

Annex I - Programme Decision

1. Expected Outcomes & Indicators for Outputs

Expected Outcome(s): Developed strategies and measures for adapting to a changing climate

Output

The current and future national risks from offshore drilling determined

Output indicator(s)	Baseline	Target	Source of Verification
Number of studies on pollution risks associated with offshore oil drilling	0	1	A report that is based on studies and / or risk assessments that will address the threats from offshore drilling to Malta as well as proposed preparedness / response strategies to be included or reflected in an updated version of the National Marine Pollution Contingency Plan.

Output

A document to address the current gap in Oil/HNS pollution response training prepared

Output indicator(s)	Baseline	Target	Source of Verification
Number of documents that address the current gap in Oil/HNS pollution response training prepared	0	1	A report containing an assessment on the current level of training and a gap-analysis of training needs.

Output

Technical capacity to respond to oil and HNS pollution risks at a national level strengthened

Output indicator(s)	Baseline	Target	Source of Verification
Number of trained personnel available to respond to oil/HNS pollution incidents with most of the personnel trained to a higher level	0	22	Certificates of persons trained as well as the training package provided, including dates when training was delivered. This will potentially be part of interim reporting or a dedicated report on the training carried out.

Expected Outcome(s): Cultural heritage restored, renovated and protected

Output

Organic and harmful materials removed, improving the insulating performance of the building envelope

Output indicator(s)	Baseline	Target	Source of Verification
Number of buildings restored and rehabilitated	0	1	A technical report issued by the project engineer and architect

Output

A new advanced micro-climate management system installed, ensuring the stability of the environment within the site

Output indicator(s)	Baseline	Target	Source of Verification
Number of passive and active measures for environmental control implemented	0	1	A technical report issued by the project engineer and architect

Output

A review of the lightning system within the site

Output indicator(s)	Baseline	Target	Source of Verification
Number of reports on the effect of light frequencies on biological activity with proposals for implementation	0	1	A report on the effect of light wavelengths on biological activity within the site

Output

Studies carried out, allowing for a better understanding of the processes currently active within the site, and leading to a better interpretation and presentation of the site

Output indicator(s)	Baseline	Target	Source of Verification
Number of reports for the condition assessment, biological survey, rate of deterioration and geological survey	0	4	Reports on the condition of the site, biological activity within the site, the rate of deterioration within the site and a geological survey

Expected Outcome(s): Increased awareness of and education in integrated marine and inland water management

Output

Water Conservation Awareness Centre constructed

Output indicator(s)	Baseline	Target	Source of Verification
Number of Water Conservation Awareness Centres constructed	0	1	On-site verification and final report.

Output

Digital exhibition established

Output indicator(s)	Baseline	Target	Source of Verification
Number of digital exhibitions completed	0	1	On site verification and final report including photographic evidence

Output

Audiovisual presentation material prepared

Output indicator(s)	Baseline	Target	Source of Verification
Completed introductory audiovisual presentation	0	1	On site verification and final report including photographic evidence

Output

Water conservation outdoor trail constructed

Output indicator(s)	Baseline	Target	Source of Verification
Outdoor water conservation trail constructed	0	1	On site verification and final report including photographic evidence

Output

Science trail for hydrological monitoring equipment

Output indicator(s)	Baseline	Target	Source of Verification
Science trail completed	0	1	On site verification and final report including photographic evidence

2. Conditions**2.1 General**

1) Bilateral, output and outcome indicators shall be reported on in the annual programme report.

2) The National Focal Point shall ensure that the Programme Operator ensures that any residual or extracted material from project activities is reused, recycled, treated and/or deposited in an environmentally sound manner.

3) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters who have, in line with this Agreement, received an exception from the general rule in Article 7.3.1(c) of the Regulation with respect to any equipment (the excepted equipment):

- Keep the excepted equipment in their ownership for a period of at least five years following the completion of the project and continue to use that equipment for the benefit of the overall objectives of the project for the same period;
- Keep the excepted equipment properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
- Set aside appropriate resources for the maintenance of the excepted equipment for at least 5 years following the completion of the project.

