



Swiss-Maltese Co-operation Programme 2007-2017

Annual Report for the period 1 May 2011 to 30 April 2012

INTRODUCTION

This is the Annual Report on the Swiss-Maltese Cooperation Programme 2007-2017 for the period 1 May 2011 to 30 April 2012. It covers a Swiss-Maltese Contribution totalling SFr 6.385 million, of which SFr 4.744 million¹ is Swiss funding and the remaining SFr 1.641 million is national co-financing.

The Funds and Programmes Division (FPD) within the Office of the Prime Minister (OPM) is the designated National Coordination Unit (NCU). Following a departmental re-structuring exercise, FPD assumed the functions of NCU in July 2011 and notified SDC accordingly.

In terms of implementation, the following important results were achieved during the 12-month reporting period:-

1. Annual Meeting

The third Annual Meeting took place at the offices of the National Co-ordination Unit (the Funds and Programmes Division in the Office of the Prime Minister) on 17 June 2011.

An annual meeting is required to ensure the efficient and effective implementation of the Swiss-Maltese Cooperation Programme, serving to keep track of progress of implementation and providing a suitable forum within which any problems or issues encountered can be discussed and potential solutions proposed.

The agreed minutes of the meeting together with the third Annual Report for the period 1 May 2010 to 30 April 2011 are available on the internet site of the National Coordination Unit (NCU)².

2. The project titled 'Establishing Positron Emission Tomography / Computed Tomography (PET/CT) scanning in the Maltese Islands'

The objective of the project is to provide access to PET/CT diagnostic facilities in Malta to all patients by installing a PET/CT scanner in the Medical Imaging Department at Mater Dei Hospital and to provide the full range of services in the oncology field in Malta, from diagnosis to treatment.

The total eligible cost of the project is SFr 3.714 (€3.077³) million. Switzerland's share amounts to a maximum SFr 2.794 (€2.315³) million. The balance is being provided as co-financing by the Maltese Government.

As stated in the Annual Report for the previous period, the procurement tender was divided into two lots:

Lot N°1: PET / CT complete with a five year Servicing and Maintenance Agreement and the design and set up of the allocated area to house the PET / CT and the Fractionator Unit;

Lot N°2: Fractionator Unit complete with a five year Servicing and Maintenance Agreement.

¹ An additional allocation of up to SFr 0.250 million for Swiss administration of the Swiss-Maltese Cooperation Programme is managed by the Swiss Agency for Development and Cooperation (SDC)

² http://www.ppcd.gov.mt/swiss_fund or <http://www.swiss-contribution.gov.mt>

³ €1 = SFr 1.2070 (rate as at 16 March 2012)

Three offers were submitted on Lot N° 1, with two bids being received on Lot N° 2. An Evaluation Committee was set up by the Ministry for Health, the Elderly and Community Care (the Executing Agency) to appraise the offers received.

On the 29 August 2011, that Evaluation Committee submitted the technical evaluation report to the General Contracts Committee for its approval. All offers for Lot N° 1 were deemed technically compliant whereas one offer for Lot N° 2 was considered non-compliant. No appeals were lodged at this stage of the tender evaluation process.

Accordingly, the Evaluation Committee proceeded with the evaluation of the financial offers and submitted its report for approval by the General Contracts Committee on the 22 December 2011.

This time, one of the bidders on Lot 1 filed an objection with the Public Contracts Review Board with regard to the financial evaluation. The hearing of this objection took place on 1 February 2012, with the Public Contracts Review Board deciding against the appellant. Therefore the tender could be awarded as recommended by the Evaluation Committee and as approved by the General Contracts Committee.

In conformity with the conditionality set by Switzerland when approving the project, the NCU forwarded to the Swiss Agency for Development and Cooperation on 13 March 2012 a copy of the contract and a copy of the official tender evaluation report.

As the procurement procedure took longer than originally anticipated to conclude, it is envisaged that the project will not now be completed by 30 June 2012. In light of this therefore, on 30 March 2012 the NCU submitted a request to SDC for the implementation period to be extended by eleven months, i.e. from 30 June 2012 to 31 May 2013. The request was made in terms of Article 21 of the Project Agreement signed on 11 June 2010 and in view that the extension is necessary for the effectiveness of the project. SDC approved the request on 20 April 2012.

No eligible costs were incurred by this project during the reporting period and therefore no claims for reimbursement / Interim Reports were submitted to SDC.

Elsewhere, four meetings of the Ministerial Project Steering Committee were held during the reporting period to discuss the progress of the project's implementation. These meetings took place on 20 June 2011, 2 September 2011, 22 December 2011 and 14 March 2012.

