

Fisheries Operational Programme 2007-2013
Project part-financed by the European Union
European Fisheries Fund (EFF)
Co-financing rate: 75% EU Funds; 25% National Funds



Investing in sustainable fisheries

Manual of Procedures

European Fisheries Fund 2007 – 2013

Malta

Version 4

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List of Acronyms

AA	Audit Authority
AG	Accountant General
AIR	Annual Implementation Report
CA	Certifying Authority
CBM	Central Bank of Malta
DCS	Director Corporate Services
DoC	Department of Contracts
DAB	Departmental Adjudication Board
DAS	Departmental Accounting System
DPI	Director Programme Implementation
EC	European Commission
EFF	European Fisheries Fund
EFFIR	European Fisheries Fund Irregularity Report
ESF	European Social Fund
ERDF	European Regional Development Fund
ETC	Employment and Training Corporation
EU	European Union
FPD	Funds and Programmes Division
GCC	General Contracts Committee
IAID	Internal Audit and Investigations Department
IB	Intermediate Body
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standard
IMCC	Inter-Ministerial Co-ordination Committees
ISC	Invoice Status Report
KNPD	National Commission for Persons with Disability
LM	Line Ministry
MA	Managing Authority
MC	Monitoring Committee
MEAIM	Ministry for European Affairs and the Implementation of the Electoral Manifesto
MEPA	Malta Environment and Planning Authority
MITA	Malta Information Technology Agency
MSDEC	Ministry for Sustainable Development, the Environment and Climate Change
MFIN	Ministry of Finance
MoP	Manual of Procedures
NAO	National Audit Office
NCPE	National Commission for the Equality of Men and Women
NGO	Non-Governmental Organisation
NSRF	National Strategic Reference Framework
OJEU	Official Journal of the European Union
OLAF	European Anti-Fraud Office
OP	Operational Programme
OPM	Office of the Prime Minister
PCRB	Public Contracts Review Board

PL	Project Leader
PPCD	Planning and Priorities Co-ordination Department
PPR	Project Progress Report
PSC	Project Selection Committee
PSAB	Project Selection Appeals Board
SAMB	State Aid Monitoring Board
SCC	Special Contracts Committee
SFD	Structural Funds Database
TA	Technical Assistance
VAT	Value Added Tax

1. Introduction

1.1 Guides to Users

1. This Manual of Procedures (MoP) is designed to give users an insight into the national procedures set up to manage and implement projects co-financed under Operational Programme (OP) 2007 – 2013 co-financed by the European Fisheries Fund (EFF) as well as provide them with the necessary guidance and support in their day-to-day operations.
2. The EFF provides financial assistance to help implement the latest reform of the Common Fisheries Policy (CFP) and to support the restructuring that has become necessary as the sector has developed.
3. The Operational Programme (OP) describes in detail and defines the priority tasks (measures) in the four Priority Axes selected by Malta for the development of the Maltese fisheries, aquaculture and processing sectors. The EFF OP can be downloaded from the web site of the MA (https://secure2.gov.mt/fpd/links_downloads).
4. Since 1st January 2012, the overall co-ordination of the EFF OP falls under the responsibility of the Funds and Programmes Division (FPD) – Parliamentary Secretariat for the EU Presidency 2017 and EU Funds within the Ministry for European Affairs and Implementation of the Electoral Manifesto (MEAIM). The FPD has also been designated as Managing Authority for the EFF OP as of the same date.
5. It is important to note that projects implemented through the above mentioned OP, will always be co-financed by both EU funds and an element of co-financing either from the national / local public resources, the NGO or private sector or a combination of sources (the latter in the case of Aid Schemes).
6. The main Regulations which lay down the general provisions for the 2007-2013 programming period are Council Regulation (EC) No 1198/2006¹ and Commission Regulation (EC) No 498/2007².
7. This MoP provides guidance for projects co-financed through the EFF OP. Further guidance notes may be issued by the Intermediate Body in relation to the implementation of Aid Schemes to the private sector under Axes 1 and 2 of the OP.
8. This MoP is subject to revisions and changes. Should there be changes to the MoP, all project leaders and stakeholders will be informed and an updated version of the MoP (indicating the changes) will be placed on the MA's website.

¹ This is and will be referred to as the EFF Regulation.

² This is and will be referred to as the EFF Implementing Regulation.

2. Roles and Responsibilities

2.1 Managing Authority

As of 1st January 2012, the Funds and Programmes Division within the Ministry for European Affairs and Implementation of the Electoral Manifesto has been entrusted with the management and overall coordination of the EFF and designated as the MA for the EFF OP. The Division is set up in line with the established national procedures of the Government of Malta. The Funds and Programmes Division will carry out the tasks and functions of a Managing Authority in full accordance with the institutional, legal and financial systems of Malta and Article 59 of Council Regulation (EC) No. 1198/2006.

In particular the Managing Authority shall:

- a. ensure that operations are selected for funding in accordance with the criteria applicable to the operational programme and that they comply with applicable EU and national rules, for the whole of their implementation period;
- b. verify that the co-financed products and services are delivered and that the expenditure declared by the Beneficiaries has actually been incurred and complies with EU and national rules. On-the-spot verifications of individual operations will be carried out on a sample basis in accordance with the detailed rules adopted by the Commission³;
- c. ensure that there is a system for recording and storing, in computerised form, accounting records of each operation under the OP and that the data on implementation necessary for monitoring, verification, audit and evaluation is collected;
- d. ensure that the bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;
- e. ensure that the evaluation of the OP referred to in Articles 48 and 49 of the EFF Regulation are carried out in accordance with Article 47 of the same Regulation;
- f. set up procedures with a view to ensure that all documents relating to expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 87 of the EFF Regulation;
- g. ensure that the Certifying Authority and the Audit Authority receive all necessary information (through access to the electronic management and information system) on the verifications carried out in relation to expenditure for the purpose of certification and audit respectively;
- h. guide the work of the Monitoring Committee and provide it with the documents required to permit the quality of the implementation of the OP to be monitored in the light of its specific goals;
- i. ensure compliance with the information and publicity requirements laid down in Article 51 of the EFF Regulation.

³ Commission Regulation (EC) 498/2007 Article 39.