The specific means for implementation of this obligation shall be specified in the project contract; provided however that the Programme Operator may release any Project Promoter from the above obligations with respect to any specifically identified excepted equipment where the Programme Operator is satisfied that, having regard to all relevant circumstances, continued use of that equipment for the overall objectives of the project would serve no useful economic purpose.

The National Focal Point shall furthermore ensure that the programme Operator keeps a list of the excepted equipment for each project.

4) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:

- Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period.
- Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project;
- Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated and reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

5) The National Focal Point shall encourage the Project Promoter and partner of the pre-defined project on the Malta Water Conservation Centre to utilise the programme bilateral fund to draw upon donor state competence during the implementation of the project.

2.2 Pre-eligibility

Not Applicable.

2.3 Pre-payment

Not applicable

2.4 Pre-completion

Not Applicable.

2.5 Post-completion

Not Applicable.

2.6 Other

Not Applicable.

3. Eligibility of costs**3.1 Eligibility of costs - period**

Eligibility of costs (excluding prog prep costs): 05/12/2012-31/12/2017

Eligibility of programme proposal preparation costs: 10/10/2011-04/12/2012

3.2 Grant rate and co-financing

Programme estimated total cost (€)	€3,240,054
Programme estimated eligible cost (€)	€2,516,471
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€2,139,000

3.3 Maximum eligible costs (€) and Advance payment amount (€)

Budget heading	Eligible expenditure	Advance payment*
Programme management	€114,412	€0
Developed strategies and measures for adapting to a changing climate	€425,238	€0
Cultural heritage restored, renovated and protected	€975,500	€0
Increased awareness of and education in integrated marine and inland water management	€948,574	€0
Fund for bilateral relations	€37,747	€0
Complementary action	€0	€0
Preparation of programme proposal	€15,000	€0
Reserve for exchange rate losses	€0	€0
	€2,516,471	€0

* The advance payment is composed of €0 in grant amount and €0 in co-financing.

3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€9,725

3.5 Small Grant Scheme

Not applicable

Annex II - Operational Rules

1. Eligibility

1.1 Eligible measures (sub-measures if any):

The Programme Operator is the Funds and Programme Division (FPD) in the Office of the Parliamentary Secretary for the EU Presidency in 2017 and EU Funds within the Ministry for European Affairs and Implementation of the Electoral Manifesto.

The Programme targets three programme areas (PA), No. 1 “Integrated marine and inland water management”, No. 7 “Adaptation to Climate Change” and No. 16 “Conservation and Revitalisation of Cultural and Natural Heritage”. The Programme is implemented through three pre-defined projects, one in each programme area.

Under PA 1 “Integrated marine and inland water management” the programme seeks to raise local awareness of the conservation and management of water as a scarce resource in the Maltese islands. The pre-defined project “Malta Water Conservation Awareness Centre” aims to establish a centre aimed particularly for youth as a platform to raise awareness and demonstrate how to conserve and manage water resources.

Under PA 7 “Adaptation to Climate Change” the programme aims to increase protection of the marine environment. This is achieved by implementing the pre-defined project “Oil/HNS spill response capacity building for the protection of Malta’s seas”. The aim of the project is to empower personnel that would be mobilised in case of an oil spill at sea.

Under PA 16 “Conservation and revitalisation of Cultural and Natural Heritage” the aim of the Programme is to safeguard one of Malta’s unique archaeological sites through the implementation of the pre-defined project “A New Environmental Management System for the Hal Saflieni Hypogeum, World Heritage Site”.

See further Section 6 in this annex.

1.2 Eligible applicants:

Not applicable.

1.3 Special rules on eligibility of costs:

In general, costs are eligible in accordance with Chapter 7 of the Regulation with the following exception:

- by way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of equipment may be eligible if the equipment is an integral and necessary component for the implementation of measures that are essential for achieving the outcome of the project.

There will be no flat rate for indirect costs.

2. Financial parameters

For grant amount and grant rate for each pre-defined project see Section 6.

