

**ANNUAL MEETING**  
*for the*  
**EUROPEAN ECONOMIC AREA (EEA) FINANCIAL MECHANISM**  
*& the*  
**NORWEGIAN FINANCIAL MECHANISM**

**Date: Monday, 29<sup>th</sup> May, 2006**

**Time: 0900hrs – 1300hrs**

**Venue: Conference Room – Office of the Prime Minister (1<sup>st</sup> Floor)**

**MINUTES OF THE FIRST MEETING**

---

**A: ATTENDANCE**

Present for the High-Level meetings were:

**Norway**

Ms. Ingrid Schulerud, Deputy Director General, Royal Norwegian Ministry of Foreign Affairs

Ms. Stine Hjertvik, Adviser, Royal Norwegian Ministry of Foreign Affairs

Ms. Eva Bugge, Ambassador of Norway to Malta, Royal Norwegian Ministry of Foreign Affairs

Mr. Espen Rikter-Svendsen, Minister-Counsellor, Royal Norwegian Ministry of Foreign Affairs

**Financial Mechanism Office (FMO)**

Ms. Stine Lundin Andresen, Director, FMO

Ms. Ágústa Ýr Thorbergsdóttir, Country Portfolio Officer, FMO

Mr. Anders Flock Bachmann, Legal officer, FMO

**Iceland**

Mr. Angantýr Einarsson, Counsellor, Icelandic Ministry of Foreign Affairs

**Malta**

Ms. Marlene Bonnici, Director General, Planning & Priorities Co-ordination Division, OPM – National Focal Point

Mr. Charles Mifsud, Director, Corporate Services, Ministry of Foreign Affairs

Mr. Claude Cuschieri, Director, EU Paying Authority, Ministry of Finance

Mr. Mark Mizzi, Senior Principal, EU Unit, Department of Contracts, Ministry of Finance

Mr. Robert Camilleri, Senior Internal Auditor, Internal Audit & Investigations Directorate

Ms. Amanda Borg, Internal Auditor 1, Internal Audit & Investigations Directorate

### **Secretary**

Ms. Sharleen Gatt, Programme Manager, Planning & Priorities Co-ordination Division, OPM – National Focal Point

Present for the Low-level technical meeting were:

### **Norway**

Ms. Stine Hjertvik, Adviser, Royal Norwegian Ministry of Foreign Affairs  
Mr. Espen Rikter-Svendsen, Minister-Counsellor, Royal Norwegian Ministry of Foreign Affairs

### **Financial Mechanism Office (FMO)**

Ms. Stine Lundin Andresen, Director, FMO  
Ms. Ágústa Ýr Thorbergsdóttir, Country Portfolio Officer, FMO  
Mr. Anders Flock Bachmann, Legal officer, FMO

### **Iceland**

Mr. Angantýr Einarsson, Counsellor, Icelandic Ministry of Foreign Affairs

### **Malta**

Ms. Marlene Bonnici, Director General, Planning & Priorities Co-ordination Division, OPM – National Focal Point  
Mr. Charles Mifsud, Director, Corporate Services, Ministry of Foreign Affairs  
Mr. Claude Cuschieri, Director, EU Paying Authority, Ministry of Finance  
Mr. Mark Mizzi, Senior Principal, EU Unit, Department of Contracts, Ministry of Finance  
Mr. Robert Camilleri, Senior Internal Auditor, Internal Audit & Investigations Directorate  
Ms. Amanda Borg, Internal Auditor 1, Internal Audit & Investigations Directorate

### **Secretary**

Ms. Sharleen Gatt, Programme Manager, Planning & Priorities Co-ordination Division, OPM – National Focal Point

## **B: THE MAIN POINTS DISCUSSED DURING THE MEETING WERE:**

### **1. Opening of the meeting**

- 1.1 Ms. Marlene Bonnici welcomed the participants to the meeting and introduced the Maltese participants by giving a brief description of the roles of the major stakeholders present for the meeting.
- 1.2 Ms. Ingrid Schulerud thanked the Maltese National Focal Point (NFP) for organising the first annual meeting for the EEA and the Norwegian Mechanisms and introduced the representatives from the donors' side.

- 1.3 Ms. Schulerud praised the quality of the Annual Report submitted by the Maltese NFP and explained that the reason for having 2 separate reports was for auditing purposes.
- 1.4 Mr. Angantýr Einarsson also praised the quality of the Maltese Annual Report.
- 1.5 Ms. Eva Bugge pointed out that the Norwegian Embassy has been following the mechanisms thoroughly and underlined the importance of establishing a good relationship between the Embassy and the relevant Maltese Authorities. She added that the mechanisms have created the opportunity to establish new contacts.