- j. Set up the management and control systems for the operational programme in accordance with Articles 57 to 61⁴;
- k. preventing, detecting and correcting irregularities and recovering amounts unduly paid together with interest on late payments where appropriate. It shall notify these to the Commission and keep the Commission informed of the progress of administrative and legal proceeding;

Additional Responsibilities

1. In addition to the above, the MA will be tasked to:
 - a. Liaise with the Ministry responsible for fisheries policy to ensure that assistance from the EFF is consistent with the activities, policies and priorities of the Community, and complementary to other financial instrument of the Community. This consistency and complementarity is indicated in particular in the OP⁵;
 - b. where applicable, co-ordinate assistance from EFF with assistance from the European Agricultural Fund for Rural Development (EAFRD), the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund⁶ and other relevant Community financial instruments. This will be done primarily through the relevant Inter-Ministerial Committees set up for this purpose by the MA responsible for Cohesion Policy;⁷
 - c. co-ordinate with the competent public authority and relevant stakeholders to ensure the promotion of the equality between men and women and the integration of the gender perspective are promoted during the various stages of implementation of the EFF. The MA shall also ensure that operations to enhance the role of women in the fisheries sector are promoted;⁸
 - d. co-ordinate the revision of the OP (when necessary⁹) in consultation with the Ministry responsible for fisheries policy, the EC and other sectoral stakeholders. Any changes shall be approved by the MC before being submitted to EC for approval;¹⁰
 - e. manage the Technical Assistance budget (Axis 5 of the OP);¹¹
 - f. co-ordinate evaluations¹²;
 - g. ensure that an operation retains the contribution from the EFF. In case of modifications, the MA is to inform the EC in the Annual Implementation Report (AIR) referred to in Article 67 of the EFF Regulation;¹³
 - h. lay down rules at a national level on the eligibility of expenditure taking into account derogations provided in the EFF Regulation;¹⁴

⁴ Council Regulation (EC) 1198/2006

⁵ Ibid. Article 6(2)

⁶ The MA is also a member of the Inter-Ministerial Committee on Human Capital and EU Infrastructure & Productive Funding Programmes which aim to ensure that priorities are addressed with minimal risks with regard to overlaps and duplication of effort and resources.

⁷ Ibid. Article 6(4).

⁸ Ibid. Article 11.

⁹ In cases arising from difficulties in its implementation and / or significant strategic changes, etc...

¹⁰ Ibid. Article 18(2).

¹¹ Ibid. Article 46.

¹² Ibid Article 58(e)

¹³ Ibid. Article 56.

¹⁴ Ibid. Article 55.

- i. set up of a Monitoring Committee (MC) for the OP within three (3) months starting from the date of the notification of the decision approving the OP;¹⁵
- j. provide the Secretariat to the MC;¹⁶
- k. carry out, in conjunction with the MC, monitoring through reference to financial indicators and the indicators referred to in Article 20(1)(c) of the EFF Regulation and specified in the OP;¹⁷
- l. send to the EC, for the first time in 2008 and by 30th June each year, an AIR, and by 31st March 2017 a final implementation report containing the information laid out in Article 67 of the EFF Regulation;¹⁸
- m. following the submission of the AIR, examine with the EC, on a yearly basis, the progress made in implementing the OP, the principal results achieved over the previous year, the financial implementation and other factors with a view to improving implementation;¹⁹
- n. inform the MC of any comments made by the Commission on reports concerning the OP, in particular the AIR, and inform the Commission of the action taken in response of those comments;
- o. co-ordinate with the Permanent Secretary (EU Funds) the management and control systems for the OP in accordance with Articles 57 to 61 of the EFF Regulation, and ensure that they function effectively;
- p. submit to the EC information as laid down in Article 48 of the EFF Implementing Regulation;
- q. submit to the EC, before the first interim payment or, at the latest, within 12 months from approval of the OP, a systems description containing details laid down in Article 71 of the EFF Regulation;
- r. ensure that Beneficiaries and stakeholders maintain all supporting documents relating to expenditure and audits on the OP for the EC and the European Court of Auditors as specified in Article 87 of the EFF Regulation;²¹
- s. Ensure a Project Selection Process is in place:
 - in case of (national) projects of common interest, steer the Project Selection Committee (PSC) and provide the Secretariat to the Project Selection Committee²²
 -
 - in case of aid schemes to the sector, appoint an Intermediate Body (IB) and ensure that the IB sets up its own Project Selection Committee which the IB shall steer as well as provide the necessary secretarial support.

¹⁵ Ibid. Article 63.

¹⁶ Ibid. Article 64(1).

¹⁷ Ibid. Article 66(2).

¹⁸ Ibid. Article 67

¹⁹ Ibid. Article 69(2).

²⁰ Ibid. Article 71(1).

²¹ Ibid. Article 87

²² The PSC shall draw up its own terms of reference (TORs)

The MA can be contacted on:

Tel. no.: 2200 1116
E-mail: fpd.meaim@gov.mt

2.2 Certifying Authority

The EU (Paying Authority) Directorate within the Ministry of Finance and Investment was set up during the last quarter of 2003 in accordance with the institutional and legal system of Malta. The body designated as the Certifying Authority for the EFF Operational Programme has also acted as the Paying Authority for the Single Programming Document, the Cohesion Fund and the Community Initiative *Equal* for the financial period 2004-2006. The same organisation is also acting as Certifying Authority for Cohesion Policy Programmes 2007-2013.

Tasks and Functions of the Certifying Authority²³

The Certifying Authority shall be responsible for:

- a. drawing up and submitting to the EC certified statements of expenditure and applications for payment in line with the provisions laid down in the EFF Regulation and the Implementing Regulation;
- b. certifying that the statement of expenditure is accurate, results from reliable accounting systems, is based on verifiable supporting documents and that the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme;
- c. ensuring, for the purposes of certification, that it has received adequate information on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;
- d. taking account for certification purposes of the results of all audits carried out by or under the responsibility of the Audit Authority;
- e. maintaining accounting records in computerised form of expenditure declared to the EC;
- f. keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the EU, prior to the closure of the OP, by deducting them from the next statements of expenditure in line with the provisions laid down in Article 97 of the EFF Regulation.

Additional Responsibilities

2. In addition to the above, the CA is tasked with the following functions:

²³ Article 60 of Council Regulation 1198/2006

- a. submitting the relevant documents as stipulated under Article 46 of the EFF Implementing Regulation;
- b. submitting to the EC information as laid down in Article 48 of the EFF Implementing Regulation;
- c. providing the MA with information on requests for interim payments, funds received, debtors' ledger status, etc;
- d. receiving and accounting for funds transferred by the EC and transferring the funds to the MFIN Revenue vote;
- e. updating the Database with the necessary information (as above);
- f. sending to the EC, at least by 30th April each year, a provisional forecast of the likely applications for payment for the current financial year and the subsequent financial year;²⁴
- g. carrying out any other role identified as being the task of the CA by the EC and the EFF Implementing Regulation.

The CA can be contacted on:

Tel. no.: +356 2599 8297

Fax. no.: +356 2599 8418 / +356 2125 1356

E-mail: info.mfin@gov.mt

2.3 Audit Authority

The Internal Audit and Investigations Department as the Audit Authority is the main audit body responsible for system audits, audits on operations and the closure declaration. The Audit Authority reports to the Internal and Audit Investigations Board within the Cabinet Office, Office of the Prime Minister. The Audit Authority is entrusted with verifying the effective functioning of the management and control system of the OP. The Audit Authority is set up in line with the established national procedures of the Government of Malta and is functionally independent of the Managing Authority and the Certifying Authority of the OP.

