

Annex I - Programme Decision

1. Expected Outcomes & Indicators for Outputs

Expected Outcome(s):

Increased and strengthened cooperation between public institutions, local and regional authorities in the Beneficiary States and similar institutions and authorities in Norway

Output

A Strategy for innovation and good governance at local level established

Output indicator(s)	Baseline	Target	Source of Verification
Number of national strategies for innovation and good governance at local level developed	0	1	The document setting out the strategy for innovation and good governance at local level.

Output

A Training Needs Assessment implemented

Output indicator(s)	Baseline	Target	Source of Verification
Number of studies on training needs and weaknesses of the current local government system conducted and finalised	0	1	The final report on the Training Needs Assessment carried out based on a qualitative investigation and a survey.

Output

A National Training Strategy established

Output indicator(s)	Baseline	Target	Source of Verification
Number of strategies and accompanying tools developed	0	1	The document setting out the National Training Strategy. Decision adopting the National Training Strategy.

Output

A Leadership Academy created

Output indicator(s)	Baseline	Target	Source of Verification
Training Academy for leadership at all levels of local government established	0	1	A report on the activities carried out by the Academy during the project and their sustainability thereafter.

Output

A European Label of Governance Excellence scheme implemented

Output indicator(s)	Baseline	Target	Source of Verification
Number of Local Councils participating in all project activities to be eligible for the ELoGE	0	12	Participant List and report of all project activities

Output

A Performance Management Indicators manual document created

Output indicator(s)	Baseline	Target	Source of Verification
Number of manuals on performance indicators to provide a standard for the main functions of local government developed	0	1	Manual on performance indicators.

Expected Outcome(s): Increased focus on vulnerable groups in prison

Output

Services focusing on the therapeutic needs of young male offenders provided

Output indicator(s)	Baseline	Target	Source of Verification
Number of therapeutic services that focus on vulnerable groups in prison that will include one-to-one session, group therapy and family therapy introduced	1	3	Register listing attendees for therapeutic sessions

Output

Services focusing on the therapeutic needs of young female offenders provided

Output indicator(s)	Baseline	Target	Source of Verification
Number of therapeutic services that focus on vulnerable groups in prison that will include one-to-one session, group therapy and family therapy introduced	0	3	Register listing attendees for therapeutic sessions

Output

New CoRRs premises constructed

Output indicator(s)	Baseline	Target	Source of Verification
Number of prison places increased	15	32	Engineering and architectural reports verifying the increase in places as indicated

Output

A new operational system established

Output indicator(s)	Baseline	Target	Source of Verification
An Incentive and Earned Privilege System (IEPS) that will be merged with other operational requirements in the new premises implemented	0	1	Operational Manual

Output

Correctional staff trained

Output indicator(s)	Baseline	Target	Source of Verification
Number of officers that received specialised training on the needs of young people in detention as well as on the operational and therapeutic system along which the new CoRRs will be run	0	20	Training packs and certificates

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.

2.2 Pre-eligibility

Not Applicable.

2.3 Pre-payment

Expenditures under the pre-defined project no. 2 (Renewing the Centre of Residential Restorative Services (CoRRs)) in Annex II, Section 6, shall only be reimbursed once the NMFA has received a detailed description of the budget for the project, broken down by activity.

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 (€)	€1,855,152
Programme estimated eligible cost (€)	€1,694,118
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€1,440,000

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

Budget heading	Eligible expenditure	Advance payment*
Programme management	€106,035	€0
Increased and strengthened cooperation between public institutions, local and regional authorities in the Beneficiary States and similar institutions and authorities in Norway	€188,478	€0
Increased focus on vulnerable groups in prison	€1,374,193	€0
Fund for bilateral relations	€25,412	€0
Complementary action	€0	€0
Preparation of programme proposal	€0	€0
Reserve for exchange rate losses	€0	€0
Amount not agreed upon → Amount not agreed upon	€0	€0
	€1,694,118	€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	€9,013

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 two programme areas (PA), No. 25 "Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities" and No. 32 "Correctional Services, including Non-custodial sentences". The programme is implemented through 2 pre-defined projects, one in each programme area.