Finally, the NCU submitted the second Project Annual Report to SDC on 2 April 2012. The report covers the period 1 January to 31 December 2011.

3. *The project titled 'Support to the Mediterranean Academy of Diplomatic Studies (MEDAC)'*

The objective of this project is to make a contribution to confidence building, peace and stability in the Mediterranean region through a close partnership between Malta and Switzerland.

The total eligible cost of the project is SFr 2.620 (€2.171⁴) million. Switzerland's share amounts to a maximum SFr 1.900 (€1.574⁴) million with the balance being financed by the Maltese Government.

⁴ €1 = SFr 1.2070 (rate as at 16 March 2012)

During 2011, MEDAC completed its academic programme 2010-11, and commenced its 2011-12 programme. Of the students who graduated in 2011, four graduated with 'distinction', and twelve with 'merit'. The 2011-12 intake included thirty-three students from seventeen different countries, with fifteen benefitting from an M. Dip scholarship. As in previous years, participants have been following courses in international relations, international law, international history, international economics and the practice of diplomacy.

From 6 to 14 July 2011, MEDAC organised its annual human rights summer school within the framework of its Human Dimension Programme. The objective of the summer school was to introduce and explore key ideas concerning human rights and the notion of non-discrimination.

During this reporting MEDAC organised conferences or workshops on topics regarding the Mediterranean region. These included two Euro-med Information and Training Seminars (13-16 May and 11-14 November 2011) which were funded by the European Commission.

In 2011, MEDAC released a number of publications including the following:

- An essay by Dr. Claire Spencer on *The Changing Role of Civil Society in the Euro-Mediterranean Region*
- An essay by Fr. James L. Heft on *The Necessity of Inter-Faith Diplomacy: The Catholic/Muslim Dialogue*
- A special issue within the Med Agenda Series entitled *Towards a New Southern Mediterranean Region?* with contributions from MEDAC staff on current developments in the Mediterranean region
- A special issue within its Med Agenda Series entitled *Tribute to Professor Guido De Marco*
- An edited volume entitled *Change and Opportunities in the Emerging Mediterranean*, which comprises contributions by eminent academics and experts from Europe, the Arab World and North America focusing on current developments in the Mediterranean region.
- Two MEDAC newsletters which provide an overview of its activities.

During this reporting period, MEDAC continued to maintain close links with its alumni body.

A payment claim for the reimbursement of eligible costs incurred during the period 1 January to 30 June 2011 was included with Interim Report 2. This was certified and forwarded to SDC by the Paying Authority on 28 October 2011. The relative amount was transferred by the Swiss authorities to the Central Bank of Malta on 20 December 2011.

Similarly, a payment claim for the reimbursement of eligible costs incurred during the period 1 July to 31 December 2011 was included with Interim Report 3. This was certified and forwarded to SDC by the Paying Authority on 23 April 2012. At the time of concluding this Annual Report, the relative amount was still to be transferred by the Swiss authorities to the Central Bank of Malta.

Finally, the NCU submitted the second Project Annual Report to SDC on 27 March 2012.

4. *The Technical Assistance Fund*

The Technical Assistance Fund amounts to SFr 50,000 (€35,323⁵) and is being used by the Maltese authorities for the administration of the Swiss-Maltese Cooperation Programme.

The following actions are identified in Annex 1 to the Technical Assistant Fund Agreement as eligible for support:

- Hiring of consultants for the preparation, monitoring and review of Project(s) financed by the Contribution and of the Cooperation Programme
- Participation in meetings with Swiss authorities held outside of Malta
- Organisation of Annual Meetings
- Publicity at Programme level

One activity under the Technical Assistance project was implemented during the reporting period. This was the third Annual Meeting, which took place in Malta on 17 June 2011 (see above).

As both the PET/CT scanner and MEDAC projects were still in the early phases of their implementation, no publicity at programme level took place during the review period.

On 11 August 2011, a revised TA Fund budget was agreed between the NCU and SDC. The adjustments (compared to the budget formally agreed between SDC and OPM on 13 August 2010) related to the following three headings:

- Participation in meetings outside Malta

In 2010, actual expenditure for participation in meetings outside Malta amounted to SFr 1,276, leaving savings of SFr 224 on the amount budgeted.

- Organisation of Annual Meetings

Expenditure on the 2010 Annual Meeting was SFr 81, a reduction of SFr 342 on the amount budgeted. At the same time, provision had to be introduced for Annual Meetings in 2013 and 2014. As a result of these amendments, the overall allocation under this budget heading dropped to SFr 1,498 from SFr 1,800.

