



## Participation in territorial cooperation programmes

Planning and Priorities Coordination Division  
Office of the Prime Minister

2<sup>nd</sup> April 2008



## Malta's participation in Interreg III

- **Strand A Cross Border**  
Italia-Malta programme
- **Strand B Transnational**  
Medocc and Archimed programmes
- **Strand C Interregional**  
South Zone programme



## New Programming Period: European Territorial Cooperation 2007 - 2013

- **Cross Border Cooperation:** One programme between Malta and Italy
- **Transnational Cooperation:** Medocc and Archimed merged into the Med programme
- **Interregional Cooperation:** Merging of the four Interreg III C zones (North, South, East and West) into one programme
- **ENPI:** Cooperation along the EU external borders

## Italia – Malta programme eligible areas

- Malta and Gozo
- Five regions in South East Sicily:  
Agrigento, Caltanissetta, Ragusa,  
Siracusa and Trapani
- Catania and Palermo to a limited extent
- *Calls for project proposals 1<sup>st</sup> quarter  
2009*





## Italia – Malta programme areas of intervention

- (1): Accessibility and sustainable tourism
- (2): Energy, competitiveness, innovation, environment and risk prevention



## Med programme eligible areas



Cyprus	Portugal
France	Slovenia
Greece	Spain
Italy	United Kingdom
Croatia	Montenegro

*1<sup>st</sup> Call for project proposals currently open*



## Med programme areas of intervention

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- (1) Strengthening innovation capacity
- (2) Protection of the environmental capacity and the promotion of a sustainable territorial development
- (3) Improvement of mobility and territorial accessibility
- (4) Promotion of a polycentric and development of the Med space



## IV C eligible areas

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- EU 27 Member States
- Norway
- Switzerland

*Projects submitted under first call are  
currently being evaluated*



## IV C programme areas of intervention

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- Innovation and the knowledge economy (focusing mainly on innovation research and technological development, entrepreneurship and SMEs, the Information Society, employment, human capital and education)
- Environment and risk prevention (natural and technological risks, water management, waste management, biodiversity and preservation of natural heritage, energy and sustainable transport, cultural heritage and landscape)



## ENPI programme eligible areas

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Algeria	Libya
Cyprus	Morocco
Egypt	Palestinian Authority
France	Portugal
Greece	Spain
Israel	Syria
Italy	Tunisia
Jordan	Turkey
Lebanon	United Kingdom

*Call envisaged to be launched 3<sup>rd</sup> quarter 2008*



## ENPI programme areas of intervention

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- (1) Promotion of socio economic development
- (2) Promotion of environmental sustainability
- (3) Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals



## Project application stage

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- Eligible areas
- Eligibility (public / public equivalent / private)
- Budgetary allocation
- Activities



## Project application stage

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- Lead partner
- Double financing
- Environmental issues and permits
- Tender dossiers
- Approval



## Obligation on Lead Partner

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- Main contact point – signs contract with the MA, represents all partners in the relationships with other parties, maintains contact with management bodies and provides information as required
- Is responsible for the general coordination, monitoring and the transnational management of the project
- Is responsible for the administration and distribution of project funds and for reporting on their use
- Collects the technical and financial data required for supervision and keeps track of the entire accounting of the project



## Obligation on Partner

- Territorial cooperation projects must comply with the N+3 rule: expenses must be disbursed within three years from the starting date of the project (N+2 rule to follow)
- Prepare financial documents to submit claims [*contracts / direct orders, invoices, receipts timesheets, payslips -- all documentation should be authenticated*]
- Submit claim to PPCD for verification according to the requirements of the programme for the First Level Control
- Submit progress report to PPCD



## Co financing element



- 15% for Maltese partners
- Co financing element may be covered by means of staff costs and in kind costs
- However, staff costs should not exceed 35% of the total budgetary allocation
- In kind costs should not exceed 15% of the total budgetary allocation



## Eligible expenditure



- Project partners can only present claims for reimbursement of expenses actually paid
- Refer to the contract signed between the Managing Authority of the Programme and the Lead Partner
- Refer to the final version of the approved application form and the respective work-packages for guidance on eligible expenditure



## Starting point eligibility of expenditure

The starting point of the project could be any of the following:

- the date of approval of the project by the Project Selection Committee
- the date of notification issued by the Managing Authority to the lead partners of the projects selected for funding
- the date of signature of contact between the Managing Authority and the Lead Partner



## Procurement

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- All project partners, including non public organisations should follow the principle of transparency
- the procurement of goods and services and the recruitment of staff should be carried out according to national and EU legislation