Tasks and Functions of the Audit Authority²⁵

The audit authority²⁶ shall be responsible in particular for:

- (a) ensuring that audits are carried out to verify the effective functioning of the management and control system of the operational programme;
- (b) ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- (c) ensuring that the Managing Authority and the Certifying Authority receive all necessary information on audits and controls carried out;

²⁴ Ibid. Article 75(3).

²⁵ EC/1198/2006 article 61

²⁶ Since the total eligible public expenditure for this operational programme does not exceed EUR 90 million at 2004 prices, the Audit Authority is not required to present to the Commission an audit strategy (Article 51 of EC/498/2007)

- (d) by 31 December each year from 2009 p to 2015:
- (i) submitting to the Commission an annual control report setting out the findings of the audits carried out during the previous 12 months ending on 30 June of the year concerned and reporting any shortcomings found in the systems for the management and control of the programme. The information concerning the audits carried out in the period after 1 July 2015 shall be included in the final control report supporting the closure declaration referred to below;
 - (ii) issuing an opinion based on the controls and audits that have been carried out under its responsibility as to whether the management and control system functions effectively, so as to provide reasonable assurance that statements of expenditure presented to the Commission are correct and, as a consequence, reasonable assurance that the underlying transactions are legal and regular.
 - (iii) Submitting, where applicable under Article 85, a declaration for partial closure assessing the legality and the regularity of the expenditure concerned;
- (e) submitting to the Commission at the latest by 31 March 2017, a closure declaration assessing the validity of the application for payment of the balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report;
- (f) Ensure that the audit work takes account of internationally accepted audit standards.

b. Additional Responsibilities

In addition to the above, the Audit Authority is tasked with the following functions:

- (1) Establish a report setting out the results of an assessment of the setting up of systems and giving an opinion on their compliance with articles 59 to 61 of Council Regulation EC/1198/2006;
- (2) Meet with the European Commission at least once a year to examine together the annual control report and opinion referred to above, and to exchange views on other issues relating to the improvement of the management and control of the OP;
- (3) Report any irregularity, as it arises, to the European Anti-Fraud Office (OLAF) and periodically inform the Commission of the administrative procedures instituted following all irregularities previously notified and of important changes resulting there from. In this regard, the IAID coordinates with the competent public authority/ies the prevention, detection and correction of irregularities.
- (4) Carry out the above mentioned roles in line with Commission Regulation EC/498/2007.

The AA can be contacted on:

Tel. no.: 2123 7737
Fax. no.: 2123 7681
E-mail: info.iaid@gov.mt

2.4 Intermediate Body

The Intermediate Body (Aid Schemes)

The MA has delegated part of its functions with regard to the management of aid schemes to the sector (under Axes 1 and 2 of the OP) to an Intermediate Body. The EU Affairs Directorate within the Ministry for Sustainable Development, the Environment and Climate Change (MSDEC) will carry out the functions of Intermediate Body for Aid Schemes. These functions have been delegated by the Managing Authority in January 2012 in accordance to Article 58 (2) of Council Regulation (EC) No. 1198/2006 and are outlined in a Covenant agreed upon between the Intermediate Body and the Managing Authority in February 2012.

The IB can be contacted on:

Tel. no.: +356 22997211

E-mail: stefan.v.cachia@gov.mt

2.5 Line Ministry

Director Programme Implementation (Ministry for European Affairs and Implementation of the Electoral Manifesto) for Axis 5 and Director Programme Implementation (MSDEC) for Axes 1,2 and 3.

The Director Programme Implementation (DPI) is responsible for the (nationally established) Line Ministry (LM) function. The DPI has to ensure that the full LM functions (including raising the commitment in the Departmental Accounting System (DAS) are carried out efficiently by the relevant officers.

The LM is primarily responsible for the inter-agency co-ordination for all projects implemented by any Department/public organisation forming part of the Ministry's portfolio. The co-ordination function is applicable from the very start, including providing Ministerial input at programming stage; supporting agencies at the moment of submission of proposals; providing support to Beneficiaries during implementation – including liaison with MA and other horizontal stakeholders on their behalf; processing of the second stage of the payment process (including Database input) and submit to Treasury once documentation is correct; monitoring of projects falling within the Ministry's portfolio; and following up any issues arising from management checks and audits. For the purpose of the EFF Operational Programme, the Line Ministry function for Axes 1,2 and 3 shall be undertaken by the DPI MSDEC; whereas the DPI MEAIM shall be responsible for the LM function for Axis 5 (as of 1st January 2012).

The DPI (MEAIM) can be contacted on:

Tel. no.: +356 2200 1844

Fax. no.: +356 2200 1851

The DPI (MSDEC) can be contacted on:

Tel. no.: +356 2299 7259
Fax. no.: +356 22952225

2.6 Beneficiaries

1. The Beneficiary is the organisation responsible for the implementation of the operation. For (national) projects (of common interest), the Beneficiary enters into a grant agreement with the MA.
2. In the case of Aid Schemes, the Beneficiary implements an operation awarded by the IB. In this case the Beneficiary enters into a grant agreement with the IB.²⁷
3. The Beneficiary is responsible for the implementation of the operation in line with the terms of conditions of the grant agreement. All Beneficiaries should always be guided by the principles of good governance and sound financial management.

2.7 Department of Contracts

The Department of Contracts (DoC) within MFIN is responsible for the administration of the procurement procedures as laid down in the Public Contracts Regulations (L.N.296 of 2010, repealing L.N177 of 2005 and corresponding amendments), which came into force on 1st June 2010. The DoC provides guidance and advice to public Beneficiaries on all issues pertaining to public contracts. Within the legislation, the DoC is known as the Central Government Authority whereas the agency procuring the goods/services/works is known as the Contracting Authority.

1. The DoC ensures that the relevant tenders are launched and published in accordance with the above mentioned regulations and that contracts are awarded in conformity with the principles of non-discrimination, equality of treatment, transparency, mutual recognition, proportionality, open competition, financial management and good governance.
2. The main functions of the Department of Contracts are outlined in Article 6 of L.N.296/2010.
3. It is the responsibility of ALL Beneficiaries (even those not falling within the direct remit of the DoC such as economic operators) to seek the advice of the DoC on procurement issues.

It is the responsibility of the Beneficiary to seek the advice of the DoC on procurement issues.

²⁷ Ibid. Art. 107 of the Treaty on the Functioning of the European Union

The DoC can be contacted on:

Tel. no.: 2122 0212 / 2124 7686

Fax. no.: 2124 7681

E-mail: info.contracts@gov.mt

2.7.1 General Contracts Committee

1. The role of the General Contracts Committee (GCC) is, amongst other, to advise on all matters relating to public contracts and procurement, open tenders, evaluate the recommendations submitted by tender evaluation committees and make definite recommendations for the award of contracts and approve justifiable deviations from the original conditions of a contract when and as required by Public Procurement Regulations.
2. Therefore, public Beneficiaries are to take into consideration the role of the GCC in the tender adjudication and variation approval processes in their contract and disbursement time-planning
3. Information on the GCC can be obtained from the Department of Contracts.