- General Publicity Measures

As against the above, the 'General Publicity Measures' heading was raised to SFr 5,726, giving the possibility of having more effective publicity in due course.

Separately, the amount of SFr 21,000 under 'Hiring for Consultants for project preparation' was shifted from 2010 to 2011, this being the year when expenditure would be incurred.

At the suggestion of SDC, the NCU also increased the 2012 allocation under the heading 'Expenditure for Participation in Meetings outside Malta' in view of an event foreseen to be organised by SDC to mark the end of the commitment period.

⁵ Please refer to workings at Table on page 12.

On 18 January 2012, the NCU and SDC agreed to revise the TA Fund budget again. During the 2011 Annual Meeting it emerged that the Swiss Franc amounts for the Payment Claims in Interim Reports 1, 2 and 3 needed to be adjusted.

The amount in Payment Claim 1 had to be revised from SFr 316.91 to SFr 315.36 to reflect the exchange rate used by the Paying Authority at certification (1.4651) rather than the rate used by the NCU when drawing up Interim Report 1 (1.4723). This had no impact on the amount shown in the budget forecast for 2009.

The amounts in Payment Claims 2 and 3 needed to be amended because the Paying Authority should have applied the exchange rate at which the SFr 39,684.64 (i.e. SFr 40,000 advance payment less SFr 315.36 from Payment Claim 1) was converted into Euro in 2010 and not the daily rate when the portions in Interim Reports 2 and 3 were transferred from the Central Bank of Malta. This is because the Central Bank account is held in Euro and the SFr 39,684.64 was converted in one lump (at 1.4367) after being deposited by the Swiss authorities. This, in turn, called for an adjustment to the budget for 2010 to make the amount available in Swiss Francs sufficient to cover the expenditure (which had been incurred in euro) when converted at the rate of 1.4367.

The NCU took this opportunity to propose a few other changes to the budget forecast which had been agreed between OPM and SDC on 11 August 2011 (see previous section).

The changes agreed between the NCU and SDC on 18 January 2012 are explained in the table below:-

2009	No change
2010	The amounts for 'Expenditure for participation in meetings outside Malta' and 'Expenditure for Annual meetings' have been amended to reflect the actual cost in Swiss Francs using the rate of €1 = SFr 1.4367. The cost in euro is unchanged.
2011	<ol style="list-style-type: none"> 1. The provision for 'Expenditure for participation in meetings outside Malta' has been removed because no such meetings took place last year. 2. The provision under 'Expenditure for annual meetings' has been removed as related costs will be paid in January 2012. Accordingly, the cost of the annual meeting 2011 (SFr 110 [rounded up to cover €74.58 @ 1.4367]) has been added to the allocation for the annual meeting 2012 (SFr 250). 3. The allocation under 'Hiring of consultants for project preparation' has been reduced from SFr 21,000 to SFr 5,600. The amount allocated now reflects the actual payment made to IOSI Belinzona for the expertise provided.
2012	<ol style="list-style-type: none"> 1. 'Hiring of consultants for monitoring / review' has been increased to SFr 14,500 which is a more realistic amount for the kind of task being envisaged. It is proposed to postpone the evaluation to 2013 in view of delays encountered in the implementation of the PET/CT scanner project implementation. This would put the evaluator in a position to better assess that project's sustainability and impact. 2. 'Expenditure for annual meetings': please refer to bullet 2 under 2011. 3. 'General publicity measures': the allocation has been increased and split over two years. This is because it is foreseen that 60% of the expenditure will be incurred this year and 40% in 2013. Of course, this remains a forecast at this stage as any publicity measures require the PET/CT scanner project to be completed first.
2013	<ol style="list-style-type: none"> 1. 'Hiring of consultants for monitoring / review': please refer to bullet 1 under 2012. 2. 'General publicity measures': please refer to bullet 3 under 2012.
2014-2017	No changes

Payment claims for the reimbursement of the certified, eligible costs incurred during the reporting period were included in Interim Reports 4 and 5. These costs included the fee for the expert advice provided by the *Istituto Oncologico della Svizzera Italiana - Belinzona* concerning the technical specification for a minimum 64-slice PET/CT scanner to be procured through the project entitled 'Establishing Positron Emission Tomography (PET) scanning in the Maltese Islands' and hospitality in connection with the Annual Meeting 2011. The relative amounts were transferred from the pre-financing of SFr 40,000 deposited by the Swiss authorities in May 2010 at the Central Bank of Malta.

Finally, the NCU submitted the Technical Assistance Fund Annual Report to SDC on 2 March 2012.