## Main categories of eligible expenditure

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### Staff costs

- Internal: those staff members who already had a normal working contract and who dedicate a number of their normal working hours to the project
- May contribute towards the 15% co financing element



## External staff

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- Staff specifically employed or assigned to provide services for the purpose of the project (compilation of claims, auditors, etc)
- Remember that public procurement rules must be always observed in selecting a company or an individual to provide external expertise



## Voluntary staff

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- Staff members or experts who provide services, research or who work on the project on a voluntary basis
- Voluntary unpaid work is considered to be 'in-kind' or non-cash contribution to the project and can be used as part of the national co-financing
- Voluntary staff cannot be employed as external staff during the implementation of a project



## Travel expenditure



Is only eligible if it is:

- incurred in the EU regions which are eligible to participate in the respective programme and to obtain ERDF funding
- incurred by persons performing tasks directly related to the project activities as detailed in the work packages of the project
- directly related to the implementation of the project



## Per diem allowance

- All participants (including non public organisations) must refer to MFIN Circular 1 / 2008 on travel



## Conferences / workshops



- Public bodies should follow the relevant public procurement regulations during the selection of venue, caterers or service-providers
- Catering costs, coffee breaks, meals or refreshments are eligible only as long as they form part of a conference or meeting
- Attendance fees should be deducted



## Administration costs

- Direct general costs : rent of office dedicated totally to the project, mail, fax, phone, copying costs, consumables etc
- Indirect general costs These include overheads related to the project's activities, e.g. rent, telephone bills, copying costs, consumables which are only partly related to the project



## Purchase of equipment

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- Not full cost: depreciation
- Necessary for the implementation of the project
- Procurement of PCs – liaise with PPCD before these are procured



## Revenue

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- Revenues received by a project up to the end of the project or up to the end of the programme represent income and should be deducted
- Eligible costs are total costs minus project related revenue



## VAT

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- VAT is eligible expenditure if it is genuinely borne by the final beneficiary
- In the case of government departments, VAT is not an eligible cost



## Audit costs

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- All project partners are requested to submit a signed and stamped audit certificate with every claim for reimbursement
- Costs have been incurred
  - in line with approved project application forms
  - costs represent services rendered/ goods delivered
  - expenses represent the value of the services rendered/ goods received
  - national and EU rules have been observed...



## Internal / external costs?

- Internal staff costs, as long as they have been included in the approved budget and work packages of the project and that
  - a) the person carrying out the audit is an auditor / accountant / financial controller
  - b) he / she is not involved in the direct implementation of the project
- External: refer to the list of audit firms/ partners / auditors. Remember: public procurement rules must be observed !



## Ineligible expenditure

- Expenditure incurred after the project implementation period
- Representational costs [e.g. gifts etc]
- Procurement which does not add value to the project
- Penalties, fines and law expenses
- Interest on overdue payments
- Unpaid sub amounts of invoices



## Ineligible expenditure

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- Project costs which cannot be clearly allocated to one of the project organisers or partners [e.g. invoices addressed to another person or institution or invoices not paid by the project organiser]
- Project costs that are not in line with the project's **approved** content
- Purchase of vehicles [cars, lorries, boats etc]

... list is not exhaustive...



## Financial control

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Member States are required to conduct first level and second level control checks

- verification of delivery of products and services
- reality of expenditure claimed
- compliance with terms of the Commission decision on the programme
- compliance with national and EU rules on eligibility
- compliance with other national and EU rules on public procurement, State Aid, protection of the environment and equality of opportunity
- publicity requirements



## Audits (1)

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- The European Court of Auditors
- The European Commission Services
- Group of Auditors
- The Internal Audit and Investigations Directorate
- The National Audit Office



## Audits (2)

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- contracting issues
- advertisements and a list of response to such adverts
- a record of any calls of interests / tender opening procedure and subsequent selection of successful contractors
- the documentation submitted in connection with calls / tendering
- the evaluation reports of such calls
- the contracts drawn between the project leaders and the contractors
- payments made
- verification of EU publicity
- bank accounts
- discuss local or national economic context of the project



## Audit trail

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- Each partner must maintain a clear audit trail
- File all relevant documentation for **three years** following the closure of the operational programme (end 2020)
- Documentation to keep for audit purposes: subsidy contract, application forms, receipts, invoices, tender evaluation, contracts, claims made etc



## Publicity

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- In Maltese or in English !
- Refer to publicity guidelines (logos, emblems etc)
- Refer to co financing element, programme (IT-MT, IVC, Med, ENPI)



## PPCD contact details

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Thank you  
for your attention