance’ in December 2013 marked the official start of implementation of this project. With regard to the other project though, MT04/2 ‘Renewing the Young Offenders’ Unit of Rehabilitation Services (YOURS)’ a decision still has to be taken as to the selection of the site. A decision in this sense is expected in early Q1 2014.

The National Focal Point/Programme Operator is pleased with the excellent working relationship among all stakeholders. Regular contact, follow up and availability have proven beneficial to all parties concerned. Bilateral meetings were an initiative taken by the National Focal Point in 2013 and are an ideal way of keeping track of any issue concerning a project and keeping in touch with the project implementers. Given their many advantages, the National Focal Point plans to keep bilateral meetings going in the coming years.

The National Focal Point is grateful for the support provided by the Financial Mechanism Office, as well as the Embassy in the past year and looks forward to further collaboration over the next year in order to ensure smooth and successful programme implementation.

## **6 ATTACHMENTS TO THE STRATEGIC REPORT**

This Report also includes the following attachments:

1. A table providing a summary and information in respect of donor partnership projects on the Beneficiary State level (names of Donor State entities, number and proportion of partnership projects).
2. A plan setting out the monitoring and audit activities in the Beneficiary State for the coming reporting period.
3. A risk assessment at national level.
4. A risk assessment at programme level.

5. A work plan outlining the milestones for the implementation of the Norwegian Financial Mechanism over the next year.