FINANCIAL TABLES ILLUSTRATING ACTUAL AND ESTIMATED EXPENDITURE (excluding VAT)

Establishing Positron Emission Tomography / Computed Tomography (PET/CT) scanning in the Maltese Islands					
Budget Year / Quarter	Actual Realised Payments		Future Estimated Expenditure⁶		Total Expenditure (Cumulative)
	Swiss Funds	Malta Funds	Swiss Funds	Malta Funds	
2010					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
2011					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
2012					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	€578,508.69	€187,017.39	€765,526.08
Quarter 4	-	-	-	-	-
2013					
Quarter 1	-	-	€578,508.69	€187,017.39	€1,531,052.16
Quarter 2	-	-	€578,511.18	€194,468.93 ⁷	€2,304,032.27
Quarter 3	-	-	-	-	-
Quarter 4	-	-	€578,511.18	€194,468.93 ⁷	€3,077,012.38
2014					
Quarter 1	-	-	-	-	-

⁶ Future Estimated Expenditure (Eligible Costs only) in Swiss Francs remains as per Annex 2 to the Project Agreement signed on 11 June 2010. The exchange rate SFr 1.2070 = €1 (rate as at 16 March 2012) has been applied to estimate the Euro equivalent given in this table. In this table it is assumed that the project's implementation period is extended until 31 May 2013.

⁷ 'Malta Funds' includes expenditure on training at IOSI Belinzona.

Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
2015					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
2016					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
2017					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
TOTAL	-	-	€2,314,039.74	€762,972.64	-

Support to the Mediterranean Academy of Diplomatic Studies (MEDAC)					
Budget Year / Quarter	Actual Realised Payments		Future Estimated Expenditure⁸		Total Expenditure (Cumulative)
	Swiss Funds	Malta Funds	Swiss Funds	Malta Funds	
2011					
Quarter 1	-	-	-	-	-
Quarter 2	€83,149.39	€33,505.61	-	-	€116,655.00
Quarter 3	-	-	-	-	-
Quarter 4	€178,808.68	€67,432.90	-	-	€362,896.58
2012					
Quarter 1	-	-	-	-	-
Quarter 2	€204,234.26	€77,390.49	-	-	€644,521.33
Quarter 3	-	-	-	-	-
Quarter 4	-	-	€148,765.74	€56,506.51	€849,793.58
2013					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	€157,415.00	€59,649.00	€1,066,857.58
Quarter 3	-	-	-	-	-
Quarter 4	-	-	€236,123.00	€89,474.00	€1,392,454.58
2014					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	€157,415.00	€59,649.00	€1,609,518.58
Quarter 3	-	-	-	-	-
Quarter 4	-	-	€406,947.73	€154,204.69	€2,170,671.00
2015					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-

⁸ Future Estimated Expenditure (Eligible Costs only) in Swiss Francs remains as per Annex 2 to the Project Agreement signed on 10 September 2010. The amount for Q4 2012 is the difference between the amount for Q2 2012 and the overall allocation for Budget Year 2012 (€353,000 Swiss Contribution, €167,000 Malta co-financing). The exchange rate SFr 1.2070 = €1 (ECB rate as at 16 March 2012) has been applied to estimate the Euro equivalent for 2013 and 2014. Moreover, the amount for Q4 2014 represents the balance between expenditure foreseen up to Q2 2014 and the total project cost in Euro.

Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
2016					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
2017					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
TOTAL	€466,192.33	€178,329.00	€1,106,666.47	€419,483.20	

Technical Assistance Fund					
Budget Year / Quarter	Actual Realised Payments		Future Estimated Expenditure ⁹		Total Expenditure (Cumulative)
	Swiss Funds	Malta Funds	Swiss Funds	Malta Funds	
2009					
Quarter 1	-	-	-	-	-
Quarter 2	€215.25	-	-	-	€215.25
Quarter 3	-	-	-	-	-
Quarter 4	-	-	-	-	-
2010					
Quarter 1	€606.40	-	-	-	€821.65
Quarter 2	€62.79	-	-	-	€884.44
Quarter 3	-	-	-	-	-
Quarter 4	€360.65	-	-	-	€1,245.09
2011					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	€4,425.48	-	-	-	€5,670.57
Quarter 4	-	-	-	-	-
2012					
Quarter 1	€74.58	-	-	-	€5,745.15
Quarter 2	-	-	€176.00	-	€5,921.15
Quarter 3	-	-	-	-	-
Quarter 4	-	-	€9,434.82	-	€15,355.97
2013					
Quarter 1	-	-	€4,898.03	-	€20,254.00
Quarter 2	-	-	€208.81	-	€20,462.81
Quarter 3	-	-	€6,055.54	-	€26,518.35
Quarter 4	-	-	€4,733.07	-	€31,251.42
2014					

⁹ Future Estimated Expenditure amounts in Swiss Francs are as agreed on 18 January 2012 between SDC and OPM. The exchange rate applied to estimate the euro equivalent given in this table is SFr 1.4367 = €1. This is the rate at which the amount of SFr 39,684.64 (i.e. SFr 40,000 advance payment by SDC less SFr 315.36 certified by the Paying Authority on 18 February 2010 in connection with Interim Report 1) was converted into euro on 20 April 2010.