2.7.2 Special Contracts Committee

1. The Special Contracts Committee (SCC) is appointed whenever the Prime Minister determines that the adjudication of a tender requires special expertise and skills. The SCC will remain in operation throughout the adjudication process of a tender or else until the Director General DoC declares that the adjudication of the public contract is withdrawn.
2. Information on the SCC can be obtained from the DoC.

2.7.3 Public Contracts Review Board

1. The Public Contracts Review Board (PCRB) is an independent and autonomous board (composed of a chairman and two members) appointed by the Prime Minister for a period of three years.²⁸ The PCRB is responsible for deciding complaints lodged by aggrieved bidders on all tenders issued by the DoC.
2. Information on the PCRB can be obtained by sending a request for information to:

The Secretary (Public Contracts Review Board)
C/O Department of Contracts
Notre Dame Ravelin
Floriana

²⁸ Members may be re-appointed

The PCRB can be contacted on:

Tel. no.: 2122 2599 8292

E-mail: saviour.debono@gov.mt

2.7.4 Departmental Adjudication Boards

1. Departmental Adjudication Boards are boards or committees appointed by contracting authorities with the purpose of evaluating departmental tenders received and for making recommendations thereon.

2. Taking into account the principle proportionality, it is recommended that Departmental Adjudication Boards use templates and procedures available on the DoC website (with applicable amendments that have to be undertaken by the relevant contracting authority) and consult the DoC where further information on the procedure is required. It is also highly recommended that the Boards refer to the Standard Operating Procedures/Guidelines for Tender Evaluation Committees, issued by the DoC and available at: <https://secure2.gov.mt/EPROCUREMENT/templates>.

2.7.5 Departmental Contracts Committee

For the purpose of EU funding implementation, this refers to the Committee set up in terms of Regulation 9(1) (b) of the Public Procurement Regulations with the purpose of making definite recommendations for the award of public contracts whose value is less €47,000.

2.8 Malta Information Technology Agency (MITA)

The Malta Information Technology Agency (MITA) is the central driver of Government's Information and Communications Technology (ICT) policy, programmes and initiatives in Malta. MITA's responsibilities is that of formulating new and updating previously established information society policies, executing strategy and provide efficient and effective ICT infrastructure services to Government.

MITA can be contacted on:

Tel. no.: (+356) 2323 4710

Fax no.: (+356) 2123 4701

Website: www.mita.gov.mt

Email: info.mita@gov.mt

2.9 Accountant General (AG)/Treasury

The Accountant General (AG) is also referred to as the Director General (Treasury). The AG heads the Treasury Department within MFIN. Within the context of implementation of the EFF OP, the Treasury is responsible for:

1. receiving requests for payment (from the LM) to effect payments and / or reimbursements (as the case may be);
2. carrying out relevant checks, particularly that the expenditure and supporting documentation is correct and in line with relevant (national) financial regulations;
3. effecting payments to contractors (on behalf of public Beneficiaries and NGOs) and processing reimbursements to Beneficiaries (latter largely applicable to aid schemes) in respect of expenditure incurred for approved projects;

The Treasury can be contacted on:

Tel. no.: 2596 7131
Fax. no.: 2596 7208
E-mail: eufmu@gov.mt

2.10 Budget Affairs Division

The Budget Affairs Division (MFIN) shall allocate the necessary pre-financing funds in the relevant Line Ministry's vote according to prevailing policy. At a management level the Budget Affairs Division will be assisted by the MA and the CA (in their respective roles) to manage the national co-financing element.

2.11 Contractor

The contractor is the provider of works, supplies or services that has been awarded a contract following the launch and adjudication of a public tender and/or call for quotations. The Beneficiary is responsible for ensuring (through supervision and certification of works, services and/or supplies) that the contractor delivers the works/supplies/services in accordance with the terms and conditions stipulated in the contract and in accordance with Public Procurement Regulations..

2.12 Monitoring Committee

1. A Monitoring Committee (MC) has been established for the EFF OP. The Committee is chaired by the Principal Permanent Secretary - Ministry for European Affairs and Implementation of the Electoral Manifesto and is composed of Government and (relevant) public entity representatives, representatives of the fisheries sector as well as members of civil society and the EC.

2. In accordance with Article 63 of the EFF Regulation, the MC is responsible for ensuring the effectiveness and quality of the implementation of the OP through periodical review of progress. In addition, the MC is responsible for: the approval of the selection criteria for the approval of operations co-financed through the EFF, the approval of revisions to the respective OP and shall also approve any proposal to amend the content of the Commission decision on the contribution of the Funds.

2.13 Inter-Ministerial Co-ordination Committees

Two Inter-Ministerial Co-ordination Committees (IMCCs) have been established by the Planning and Priorities Co-ordination Division (PPCD) as the Managing Authority for Operational Programmes I and II. One IMCC deals with EU Infrastructure and Productive Funding Programmes, whilst the remit of the second IMCC is that of EU Human Capital Investment Funding Programmes. The two committees are chaired by PPCD. The EFF Managing Authority is represented on these committees.

The IMCC ensures synergy and complementarity between the different initiatives and maximisation of resources and that the priorities of the two Cohesion Policy OPs (managed by PPCD) and the EFF OP are addressed with minimal risks of overlap and duplication of effort and resources.

2.14 National Audit Office

1. The National Audit Office (NAO) is the external auditor of the Government of Malta and is completely independent of the executive arm of the Government.
2. Since projects co-financed through EFF are considered to be public funds, the NAO may carry out audits on the projects (both on public entities and agencies as well as private entities or projects implemented by NGOs) as the external auditor of Government.

The NAO can be contacted on:

Tel. no.: 2205 5056
Fax. no.: 2123 8918
E-mail: nao.malta@gov.mt

2.15 Channels of Communication

The following lines of communication shall be adhered to:

1. Only the MA, the CA and the AA (in their respective roles) shall directly communicate with the European Commission on issues pertaining to the EFF 2007 – 2013 Programme.
2. As secretariat to the MC, it is only the MA that shall communicate with the MC member on issues pertaining to the EFF OP 2007 - 2013 Programme. Members should send their comments to the MA for distribution.

3. It is the responsibility of the Beneficiary to consult the relevant national authorities on issues pertaining to the project being implemented by that Beneficiary. Beneficiaries under aid schemes shall consult the IB in the first instance.
4. Relevant stakeholders of the payment process shall ensure continuous communication to ensure that the payment process is moving ahead accordingly and within acceptable timeframes.
5. Any changes to the implementation (including changes in Project Leader and/or contact persons) shall be communicated immediately to the MA (projects) or the IB (Aid Schemes).
6. Any other queries pertaining to the implementation of projects and Aid Schemes in general can be addressed to the MA and IB respectively.

2.16 Project Selection Committee

A Project Selection Committee (PSC) is set up for each type of call²⁹. In the case of calls for national projects under Axis 3, these shall be steered by the MA. The secretariat shall also be provided by the MA. In the case of Aid Schemes, the selection process is steered by the IB and the secretariat shall be provided by the IB.