## **2. High-level Session of the Norwegian Financial Mechanism**

- 2.1 Ms. Sharleen Gatt (main contact person at the Maltese NFP) made a slide presentation giving a brief overview of the implementation of the Norwegian Financial Mechanism as from June 2005 to May 2006. The presentation (herewith attached) focused on the selected list of projects under the Norwegian Financial Mechanism and the relevant list of available priorities issued in the open call for individual project proposals. The proposed list of reserve projects was also briefly mentioned.
- 2.2 Ms. Schulerud further enquired about the selection process and the working of the Project Selection Committee (PSC) following the call for project proposals. Ms. Bonnici explained that following the appointment of the members of the PSC, a total of eight (8) meetings were held. These were mainly evaluation meetings, including one concerning the Malta International Airport (MIA) project. The meeting was held with external ad hoc experts<sup>1</sup> following queries raised by Cabinet.
- 2.3 Ms. Bonnici informed the participants that the results of the project selection process, which was approved by the Cabinet of Ministers and submitted to the Financial Mechanism Office (FMO), had not yet been published. However, she emphasized that Cabinet had transmitted the list to Permanent Secretaries, therefore, applicants are most likely aware of the acceptance/rejection of the project – at least at Ministerial level.
- 2.4 By way of conclusion on this point Ms. Bonnici highlighted the fact that the PSC applied the selection criteria very strictly during the project selection process. It was also pointed out that the NFP knows most of the applicants (through other instruments), and therefore is very knowledgeable on the capacity of most of the organisations applying for funds.
- 2.5 Ms. Schulerud enquired about the type of instruments managed by the NFP. Ms. Bonnici agreed to submit a full list of the relevant instruments being managed by the Planning and Priorities Co-ordination Division (PPCD).

---

<sup>1</sup> The Privatisation Unit within the Ministry for Investment, Industry and Information Technology (MIIT).

- 2.6 Ms. Schulerud commented that, from a non-technical point of view, the selected projects under the Norwegian instrument focus mainly on procurement of equipment for Schengen. She asked whether Malta was eligible for Schengen facility. She added that she somehow expected that the Cultural Heritage priority would have been given more weighting. She gave the example of the Ghajn Tuffieħa Roman Baths project.
- 2.7 Ms. Bonnici emphasized that Cultural heritage is a major priority for Malta. This is reflected in the draft National Strategic Reference Framework Document (NSRF): 2007 – 2013 Structural Funds Programme<sup>2</sup>. However, Ms. Bonnici continued to explain that preparations for Schengen were equally important, especially in the immediate and medium term. Ms. Bonnici added that Malta was not eligible for the Schengen Facility. With respect to focus on equipment, Ms. Bonnici added that institutional capacity building (also for Schengen) was being addressed under the EU Transitional Facility, however given that this instrument is very restrictive on the purchase of equipment and the fact that implementation of Schengen was heavy in terms of equipment, Malta was merely seeking to make the best out of the various facilities.
- 2.8 Regarding the Ghajn Tuffieħa Roman Baths project submitted by the Heritage Malta, Ms. Bonnici explained that this project was in fact selected as a reserve, but unfortunately, the budget was limited.
- 2.9 By way of conclusion on the selection process, Ms. Bonnici said that the NFP's aim was not to choose projects to fit the budget; in fact, various amendments were made to the co-financing rates at the end of the selection process to reflect the projects selected on the grounds of merit.
- 2.10 Ms. Schulerud suggested that as from next year, the Annual Report would be circulated to the Monitoring Committee members prior to the Annual meeting. The suggestion was taken up by the NFP.
- 2.11 Ms. Schulerud concluded the first high-level session on the Norwegian Mechanism by highlighting the importance of creating more links. Norway, being a full member of Schengen and being continuously involved in conducting inspections, could support Malta in its effort to adopt the Schengen Acquis. Norway would also prove to be an excellent partner in the area of Maritime Affairs, especially for the oil spillage project selected under the EEA Financial Mechanism. It was agreed to explore the possibility of bilateral exchange of experiences in the areas of Schengen, tourism and maritime affairs.
- 2.12 Given that there were no further matters to discuss, this session of the meeting was brought to an end.

---

<sup>2</sup> Copies of the draft NSRF were distributed to representatives of the donor countries.

