



## Minutes of the 2<sup>nd</sup> ANNUAL MEETING - EEA and Norway Grants 2009-2014

10<sup>th</sup> April 2013, 9:00am

2<sup>nd</sup> Floor Board Room, Funds and Programmes Division, MEAIM  
Santa Venera, Malta

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### Participants

#### Norwegian Ministry of Foreign Affairs

Ms Mette Jøranli, Acting Deputy Director and Head of the Donor State Delegation  
Mrs Signe Astrid Engli, Senior Advisor

#### Royal Norwegian Embassy

Mr Tord Tukun, Minister Councillor

#### Financial Mechanism Office

Mr Paweł Krzeczunowicz, Senior Policy Advisor  
Mr Frode Dal Fjeldavli, Country Officer

#### National Focal Point – Funds and Programmes Division, Ministry for European Affairs and Implementation of the Electoral Manifesto

Mr Raphael Scerri, Director General (Funds and Programmes) and Head of the National Focal Point  
Mr Stephen Calleja, Director (Programmes and Projects)  
Mr Nicholas Bugeja, Senior Manager  
Ms Leonie Aquilina Xuereb, Projects Manager  
Mr Clive Bonnici, Projects Manager  
Ms Christine Tong, EU Fund Officer

#### Certifying Authority

Mr Joseph Sghendo, Director, EU Paying Authority, Ministry for Finance  
Mr Emanuel Borg, Senior Manager, EU Paying Authority, Ministry for Finance

#### Treasury Department

Mr Manfred Barbara, EU Payments Manager, EU Funds Management Unit, Ministry for Finance

#### Audit Authority

Mr Kenneth Farrugia, Acting Director General, Internal Audit & Investigations Department, Office of the Prime Minister  
Ms Maria Camilleri, Auditor, Internal Audit & Investigations Department, Office of the Prime Minister

#### Ministry of Foreign Affairs

Mr Saviour Falzon, Senior Advisor  
Ms Valerie Edwards, First Secretary

## **Agenda**

<b>09:00 – 09:10</b>	Opening remarks  Welcome and opening address by:  - Mr Raphael Scerri, Head, National Focal Point  - Ms Mette Jøranli, Head, Donor State Delegation
<b>09:10 – 09:30</b>	Adoption of the Agenda / Adoption of Annual Meeting 2012 minutes Status / Presentation of the Strategic Reports  Presentation by the National Focal Point – Ms Leonie Aquilina Xuereb
<b>09:30 – 09:40</b>	Management and implementation
<b>09:40 – 09:50</b>	Programmes
<b>09:50 – 10:10</b>	Risk assessment
<b>10:10 – 10:30</b>	Bilateral Relations and Issues
<b>10:30 – 10:50</b>	Horizontal concerns
<b>10:50 – 11:00</b>	Closing remarks  - Mr Raphael Scerri, Head, National Focal Point  - Ms Mette Jøranli, Head, Donor States Delegation

## **Introduction**

Mr Raphael Scerri thanked all participants, in particular the Donor States delegation, the Norwegian Embassy and the FMO for their presence and opened the meeting with a brief introduction. He said that following the signature of the Programme Agreements on the EEA and Norway Grants 2009-2014 between the donor countries and Malta through a launch event held the previous day, the next step forward is to prepare for the implementation of the pre-defined projects. Mr Scerri added that this was the second annual meeting following that held on 7<sup>th</sup> March 2012.

Ms Mette Jøranli thanked the National Focal Point for Malta for hosting the Donor State delegation for the Programmes' launch event and the annual meeting as well as for organising the site visit to Maghtab the previous afternoon.

## **Adoption of Agenda**

The agenda was unanimously adopted without further comment or objection.

## **Adoption of Minutes of the First Annual Meeting**

The minutes of Annual Meeting 2012 were adopted following a clarification request by Mr Tord Tukun and Mr Frode Dal Fjeldavli. The Norwegian participants pointed out that the date of the seminar on anti-corruption risk measures held in Sofia was to read 11<sup>th</sup> September and not 9<sup>th</sup> November. This misunderstanding arose when the American format of date notation (9-11-2012) was mistaken for the British notation.