The role of the PSC is to assess the applications received against the criteria approved by the Monitoring Committee. The applications are evaluated and ranked. Projects that pass the gateway eligibility test but do not score 50% in the appraisal based on the selection criteria, are also rejected. Selection shall depend on the available budget (the highest ranking will be selected according to the budget available). Proposals that obtain the necessary marks to qualify for selection but do not rank high enough to be able to be selected are placed on the reserve list in case funds become available³⁰.

2.17 Project Selection Appeals Board

A Project Selection Appeals Board (PSAB) is established by the by the MEAIM and MSDEC in case of projects approved by the MA and by IB respectively. The PSAB shall consist of three members not involved in the selection process. The role of the PSAB is to receive, review and evaluate appeals lodged by aggrieved project proponents. The decision of the PSAB is final. The process of the appeal is described under Chapter 6 of this MoP.

2.18 State Aid Monitoring Board

The State Aid Monitoring Board (SAMB) is charged with the monitoring of state aid in Malta. The SAMB provides advice and guidance to Beneficiaries and other stakeholders (including the MA, the IB and the PSC) with respect to State Aid in order to ensure that the EFF funded projects are in line with Community State Aid Regulations. When preparing the project application, project leaders preparing projects to be submitted under calls issues by the MA are encouraged to discuss their project proposal with the SAMB in relation to any state aid implications. In the case of aid schemes, the responsibility to ensure that schemes are issued in line with applicable state

²⁹ Different committees will be set up by the MA and the IB.

³⁰ The reserve list shall remain valid until the funds under the call are exhausted or until the MA / IB issues another fresh call under the Axis, whichever comes first.

regulations and to report on such state aid (to the SAMB) lies with the IB. The SAMB can carry out checks on individual projects on issues related to state aid once project implementation is underway.

Reference should be made to Legal Notice 210/2004 (State Aid Monitoring Regulations) to ensure compliance with State Aid requirements.³¹

The SAMB can be contacted on:

Tel. no.: 2125 2757

E-mail: yana.haber@gov.mt

³¹ The Legal Notice 210/2004 may be downloaded from <http://www.doi.gov.mt/en/legalnotices/2004/04/LN210.pdf>

3. Compliance with Community Policies

3.1 Introduction

The Beneficiary shall ensure coherence with Community Policies, in particular (although not exclusively) public procurement, state aid, environment, equal opportunities, and sustainable development.

3.2 Public Procurement

1. All Beneficiaries of projects should ensure that any procurement for projects co-financed by the EFF is carried out in line with the principles of good governance, transparency and open competition. A check on public procurement shall form part of the management verification checks undertaken by the MA in the case of relevant contracting authorities.
2. Departments and Public agencies are to ensure that procurement is carried out in line with the public procurement regulations applicable at the time of implementation. In this regard, L.N.177 and L.N.178 of 2005 (Public Contracts Regulations, and subsequent amendments) regulate tendering processes launched prior to 1st June 2010, while L.N.296/2010 (Public Procurement Regulations) applies thereafter. Beneficiaries should note that there may be further changes to the Regulations that are not referred to in this manual and are therefore advised to ALWAYS consult the DoC on the latest legislation and templates.
3. Other agencies not governed by the said Regulations, are to ensure that they follow the spirit of the Regulations and respect the thresholds therein, particularly with regard to publication of the tender dossier.
4. The head of the Beneficiary organisation (or its legal representative) is responsible to ensure that all contracting procedures are carried out in a spirit of good governance, fairness, transparency and non-discrimination between economic operators. In this regard, public procurement is to follow the procedures as laid out in the Public Contracts Regulations. Beneficiaries should be aware that failure to comply with the Regulations could result in recovery of funds (of up to 100%) for the contract in question.
5. Tender documents should be drafted in a manner that clearly sets the specifications / terms of reference of the contract and also the way that bids are to be adjudicated.
6. Contracting authorities should familiarise themselves with the different procurement procedures laid out in the Public Contracts Regulations. Beneficiaries may refer to Chapter 4 for further information on contracting; however they are also advised to consult the Regulations and DoC to ensure a correct interpretation of this complex policy area.
7. The DoC has put on-line tender templates to guide contracting authorities when drafting new tenders. It is recommended, that contracting authorities should always draft tenders on the basis of the latest templates being provided on the DoC website³². Other useful resources and guidelines are also available here. Given that the tender drafting is a very costly and time consuming process, prior to initiating and drafting of a tender, it is recommended to consult the DoC to make sure that there are no administrative (templates) and / or legal changes foreseen in the immediate future that could impact the effort undertaken by the Beneficiary.

³² Templates available from <https://secure2.gov.mt/eprocurement/templates>

8. It is recommended that contracting authorities obtain the assurance that bidders have the necessary experience to offer the services or to carry out the works that are being requested. Tender Evaluation Committees are to ensure that bids are fully administratively and technically compliant with the tender conditions.
9. It is strongly recommended that the Beneficiary takes note of the instructions issued by the Department of Contracts in circulars from time to time, particularly Contracts Circulars No. 44/2007, 18/2008, 9/2009 11/2010 and 13/2010 which highlight some important public procurement issues. Private beneficiaries are to follow any guidance on procurement as recommended by the MA or IB from time to time.
10. It is important to note that failure to comply with Public Procurement Regulations could lead to the recovery of funds. The EC has issued a set of guidelines for the financial corrections to be applied for irregularities in the application of the Community regulations on public procurement in the case of contracts that are co-financed through EFF. Should such irregularities be detected by the Commission services and/or by the control authorities established at a national level, a financial correction may be applied.

Contact Person at DoC is:

Mr. Anthony Cachia

Director (Operations)
Department of Contracts

Tel. no.: (+356) 2124 7682

E-mail: anthony.j.cachia@gov.mt

3.3 State Aid Requirements

3.3.1 General Notes for Project Proponents

1. EU State Aid rules apply to projects which involve any direct (or indirect) financial support from the public sector to commercial enterprises or organizations carrying out an economic activity or if in some way the assistance involved distorts trade or threatens competition within the Community.
2. Project applicants have a duty to ensure compliance with State Aid rules and applicants are encouraged to hold discussions with the SAMB (or experts on state aid of the applicants' choice) prior to submission of a project application proposal.
3. Should the nature of the project change during its life-time and/or after completion introducing the possibility of state aid, the Beneficiary shall report this change to the Managing Authority without delay. Failure to report such possibility immediately may result in loss of funds to both the Beneficiary as well as to the country.

4. Beneficiaries should note that the other changes involving state aid implications could also result in recoveries being imposed on the projects.

3.3.2 State Aid Schemes (under Article 107 of the Treaty)

1. Under the EFF OP, state aid will be granted under a scheme designed and implemented by the IB. In this regard it is the responsibility of the IB to notify the state aid to the SAMB (in line with Legal Notice 210/2004) and ensure that there is approval for the state aid to be granted.
2. The IB has the responsibility to monitor aid based on the information supplied by the Beneficiary and report on the aid in line with the covenant established between the IB and the MA. Beneficiaries of Aid Schemes (fishers, etc.) may refer to the respective IB for further information on State Aid.