Quarter 1	-	-	-	-	-
Quarter 2	-	-	€243.61	-	€31,495.03
Quarter 3	-	-	-	-	-
Quarter 4	-	-	€1,044.06	-	€32,539.09
2015					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	€696.04	-	€33,235.13
2016					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	€1,044.06	-	€34,279.19
2017					
Quarter 1	-	-	-	-	-
Quarter 2	-	-	-	-	-
Quarter 3	-	-	-	-	-
Quarter 4	-	-	€1,044.06	-	€35,323.25
TOTAL	€5,745.15	-	€29,578.10	-	

AUDIT

The Internal Audit and Investigations Department (IAID) in the Cabinet Office within the Office of the Prime Minister has been appointed as Audit Organisation for the projects to be implemented under the Swiss-Maltese Cooperation Programme. IAID is a public institution of recognised professional reputation and in line with the International Audit and Assurance Standards Board (IAASB) of the International Federation of Accountants.

In view of the fact that no substantive financial transactions were executed, no financial audits on the Swiss-Maltese Cooperation Programme were carried out during the reporting period

STRATEGIES AND ACTIVITIES TO INFORM THE GENERAL PUBLIC ABOUT THE SWISS-MALTESE CO-OPERATION PROGRAMME AND THE PROJECT/S IMPLEMENTED

Publicity is of critical importance to generate public awareness of the Swiss-Maltese Contribution. With the aim of providing the general public with information about the Contribution and the support provided by Switzerland through the Cooperation Programme, a list of potential activities to be undertaken has been defined by the NCU. These include:

- Billboards;
- Press releases;
- Articles in newspapers;
- Interviews on local radio and/or TV stations;
- Publicity on local radio.

The above should constitute publicity at Programme level and would be financed through the Technical Assistance Fund. All publications would refer to the Technical Assistance Fund as a "Swiss-Maltese Grant".

As both the PET/CT scanner and MEDAC projects were still in the early phases of their implementation, no publicity at programme level took place during this review period. The intention of the NCU is to undertake further action on publicity during late 2012 or early 2013, after the PET/CT scanner would have been installed and commissioned and the MEDAC project would have completed its second academic year.

The Executing Agencies implementing the projects in the 'Health' and 'Research and Development' focus areas are responsible for publicity at project level.

Agreements, calls for tenders, contracts and similar documentation carry the Swiss Contribution logo.

Annex 1

National Coordination Unit

Name	Funds and Programmes Division
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Postcode	VLT 1210
Country	Malta
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Executing Agency (PET/CT scanner)

Name	Ministry for Health, the Elderly and Community Care
Address	Palazzo Castellania 15, Merchants Street Valletta
Post Code	VLT 2000
Country	Malta
Contact Name	Dr Anthony Samuel
Telephone Number	(+356) 2545 6748
E-mail	anthony.samuel@gov.mt

Executing Agency (Support to MEDAC)

Name	Mediterranean Academy of Diplomatic Studies (MEDAC)
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Annex 2 – Tenders, contract awards and successful bidders

The tender procedure for the procurement of a Positron Emission Tomography / Computed Tomography (PET/CT) scanner was concluded on 9 March 2012.

The contract for Lot N°1 (PET / CT) was awarded to TP Joint Venture, while that for Lot N°2 (Fractionator Unit) was awarded to Technoline Ltd.

The contract values are given in the table below:

	Net €	VAT €	Total €
Lot N° 1 (PET / CT)	2,480,150.00	149,350.00	2,629,500.00
Lot N° 2 (Fractionator Unit)	197,101.98	43,266.29	240,368.27
TOTAL	2,677,251.98	192,616.29	2,869,868.27

In light of the above, a transfer between categories of the eligible costs referred to in the Final Project Proposal (Annex 2 to the Project Agreement) may be required. Moreover there may also be scope for adjusting the co-financing rate as the Euro / Swiss Franc exchange rate scenario has substantially changed from the one on which the initial estimates were based.