### **Presentation of the Strategic Reports by the National Focal Point (NFP)**

Ms Leonie Aquilina Xuereb opened the presentation by giving an overview of the EEA and Norwegian Grants Framework of Cooperation in Malta. Mentioning the two Memoranda of Understanding signed between Malta and Norway on the 27 September 2011, and that between Malta and Iceland, Liechtenstein and Norway on the 10 October 2011, she explained how each of the five programme areas identified for Malta will be addressed by a pre-defined project as illustrated in the following table:

PA 6: Renewable Energy	CO <sub>2</sub> Energy: Development of an algae-derived bio-fuel production plant
PA 7: Adaptation to Climate Change	Oil/HNS Oil Spill Response Capacity Building for the Protection of Malta's Seas
PA 16: Conservation and Revitalisation of Cultural and Natural Heritage	A New Environmental Management System for the Ħal Saflieni Hypogeum World Heritage Site
PA 25: Capacity Building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities	A Partnership for Creative Governance
PA 32: Correctional Services, including Non-custodial Sanctions	Renewing the Young Offenders' Unit of Rehabilitation Services (YOURS)

Ms Aquilina Xuereb added that there were another two programme areas which will operate outside the National Focal Point. The Programme Operator for PA 10: Funds for Non-Governmental Organisations is the FMO itself whereas that for PA 22: Global Fund for Decent Work and Tripartite Dialogue will be Innovation Norway.

The Donor States approved the Programme Agreements on 5 December 2012.

Ms Aquilina Xuereb proceeded to give an overview of the risks identified within each project as well as in the Programmes in general, and complemented this section with a list of how these risks could best be mitigated.

In an intervention on the envisaged introduction of the computerised accounting records system for 2009-2014 programmes, Mr Stephen Calleja reassured the FMO that the delays in the processing of payments that had been experienced during the previous programme would not be repeated. This was because an interim solution was being used to process payments while the new system was under development. Some technical assistance payments had already been processed fully and without any hitches and these had been recorded in the respective Interim Financial Report submitted in March 2013.

Mr Scerri mentioned the local bilateral meetings that have already resumed at NFP/PO level with the Project Promoters and Programme Implementation Directorates of relevant ministries, to address issues of implementation in a decisive manner. He said that following the Programme Agreements signed the previous day, the next step now would be the signing of Partnership Agreements between the Project Promoters and their Donor State project partners, followed by the signing of Project Contracts between the Programme Operator and the Project Promoters. Thereafter, the implementation of the above-mentioned projects could commence.

Ms Jøranli thanked Ms Aquilina Xuereb for her comprehensive presentation. As there were no more comments, Mr Scerri proceeded to the next item on the Agenda.

### **Management and implementation**

Ms Jøranli thanked Mr Scerri and the NFP and proceeded to ask the NFP whether it was satisfied with the new structure (represented in an organigram), which she understood had only been in place for a very short

time. Mr Calleja explained the revised structure as communicated to the FMO on 25 March 2013, making a clear distinction between the implementation / monitoring and payment verification functions within the NFP. He explained that the Director General would be the Head of the Focal Point and the Programme Operator, whereas Mr Nicholas Bugeja, Ms Aquilina Xuereb and Ms Christine Tong would be taking care of the monitoring and implementation aspect of both programmes as a team. Mr Clive Bonnici would on the other hand be verifying the payments. Further to this, to make sure that there would be no conflicts, Mr Bonnici would be responding directly to the Director General, whereas Mr Bugeja, Ms Aquilina Xuereb and Ms Tong would be communicating with Mr Calleja.

An email to this effect was sent to the FMO the previous week, and since no feedback was received, the NFP assumed that this new structure was approved.

As to whether a fresh audit opinion on the revised DMCS was required, Mr Dal Fjeldavli stated that since it did not affect that larger scheme of things, he saw no reason why the audit opinion should be revised and resubmitted.

Mr Kenneth Farrugia gave an introduction of his main duties, which include conducting audits and report irregularities, and therefore requested a clarification on the role of the IAID in the DMCS. He explained that a separate unit within IAID had been recently created to deal with the reporting of irregularities and this was different from the unit performing audits (i.e. the Audit Unit). Mr Farrugia asked whether the DMCS should also be amended to reflect this change.