Contact Person at SAMB is:

Dr. Yana Haber
State Aid Monitoring Board

Tel. no.: (+356) 2125 2757

Email: yana.haber@gov.mt

3.4 Equal Opportunities

1. In accordance with Article 11 of the EFF Regulation, Beneficiaries must ensure that equality between men and women and the integration of the gender perspective is promoted during the various stages of the implementation of the project.
2. Equal Opportunities is a cross cutting theme and all efforts should be made by the Beneficiary to include this element within the project. In accordance with Article 11, Beneficiaries must take into consideration Equal Opportunities at all stages of the project, and necessary steps should be taken to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. In particular, accessibility for disabled people to projects co-financed through EFF should be ensured.
3. The Beneficiary must ensure that equal opportunities are mainstreamed throughout the project's aims and operation (i.e. in planning implementation and evaluation of activities).
4. Beneficiaries are encouraged to identify possible specific initiatives that promote equal opportunities. Beneficiaries should identify needs for their target audiences which are, for example, gender disaggregated, so that differences are addressed and monitored throughout the progress of the project. In this regard, advice from the National Commission for Persons with Disability (KNPD) and the National Commission for the Promotion of Equality (NCPE) for advice on Equal Opportunities legislation is recommended in order to determine how to integrate equal opportunities in a project co-financed through EFF.
5. Beneficiaries should ensure that any advertising and/or marketing of any sort within the project and by the Beneficiary should be free from stereotypes or from any form of discrimination

The NCPE can be contacted on:

Ms. Therese Spiteri

Tel. no.: 2590 3852

E-mail: therese.spiteri@gov.mt

Contact Person at KNPD:

Ms Anne Marie Callus

Tel. no.: (+356) 2148 7789

Email: amcallus@knpd.org

3.5 Sustainable Development

3.5.1 General Sustainable Development

1. Sustainable development is a crosscutting theme which covers economic growth, social cohesion and the protection of the environment. All efforts should be made by the Beneficiary to include sustainable development issues at all stages of the project.
2. The Beneficiary must ensure that the project is structured in such a manner that sustainable development issues are mainstreamed throughout the project's aims and operations.
3. Beneficiaries should refer to the National Sustainable Development Strategy which can be downloaded from <http://home.um.edu.mt/islands/ncsd/>
4. Beneficiaries are to ensure that the implementation of any commitments made at application stage take into account sustainable development.

3.5.2 Environmental Sustainability

1. It is important to note that a project has to be structured to ensure that environmental sustainability will be mainstreamed throughout the project's aims and life-time. The Beneficiary should have a solid implementation plan and system in place that will enable the monitoring of environmental results.
2. Carbon neutrality is an important element for projects co-financed under the Fisheries Operational Programme. In this regard, the Beneficiary must take into consideration the total climate damaging carbon emissions generated and reduce them where possible.
3. Beneficiaries are also to take the necessary steps to ensure that environment is also incorporated into the procurement process [Reference is being made to the document *Green Public Procurement – National Action Plan 23* (see Article 52 (2) (f) of the Public Procurement

Regulations, 2010). In this regard, the MSDEC is supporting this process. Tender drafting teams shall contact the contact person at MSDEC for further advice prior to submitting the dossiers to the DoC.

Contact Person:
Mr. Sergei Golovkin
MSDEC
Tel: 2388 6110
sergei.a.golovkin@gov.mt

3.6 Environment and Planning

As explained above, Project Leaders must ensure that Planning Regulations and obligations are followed and that environmental issues are taken into consideration throughout the project life cycle. Projects should be structured to ensure minimum environmental damage and maximum benefits. Project leaders should also factor in timeframes stipulated by national law and procedures (for planning permits) in order to ensure an adequate project implementation timeframe. Officials within the Malta Environment and Planning Authority may provide advice on the environmental and planning permits.

Contact Person at MEPA [planning and environment] is:
Mr. Lawrence Vassallo

MEPA
Tel. no.: (+356) 2290 2016
Email: lawrence.vassallo@mepa.org.mt

3.7 Innovation, Trans-national & Interregional Co-operation

1. In addition to the above mentioned horizontal priorities, projects co-financed by EFF under Fisheries Operational Programme shall make an effort to take into consideration the horizontal principles of innovation & trans-nationality.

2. Article 26(d) of Council Regulation (EC) 1198/2006 establishes that EFF shall encourage the use of technological innovations (more selective fishing techniques which go beyond existing regulatory obligations under Community law or innovations to protect the gear and catches from predators) that do not increase fishing effort. The purpose of innovative activities is to underpin reforms in relevant policy areas and delivery by providing evidence, experience and guidance on effective alternatives or improvements of current practices.

3. To complement the principle of innovation, Article 44.1(h) of Council Regulation (EC) 1198/2006 establishes that EFF shall support trans-national and interregional actions promoting inter-regional and trans-national cooperation among groups in fisheries areas, mainly through networking and disseminating best practice. Malta believes that there is a lot to gain from the experience of other regions and has decided to allocate specific marks in the selection process for trans-national and interregional co-operation which is implemented as a supporting action to projects which are innovative in nature.

4. Beneficiaries implementing trans-national and interregional co-operation projects need to demonstrate that their project will explore the application of solutions being utilised in other Member States in relevant policy areas, to the local scenario. In this regard Beneficiaries shall seek to ensure that partners do have the necessary expertise in the area of co-operation.

5. Beneficiaries of Trans-national and interregional co-operation can implement their project/s through sharing of information, experiences, results, good practices and through the development of complementary approaches and co-ordinated or joint actions.

4. Contracting

4.1 Introduction

1. Beneficiaries should note that EU Funds are public funds. Funds must be contracted in a transparent and competitive manner. In this regard Beneficiaries must be guided by the principles of non-discrimination, equality of treatment, transparency, mutual recognition, proportionality, open competition, sound financial management and good governance.
2. It is important to note that the following points are only guidelines which are not intended to substitute in any way the relevant regulations or guidance issued by the DoC. The MA insists that advice should be sought from the DoC on **ALL ISSUES** pertaining to contracting.
3. When preparing the tender dossier, the Beneficiary must refer to Public Contracts Regulations 2010 (L.N 296 of 2010) or any subsequent amendments. Beneficiaries³³ not bound by the Public Procurement Regulations are encouraged to follow the spirit of the Regulations. In any case the principles of transparency, fair competition and good governance should always apply.
4. In accordance with **Contracts Circular No. 13/2010** tenders of EU projects with an estimated value of €47,000 (exc. VAT) or higher shall continue to be vetted, published and awarded by the Department of Contracts.
5. For the purpose of EU funds, public contracts with an estimated value of less than €47,000 excluding VAT are not administered by the DoC and the responsibility of the tendering process lies with the contracting authority, in compliance with the Public Procurement Regulations.
6. The relevant tendering templates are available from the EU Unit within the Department of Contracts (Refer to Section 2.7 of Chapter 2 of this MoP for the relevant contact details) otherwise they can be downloaded from the following website <https://www.contracts.gov.mt/templates>. Given that tender drafting is a very complex, time consuming and expensive process, it is highly recommended that Beneficiaries check with the DoC whether there are any changes (administrative or legal) planned in the near future **PRIOR** to the commencement of the drafting of the tender so that there is no unnecessary waste of resources and time.