3. Selection of projects

Two of the pre-defined projects have already been selected in the MoU, while the one of Programme Area 1 has been proposed by the Programme Operator as a replacement of a terminated project. These pre-defined projects shall be appraised by the Programme Operator in line with Article 5.5.3 of the Regulation and approved jointly by the FMC and the National Focal Point prior to the signing of the project contract.

Paragraphs 1, 2 and 4 of Article 3.1 of the programme agreement are not applicable under this Programme.

4. Payment flows, verification of payment claims, monitoring and reporting

4.1 Payment flows

The Programme Operator shall ensure that funds are available for payments to the project in a timely manner.

The Programme Operator (Maltese state) pre-finances costs incurred by Project Promoters. Once an invoice is received, the Project Promoter will upload the invoice in the Computerised Accounting Records System (CARS) for the Financial Mechanism, and send necessary documentation to the relevant line ministry to initiate payment of the invoice to the contractor. The line ministry will then access CARS to confirm the information entered by the Project Promoter. If everything is deemed to be in order, the line ministry authorises the payment. Next, a request for payment will be sent from the line ministry to the Treasury at the Ministry of Finance. After checking all documentation, the Treasury will pay the invoice in question on behalf of the Project Promoter.

Payments will be made via bank transfer through the Central Bank of Malta.

In the case of invoices paid directly by a Project Promoter or a line ministry, a request for reimbursement has to be submitted by the entity that made the payment. The request for reimbursement will be treated as an invoice, and therefore the same procedures of processing invoices through the CARS would then apply.

4.2 Verification of payment claims

The Programme Operator will be conducting 100% documentary check for all payment claims (invoices) presented by Project Promoters. As a general rule, costs incurred by the Project Promoters shall be supported by receipted invoices. Where this cannot be done, costs shall be supported by accounting documents of equivalent probative value.

The financial interim reports of the Programme Operator are verified and approved by the Certifying Authority.

In case of verification of expenditures incurred by a donor project partner, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the donor project partner's country, shall be seen as sufficient proof of costs incurred.

The procedure for verification of payment claims and deadlines for reporting as outlined in the programme proposal will further be detailed in the description of the Programme Operator's management and control systems according to Article 4.8.2 of the Regulation.

4.3 Monitoring and reporting

Project Promoters of the pre-defined projects, through the appointed project leaders, have the responsibility of ensuring effective monitoring of the projects. The Project Promoters will report on the physical and financial progress of the projects through the project progress reports. This reporting will be the basis of the reporting of the Programme Operator to the National Focal Point and subsequently to the Donors.

A detailed description of the reporting and monitoring procedures along with reporting templates is in the Monitoring Plan, submitted by the Programme Operator on 30 April 2012.

5. Additional mechanisms within the programme

5.1 Funds for bilateral relations

Resources allocated to the fund for bilateral relations at the programme level will not be lower than 1.5 % of total eligible costs for the Programme.

The bilateral fund at programme level will be used to facilitate networking, exchange, sharing and transfer of knowledge, technology, experience and best practices between the three promoters of the pre-defined projects and entities in the Donor States (Measure B). The project promoters are to apply in writing using a specific form for such funding, providing the PO with a reasoned justification for undertaking the planned activity and its estimated cost. If the application is deemed justified and relevant and the budget requested is reasonable and proportionate, the PO approves the application (as long as funds are still available). Institutions from the Donor States will be able to apply for such funds through their counterpart project promoter from Malta.

5.2 Complementary action

Not applicable.

5.3 Reserve for exchange rate losses

Not applicable.

5.4 Small Grant Schemes

Not applicable.

6. Pre-defined projects

The Programme is implemented through the three pre-defined projects below, all stated in the MoU.

1. Malta Water Conservation Awareness Centre

Project Promoter: Sustainable Energy and Water Conservation Unit, Ministry for Energy and Health (Energy)

Estimated total project cost: €1,779,841

Estimated total eligible project costs: €1,508,340

Project grant rate: ~62.89%

Maximum contribution from the Programme: €948,574

Description: The project aims to instigate the realisation of a Water Conservation Awareness Centre, which is the first of its type in the Maltese Islands. It will serve as a platform to raise local awareness on the challenges facing the water sector in Malta and hence the need for conservation and management of this scarce natural resource. The importance of water for sustaining the natural environment of the Maltese Islands will also be highlighted. Furthermore, the Centre will be integrated within the National Water Conservation Campaign currently being developed by Government, and will serve as a focal point of activities undertaken under this campaign.