### **3. High-level Session of the EEA Financial Mechanism**

- 3.1 Ms. Gatt made a slide presentation giving a brief overview of the implementation of the EEA Financial Mechanism as from April 2005 to May 2006. The presentation (herewith attached) focused on the selected list of projects under the EEA Financial Mechanism and the relevant list of available priorities issued in the open call for individual project proposals. The proposed list of reserve projects was also briefly mentioned.
- 3.2 Ms. Schulerud enquired about the Health and Childcare priority and why no projects were selected. Ms. Gatt explained that out of the four proposals, one was deemed ineligible and the other three (two Health and one Childcare) did not rank as high as the selected and reserve projects.
- 3.3 Mr. Schulerud asked for a list of all submitted projects, together with the ranking for each. The NFP took note of the request and agreed to submit the list.
- 3.4 Ms. Gatt continued by giving a slide presentation (attached) highlighting the common aspects of the EEA and the Norwegian Financial Mechanisms, including the Monitoring Committee (MC), the Project Selection Process, Publicity Tools, the Technical Assistance (TA) application, the Work Plan and the Audit Plan for the coming year.
- 3.5 Mr. Espen Rikter-Svendsen pointed out that the Information Meeting held in June 2005, commemorating the signing of the Norwegian Memorandum of Understanding (MoU), should be added to the list of Publicity Tools in the relevant sections of both Annual Reports. The NFP agreed.
- 3.6 Ms. Stine Lundin Andresen commented that the Annual Report for the EEA was concise and clear to understand.
- 3.7 Concerning the issue as to whether project promoters should be informed of the outcome of the selection process, Ms. Lundin Andresen suggested that it would indeed be a good idea to inform the applicants of their project's acceptance or rejection, even prior to the final approval from the FMO. This would make the process more transparent and other countries have already done so. Ms. Lundin Andresen also pointed out that an appraisal agent from the FMO may also be contacting the applicant for further clarifications, where necessary. The estimated final approval date would be by end of August 2006.
- 3.8 The NFP took note of the suggestion and Ms. Bonnici informed the participants that all the applicants shall be provisionally informed by end of June 2006. The NFP also took note of the forecast date for final approval by the FMO.
- 3.9 Since there were no further matters to be discussed, the meeting was brought to an end.

#### **4. Joint Technical Meeting for Both Mechanisms**

- 4.1 Ms. Bonnici made reference to Annex A of the MoU for both Mechanisms, more specifically to the section on Payment Arrangements. She explained the role of the Paying Authority (PA), namely that it does not authorise any payments, but certifies expenditure made and makes requests for payments to the donors. Payments are authorised by the Treasury.
- 4.2 Ms. Ágústa Ýr Thorbergsdóttir enquired about the frequency of payment requests. Ms. Bonnici informed the FMO that under the Structural Funds, this is usually done three to four times a year.
- 4.3 Ms. Bonnici made reference to the Structural Funds Database (SFD), which is an information and management tool providing a secure and efficient payment process. The database is used by all concerned in the payment process and also in the verification/certification process.
- 4.4 Ms. Thorbergsdóttir asked for a more detailed description of the payment process, and the NFP accepted to send a diagram with the relevant explanations. Moreover, Ms. Bonnici pointed out that the Manual of Procedures shall contain detailed descriptions of the process.
- 4.5 Mr. Robert Camilleri enquired whether there are specific audit report templates used for the mechanisms. The FMO said that no specific templates exist and therefore it would be left up to the IAID to choose the format.
- 4.6 Ms. Bonnici enquired about the possibility of funding training on project management for the prospective project leaders from the TA application. She also asked for the possibility of funding training sessions with all relevant stakeholders, especially after the publication of the Manual of Procedures for the Mechanisms. Ms. Thorbergsdóttir took note of these requests, promising to get back as soon as possible.
- 4.7 Ms. Gatt made reference to the letter from the FMO requesting additional information on the NGO project selected under the EEA Financial Mechanism.
- 4.8 The 80% ceiling for the in-kind contribution may have caused a problem, especially since this was not requested in the Rules and Procedures at the time of the call. Ms. Lundin Andresen pointed out that the original Rules and Procedures did not indicate a specific ceiling, it merely said 'partially' financed.
- 4.9 Ms. Gatt raised the issue of the 90% co-financing ceiling for an NGO project. Ms. Gatt pointed out that Malta had availed itself of the Environment priority only under the EEA Mechanism, hence, the NFP queried whether the 90% ceiling applicable in the case of co-financing from both mechanisms could be invoked in this particular case. Ms. Gatt added that Annex B of both MoUs simply state that 'particular attention shall be given to the Areas indicated'. The NFP would appreciate further guidance on this issue. It was agreed that the issue would be further discussed bilaterally.

- 4.10 Ms. Thorbergsdóttir pointed out that the allocation for the publicity tender in the TA application may be too high. She added that perhaps the NFP could provide further information on the specific components of the tender. The NFP took note.
- 4.11 Mr. Anders Flock Bachmann enquired about the various public procurement thresholds. Mr. Charles Mifsud and Mr. Mark Mizzi explained the use of the different thresholds under the public procurement regulations. Mr. Mizzi further pointed out that although some contracts do not reach the threshold for centralised public procurement through the Department of Contracts, the entities are still encouraged to use the same templates and to follow the spirit of public procurement legislation, even though they are not obliged to do so. He added that in the case of private-sector/NGOs, these are still encouraged to follow the spirit of the public procurement legislation, even though they are not obliged to do so.

## **5. Conclusion**

- 5.1 As there was no further business to discuss, Ms. Bonnici and Ms. Lundin Andreson once again thanked all the participants for their time and brought the meeting to a close.

Ms. Marlene Bonnici  
Head National Focal Point

Ms. Sharleen Gatt  
Secretary