4.2 General Principles

1. Beneficiaries should note that irregularities in the contracting process may render the project (or parts thereof) ineligible for funding.
2. The following principles must be observed for all contracts:

³³ Apart from Beneficiaries participating in Aid Schemes implemented under Article 87 of the Treaty.

General Issues:

- Tenders are initiated by the Beneficiary organisation as the Contracting Authority. The Beneficiary organisation is also responsible for the management of the contract.
- The internal (approval) procedure of a departmental tender is regulated by the organisation's directorate of corporate services (or equivalent in the case of public agencies and voluntary organisations). When initiating a DoC tender, the Beneficiary must present the DoC with a draft version of the tender dossier accompanied by the Commitment Form, Tender Originator's Form, and the CV's of the Evaluation Committee.
- Tenders must be evaluated by an evaluation committee (see section 4.6 below). The Evaluation Committee must be composed of 1 Chairperson (non-voting), 1 Secretary (non voting), and a minimum of 3 evaluators (voting members – must always be an odd number). In the case of DoC tenders, the Evaluation Committee is approved by DoC upon recommendation of the Line Ministry. It is highly recommended that the Boards refer to the *Standard Operating Procedures/Guidelines for Tender Evaluation Committees*, issued by the DoC and available at:
- **Selection and Award criteria must be stipulated in advance and tenders are to be evaluated only on those pre-established criteria. No other criteria can be used for the evaluation of the tender. Experience cannot be used as an award criteria.**
- Beneficiaries are to ensure that contracting is in line with the approved project proposal and must be in line with the Grant Agreement.
- The tender dossier must stipulate all items in sufficient detail in order to determine eligibility of costs under the EFF 2007 – 2013 Programme.
- Items which are not included in the approved project proposal and Grant Agreement should either not be included in the same tender/lot of the eligible items or be clearly identifiable (also in terms of costs), ideally by having a separate lot within the same tender for the ineligible items. This is particularly important for Beneficiaries issuing works tenders. In addition, extra works which are not paid out of the EU funds, should be settled in a separate contractual arrangement.
- When preparing the tender dossier, the Beneficiary must observe the EU requirements in particular equal opportunities and sustainable development. In executing the contract, the Beneficiary must ensure that the contractor observes EU & national legislation in relation to environment and equal opportunities and may recommend ways in which these requirements are met.
- It is important to ensure transparency and fair competition e.g. request for quotes from different bidders to choose the best option. Quotations and bids should be comparable.
- The Beneficiary should seek to consolidate the number of tenders. In the first instance this reduces administrative burden. Moreover, unjustifiable splitting of tenders is not in line with Public Procurement Regulations and the EU Directives on Public Procurement and splitting of tenders so as to circumvent thresholds may render a whole project ineligible.
- EU Official Journal publication is compulsory for services and supply tenders exceeding €130,000 excluding VAT, and for works tenders exceeding €5,000,000 (excluding VAT). The DoC should be consulted in this regard.

Taxes:

- It is important to note that in the case of an international tender, even non EU bidders may bid for the tenders. It is important to note that purchase outside the EU may be subject to special procedures. In this regard, it is recommended that clarifications are sought from the relevant tax authorities (e.g. Customs and VAT Dept).
- VAT and all other taxes must be quoted separately by bidders. When a contract is signed, the Beneficiaries must contact the VAT Department to make the necessary arrangements for the payment of VAT. Please refer to Section 5.7 of this MoP for an explanation of the system to be adopted for the payment of VAT.

Currency and Payment Schedule:

- All tenders published must be issued in Euro and any indicative budgets must be indicated exclusive of VAT. All contracts must be signed in Euro.
- Payments will be disbursed in Euro currency only due to the work process adopted under the EFF.
- The Beneficiary is advised to prepare a payment schedule which is included in the special conditions of the tender dossier. Any changes to the payment schedule during the implementation of a DoC contract, is to be brought to the attention of the DoC. For departmental contracts, changes in payment schedules are to be formally agreed to by all signatories to the contract.
- When deciding on the payment schedule, Beneficiaries should be guided (where possible) by the disbursement schedule in the Grant Agreement signed with the MA.

Contract requirements:

- The contract shall clearly indicate that the contract is co-financed through European Fisheries Fund 2007-2013. Information on publicity can be found under Chapter 11 of this manual or by contacting the Managing Authority.
- It is important that the contractor is not only aware of the source of funding of the contract but also that the contract is bound by EFF requirements.
- Beneficiaries should insert the contract details, including the financial component in the Database.
- The contract clearly indicates the contractor's name. The contractor must provide the financial identification form which should contain the name of the contractor's bank and bank address, the account number and any other relevant information, wherein remittance should be affected. In the case of a joint venture or consortium, it is important to inform the contractor that remittance will be made only against an invoice of the joint venture or consortium.
- The Beneficiary's relationship/obligations rest solely with the contractor indicated in the contract (and not with any sub-contractors if there are any).
- In order to fulfil the principle of mutual recognition, the contract shall be signed by all contracting parties (which may be DG Contracts on behalf of a Contracting Authority), thus implying that all agree with the terms and conditions set in the contract.

Bank Guarantees and Retention Money:

- Safeguards such as bank guarantees must be put in place to recover funds in the case of advance payments. Subject to the applicable threshold, stipulated in the Public Procurement Regulations, a pre-financing guarantee to cover the full amount of the pre-financing payment shall be issued by the contractor.
- It is important to note that Beneficiaries **ARE NOT TO RETAIN MONEY AT THE END OF A CONTRACT**. Retention money throughout the implementation of a contract is allowed, however, all money must be released upon completion of a contract.

In this regard if Beneficiaries feel the need to have some money retained for specific safeguards, they are to insert a clause in the tender dossier whereby the Contractor will be paid all funds due upon completion of the contract (i.e. at provisional acceptance stage). Should retention money be deemed necessary (e.g. if the Beneficiary generally applies 10% retention money until final acceptance), the tender and the contract should stipulate that the 10% will be paid to the Contractor upon completion (i.e. in the last invoice) but against a bank guarantee of an amount equivalent to the value of the retention money. For EU-funded projects, this guarantee is **NOT OPTIONAL**, so if there is a need for retention money, it must be included as a condition in the special conditions within the tender document. This is necessary to safeguard public funds. Further advice can be sought from the DoC.