Ms Jøranli emphasised that separating functions was important and agreed with Mr Scerri and Mr Farrugia's proposition that this would be the right time to amend the document in every respect. Mr Calleja also pointed out the possibility of having to modify the MoUs to reflect these changes as well as to replace the mention of the Office of the Prime, under which the NFP fell in the older legislature, with the new Ministry name. He suggested that perhaps this could be done via one written procedure encompassing the amendments in the MoUs and the DMCS. It was agreed that Mr Farrugia starts with proposing the changes in the text of these documents and the NFP would in turn resubmit them to the FMO for its eventual consideration.

Mr Scerri mentioned the systems audit to which Mr Farrugia informed that the first one was planned to be concluded by end of July 2013. Moreover the Audit Strategy would be drafted in the coming weeks, Mr Farrugia said, since the IAID were bound by duty to audit a project per year according to the DMCS. Furthermore, Mr Pawel Krzeczunowicz confirmed that this strategy report should be limited to the five projects managed by the NFP and that a sample risk-analysis would be enough in respect of the proportionality principle. Mr Krzeczunowicz added that this random sampling was understandable given the similar financial amounts among the projects but it would be beneficial to explain in the report that the projects were chosen to be audited on the basis of shared concerns and similar funding amounts. He said that the Donor States would on the other hand be responsible for preparing an audit strategy on the other two programme areas outside the NFP, i.e. PA 10 and PA 22.

### **Programmes**

Ms Jøranli thanked the NFP once more, and showed appreciation for the organisation of the site visit to Maghtab the previous day. Stating that she had no comments on the content of the projects at that point in time, she welcomed thoughts from the NFP on how they envisaged implementation and any related timeframes.

Mr Calleja replied that the NFP was required to prepare an appraisal on each project and was planning to write to the FMO on how to go about it, before requesting the FMO authorisation to sign the Project Contracts. He drew attention to the condition on projects to have any applicable development permit in hand before the respective Project Contract could be signed. One particular project proposed by the Correctional Services Department is still awaiting a development permit. Mr Calleja assured that for this reason every project would be treated individually so that the other four projects would not suffer delays as

a consequence. He added that although each project had its own separate timeframes, implementation was envisaged to commence in April or May 2014 as a lot of preparatory work has already been carried out between the NFP/PO and the project promoters, such as drafting of tender documents. All that remained was to amend the implementation schedules to reflect an April or May starting date. The Budget headings might also need to be tweaked internally before the signing of the Project Contracts.

The next step would then entail embarking on a process of checks and monitoring the implementation, as well as regular communication with the project promoters. Mr Calleja emphasised the NFP's belief in the necessity of keeping a frank and open channel of communication with both the project promoters and the FMO, which is a practice also highly appreciated and encouraged by Ms Jøranli herself.

### **Risk assessment**

Mr Scerri referred to the letter sent by the FMO on 28<sup>th</sup> March 2013, which highlighted issues already taken into account or which were being dealt with during the meeting underway. Reverting to the points treated by Ms Aquilina Xuereb during her presentation, Mr Calleja once again explained the situation concerning the Computerised Accounting and Records System (CARS). Mr Manfred Barbara confirmed that the first payments had already been processed successfully.

Ms Jøranli, stated that risks were perceived by them as a shared responsibility and that, as previously mentioned, continued dialogue with the EEA and Norwegian counterparts was encouraged. She underlined the importance of representation at the level of operational head at the next meeting on risk management and good governance announced for 24-25 September this year in Oslo.

Ms Jøranli stated that from the list of risks and the proposed mitigation measures outlined by Ms Aquilina Xuereb during her presentation, it showed that there was a certain amount of perspective on the projects taking place. The Certifying Authority (CA) and the Treasury both confirmed that most of the risks were similar across different funding instruments and assured the FMO that checks were regularly carried out to mitigate these risks. The CA then proceeded to suggest that the FMO issues an inventory of risks, in order that it would be aware of certain aspects it might not have considered. Ms Jøranli replied that the FMO makes a risk assessment of each beneficiary state and that Mr Dal Fjeldavli may be contacted regarding any questions related to the risk assessment on Malta.