2. National Oil Spill Contingency System

Project Promoter: Authority for Transport in Malta

Project partner: The Norwegian Coastal Administration (Kystverket)

Estimated total project cost: €613,881

Estimated total eligible project cost: €425,238

Project grant rate: 100%

Maximum contribution from the Programme: €425,238

Description: The project will complement the project MT0010 carried out under the EEA Financial Mechanism 2004-09 entitled "Setting up of an Oil Spill Response Capability for the Protection of Malta's Seas." The current project can be considered to be a continuation of what has been achieved so far with respect to oil/Hazardous and Noxious Substance pollution preparedness and response at state level.

The project contributes to the programme outcome: Developed strategies and measures for adapting to a changing climate

The project aims to:

- Address training requirements at national level in case of Tier 2 or Tier 3 spills. A training gap analysis will be undertaken. The training requirements for the twenty-five roles identified in the National Maritime Pollution Contingency Plan 2009 as requiring specialised or refresher training will be targeted as well as the deployment of additional personnel, including volunteers and their coordinators.
- Establish a training programme once the training needs have been identified. A call for proposals for the provision of training courses to the relevant personnel will be launched. The project will also establish which equipment would be required for immediate and sustainable long-term training and will include study visits.
- Address pollution from oil offshore drilling operations within and outside of Malta's territorial waters following recent concerns in this sector. Studies will be conducted and the results of these studies will be incorporated as an appendix to the approved National Maritime Pollution Contingency Plan 2009, thereby addressing this risk in line with national requirements and International Conventions.

The Norwegian Coastal Administration will guide the Authority for Transport Malta in the implementation of the project. An estimated budget of €11,600 is allocated to this from the project budget.

3. A new environmental management system for the Hal-Saflieni Hypogeum World Heritage Site

Project promoter: Heritage Malta

Project partner: Not applicable

Estimated total project cost: €1,220,700

Estimated total eligible project cost: €1,139,317

Project grant rate: ~85.62%

Maximum contribution from the Programme: €975,500

Description: The project complements the project MT0014 financed under the Norwegian Financial Mechanism 2004-2009 "Conservation of Hal Saflieni Hypogeum World Heritage Site". The site is a popular visitor destination, making a significant contribution to Malta's tourism industry. The project financed in the previous programming period involved a compilation of studies and procurement of necessary analytical equipment. Data evaluated by means of this equipment will be used as a basis for the studies in the current project which seeks to ensure the comprehensive stabilization of the Hal Saflieni Hypogeum World Heritage Site through the application of current technologies.

The project contributes to the programme outcome: "Cultural heritage restored, renovated and protected"

Main activities:

- Drafting five baseline studies 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;
- Elimination of harmful materials and residues from the site;
- Installation of an advanced micro-climate management system, with both passive and active control measures;
- Investigation and replacement, as necessary, of overlying house connections to water mains and sewers;
- Publicity.

7. Modification of the programme

The rules on modifications of Programmes are in Article 5.9 of the Regulation and Article 2.9 of the programme agreement.

8. Programme proposal version

Any reference to the programme proposal in this programme agreement shall be interpreted as a reference to the version signed by the Programme Operator on 22 May 2012 and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

9. Miscellaneous

Due to the management set-up in Malta where the National Focal Point also carries out the duties of the Programme Operator, a Declaration of responsibilities and obligations of the FPD in the Office of the Parliamentary Secretary for the EU Presidency 2017 and EU Funds within the Ministry for European Affairs and Implementation of the Electoral Manifesto (National Focal Point) in its role as a Programme Operator for the Programme replaces a programme implementation agreement. The reference to a programme implementation agreement in Article 2.6 of this programme agreement shall be regarded as a reference to the above Declaration.