Under PA 25 the main aim of the pre-defined project is the development of the human resource capacity in public institutions as well as in local and regional authorities, with the result of improving quality services for the communities concerned. The project aims to launch a National Training Strategy based on a comprehensive training needs assessment, to establish a Performance Management Programme, to set up a Leadership Academy Programme and to launch a Strategy for Innovation and Good Governance at local level and the European Label for Good Democratic Governance.

Under PA 32 the main aim of the pre-defined project is the extension of the Centre of Residential Restorative Services (CoRRs) housing Malta's young offenders away from the main prison and the subsequent restructuring of the internal running of the Unit. In this respect, the objectives are two-fold: the physical objective that will involve the construction phase and the therapeutic objective that will involve the restructuring of the CoRRs programme in order to enhance service delivery in line with current international juvenile crime policy. This project will also enable the facility to house young female offenders in one of its wings. This action will also serve as a model/pilot project for Malta with the introduction of new concepts in the Maltese correctional services and the possibility of wider application in the future.

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

The pre-defined projects have already been selected in the MoU. 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 NMFA 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.

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 entities in Malta and entities in the Donor States and international organisations, within the relevant programme areas.

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 two pre-defined projects below, both stated in the MoU.

1. A Partnership for Creative Governance

Project Promoter: Department for Local Government, Malta

Project partners: Local Councils Association Malta

Norwegian Association of Local Municipalities (KS)

Centre of Expertise for Local Democracy Reform, Council of Europe (CoE)

Estimated total project cost: €321,976

Estimated total eligible project cost: €200,605

Project grant rate: 100%

Maximum contribution from the Programme: €200,605

Description: The project will address the local government system in Malta in cooperation with the partners. A partnership between Malta and Norway 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, improve the quality and accessibility of services provided and create a professional programme for exchange of personnel.

The Project will contribute to the programme outcome: Increased and strengthened cooperation between public institutions, local and regional authorities in the Beneficiary States and similar institutions and authorities in Norway.

The main activities include:

- developing a national strategy for innovation and good governance at local level;
- conducting a study on training needs and weaknesses of the current local government system and developing a national training strategy;
- establishing a Leadership Academy for leadership at all levels of the local government;
- developing a strategy for innovation and good governance at local level and the European level of Governance Excellence;
- developing a strategy on Performance Management which would include a set of performance indicators related to the main functions of the local government.

2. Renewing the Centre of Residential Restorative Services (CoRRs)

Project Promoter: Department of Correctional Services, Malta

Project partners: Directorate of Norwegian Correctional Services

Estimated total project cost: €1,850,190

Estimated total eligible project cost: €1,567,958

Project grant rate: 89,73%

Maximum contribution from the Programme: €1,406,924

Description: The main aim of the pre-defined is the extension of the Centre of Residential Restorative Services (CoRRs) housing Malta's young offenders away from the main prison and the subsequent restructuring of the internal running of the Unit. In this respect, the objectives are two-fold: the physical objective that will involve the construction phase and the therapeutic objective that will involve the restructuring of the CoRRs programme in order to enhance service delivery in line with current international juvenile crime policy. This project will also enable the facility to house young female offenders in one of its wings. This action will also serve as a model/pilot project for the Malta with the introduction of new concepts in the Maltese correctional services and the possibility of wider application in the future.

The project will contribute to the programme outcome: Increased focus on vulnerable groups in prison.

The main activities include:

- the extension of the existing premises – increasing the number of prison places from 10 to 52;
- the training of correctional staff – providing specialised training on the needs of young people in detention as well as on the operational and therapeutic system to at least 20 officers employed within the CoRRs unit;
- the establishment of a new therapeutic system – initiating therapeutic systems like one-to-one sessions, group therapy or family therapy for the most vulnerable groups (both male and female) in the prison;
- the establishment of a new operation system – implementing an Incentive and Earned Privilege System (IEPS) that will be merged with other operational requirements in the new premises;
- 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 Donor State, 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.