Specifying that every country faced a different set of needs and that the risks would therefore vary from one to the other, Ms Jøranli proceeded to encourage the NFP to participate and share its experience in the upcoming risk seminar in Oslo (September 2013), and once again to keep in touch with the FMO.

### **Bilateral Relations**

Ms Jøranli broached the topic of bilateral relations, stating it was a fairly new aspect for them as well. Mentioning the Strategic Reports, she suggested that perhaps next year the NFP should focus less on the descriptive aspect and more on their views and the analysis thereof.

Moving on to discuss the Work Plan, she stated it was something they would be discussing at some length during each annual meeting. She recognized the particular situation of Malta, as the number of events the NFP is expected to attend might be considered high for the relatively small allocation. Since participation at FMO and donor events for the NFPs is expected and appreciated, she confirmed that the budget set aside for Activity 1 in the approved Workplan for the bilateral fund can be used for the purpose of covering participation at workshops or seminars organised by the FMO or the donors. Mr Calleja elaborated on this, stating that since the technical assistance budget was restricted, the NFP would otherwise only be able to participate in one or two workshops / seminars organised by the FMO each year. In anticipation of the Communications Workshop the following week, Mr Calleja pointed out the need of the NFP to be able to distinguish what workshops / seminars could be covered by Activity 1 under the BFn and what was to be financed under the Technical Assistance (TA) allocation.

Mr Dal Fjeldavli replied that, in principle, the TA - and not the BFn - was supposed to finance such events. If

the FMO allowed it, that was because it recognised this as a specific situation. Ms Jøranli suggested that the Oslo seminar on risk would be better justified as a bilateral activity than the upcoming Communications workshop in Warsaw, especially if linked to meetings organised with the Donor project partners. Ms Jøranli explained that the BFn should not be depleted so as to strengthen the TA allocation, or for other purposes that do not lead to increased bilateral relations, particularly since the Donor States were required to measure results under the BFn and report on Malta's bilateral initiatives and achievements.

Activity 3 of the work plan (the proposed one- or two-day seminar) was mentioned at some length, because of its nature and the importance the Donor States placed on strengthening bilateral relations. She suggested that this could address one of the horizontal concerns (next item on the agenda, below) as a thematic area and that for the time being, the NFP should remain in contact with the Norwegian Embassy. Mr Tukun added that it would be appreciated by the Embassy if this seminar were held on a date close to the annual meeting of next year to facilitate the participation of the Ambassador.

### **Horizontal Concerns**

Ms Jøranli expressed a general wish to see any horizontal concerns being dealt with in one way or another, and repeated the FMO's emphasis on fundamental rights, human rights and hate speech campaigns happening across Europe at the moment. Whilst understanding that there is not much in terms of funding, the FMO would like to see synergies forming between all projects, and particularly with the NGO fund (PA 10), which could address these issues. Ms Jøranli mentioned the previous day's meeting with SOS Malta, and was keen to hear of more developments in the area of gender equality issues raised, as well as in the areas of good governance and transparency. She suggested a thematic approach for Malta, to which Mr Scerri promptly suggested migration as such a theme, which was also being dealt with through other funding instruments managed by the Funds and Programmes Division.

### **Any other issues and follow-up**

Mr Dal Fjeldavli reminded the NFP of the MoU amendments and it was agreed that the amendments would be coordinated by the FMO in the coming weeks via written procedure. Mr Calleja kindly requested the FMO not to launch the written procedure before discussions with IAID were concluded. The need that all the necessary changes were included into one request for written procedure was also pointed out.

The Certifying Authority would be submitting the next forecast of likely payment by 20<sup>th</sup> May, while the IAID would submit the Audit Strategy by end of May 2013, specifying that the systems audit would be planned by end of July 2013.

### **Final Remarks**

Ms Jøranli commended the good work done on the Strategic Reports submitted by the NFP for approval of the FMO. She thanked the NFP and the entire Maltese delegation for the good work and cooperation which ensured good dialogue over the last programme period (2004-2009).

Mr Scerri thanked the Donor States delegation, the Norwegian Embassy and the FMO in return for accepting the invitation to come to Malta. He concluded the meeting by reiterating that the NFP appreciated open communication and that any further comments the FMO would have to offer were always welcome.