- Apart from the retention guarantee the performance guarantee must be kept valid until final acceptance.
- Bank guarantees of EU Funded projects whose VAT is an eligible cost must also cover the VAT element.

4.3 Contracts below the €47,000 threshold

1. Beneficiaries should consult their Director Corporate Services/Financial Control Department prior to launching a departmental tender. Ideally DoC templates and procedures should be adapted for such tenders. With regard to a documentation checklist (i.e. which documents will be required for the purpose of controls), these organisations should refer to the MA's administrative verifications template which is found as Annex II to this manual.
2. Public contracts with an estimated value that does not exceed €47,000 are administered directly by the implementing department and/or the authority. It is important to note that although such contracts are not processed by DoC, the Head of the relevant organisation (legal representative) is responsible to ensure that procurement has taken place in line with the Public Procurement Regulations.
3. In accordance with Contracts Circular 13/2010, each Ministry shall appoint a *Departmental Contracts Committee*. This shall be composed of the Director Corporate Services of the Ministry (who shall act as chairperson), a representative of the Permanent Secretary of the Ministry, and a representative of the Department of Contracts, supported by a secretariat. The DCC shall approve or otherwise the recommendations on tenders submitted by the *Departmental Adjudication Boards* (see next point) appointed by the Ministry, departments, entities, agencies and authorities within its remit.
4. In the first instance, tender bids (for tenders with an estimated value of more than €6,000 but less than €47,000) shall be evaluated by a *Departmental Adjudication Board* (also known as *Tender Evaluation Committee*) appointed for the specific purpose of evaluating tender bids administratively, technically and financially. This Board shall be composed of a Chairperson, secretary and at least three voting members and shall be guided by the Public Procurement Regulations, particularly Articles 18, 19, 20 and 21. Beneficiaries may also refer to Section 4.6 of this Chapter for further guidance. Also refer to the *Standard Operating Procedures/Guidelines for Tender Evaluation Committees*, issued by the DoC and available at: <https://secure2.gov.mt/EPROCUREMENT/templates>.
5. It is recommended that where possible, a representative from the finance or the procurement units within the organisation is a member or observer of the Adjudication Board in order to support the Board on procedural issues.
6. The Departmental Adjudication Board submits its recommendations to the Departmental Contracts Committee for approval. The decision of the DCC is final but subject to Article 21 (right of recourse) of the Public Procurement Regulations.
7. Beneficiaries are to ensure that publications of calls for quotations and/or tenders also contain the required EFF publicity notifications as specified in Chapter 10 (Publicity & Information) of this MoP.
8. Beneficiaries should note the contents of Contracts Circular 44/2007 issued by the DoC as well as other instructions that may be forthcoming from time to time.
9. The Beneficiary must update the contract information in the Database and must also upload a copy of the contract and/or letter of award of the departmental tender and/or quotation as well as addenda to the contract where applicable, on the Database. Timely updating of contract details in the database is essential for all stakeholders.

4.3.1 Procurement procedures for Public contracts below the €47,000 threshold

1. Threshold under €2,500 (Excluding VAT) – Section 20(1)(a) of L.N.296/2010

When the estimated value of the procurement does not exceed €2,500 (exc. VAT), the supplies, works and services can be procured by the contracting authority (departmental) directly by obtaining quotations or direct from the market. If the contracting authority opts for a direct order (i.e. direct from the market), formal approval needs to be sought, at the discretion of the Head of Department, taking into consideration the amount involved, the urgency to procure the goods and services and the limitations of choice and availability.

In the case the quotations option is chosen, for the purpose of good governance, the three quotation system is preferred, where the cheapest of three **comparable** quotations is to be selected.

2. Threshold between €2,500 and €6,000 (Excluding VAT) – Section 20(1)(b) of L.N.296/2010

With reference to Contracts Circular No 44/2007 issued by the Director General (Contracts), when the estimated value of the procurement exceeds €2,500 but does not exceed €6,000, the supplies, works and services can be procured by the contracting authority (departmental) by means of a departmental tender, or by issuing a public call for quotations or direct from the market. If the contracting authority opts for a direct order, formal approval needs to be sought, at the discretion of the Minister responsible for that department, or by such member of the department as may be authorised by that Minister. The same considerations, as noted in 4.3.1 (1) apply.

3. Tender in lots not exceeding the value of €25,000 (Excluding VAT) – Section 20(1)(c) of L.N.296/2010

Same or closely similar supplies, works and services can be procured in lots during a period of six months, as long as the total purchases do not exceed the value of €25,000. Under these conditions, the same provisions and considerations under paragraph 4.3.1 (1) and (2) apply.

4. Threshold between €6,000 and €47,000 (Excluding VAT) – Section 20(1)(d) of L.N.296/2010

When the estimated value exceeds six thousand euro (€6,000) but not one hundred and twenty thousand euro (€120,000), the equipment, stores, works or services may be procured after a departmental call for tenders or after publishing a call for quotations in the Gazette. The tenders and quotations shall be opened in public by three senior officers of the said department and the prices quoted shall also be made public. The provisions of regulation 28 shall apply for the adjudication of the tenders and quotations submitted.

Note for Voluntary Organisations and economic operators:

EU Funded projects are subject to audits by various EU and National auditing bodies. Projects should follow clear and open procedures in any procurement undertaken. In this regard, voluntary organisations must follow the spirit of the Public Procurement Regulations and to follow the same instructions for the different thresholds, even though they are not legally bound by the Regulations. Voluntary organisations are thus expected to use fair and open practices, when awarding contracts for which they intend to claim EU and national funds. Transparency, competition and good governance are key elements of procurement. This manual is to be used as a guide in this regard.

4.4 Contracts that exceed the €47,000 threshold

4.4.1 Administrative Steps

1. In the case of public contracts with an estimated value exceeding €47,000, the administration of the contract depends on whether the Beneficiary is listed under schedule 2 or 3 of the Public Procurement Regulations.³⁴
2. Contracts are administered through the DoC if the Beneficiary is listed under Schedule 2 of the Public Procurement Regulations. If the Beneficiary is a contracting authority listed under Schedule 3, then the Beneficiary will issue, administer and determine the public contract/s in accordance with the provisions of the Public Contracts Regulations L.N.296/2010.

(In the case of Beneficiaries which are NGOs, Voluntary Organisations and economic operators these Beneficiaries should follow the spirit of the public procurement regulations with respect to thresholds and procedures. Transparency, competition and good governance are key elements of public procurement.)

3. The following sections describe the relevant steps to be followed by the relevant Beneficiary falling under Schedule 2. In the case of a Beneficiary falling under Schedule 3, the same procedure applies but the process is administered by the Beneficiary organisation itself rather than the DoC.

4.4.2 Preparation and Launching of a tender

1. The Beneficiary must initiate tenders and compile the Tender Dossier in accordance with the Public Contracts Regulations (L.N 296 of 2010 and L.N. 178 of 2005 and subsequent amendments) and in accordance with the requirements set out in Contracts Circulars 18/2008 and 9/2009.³⁵
2. The Beneficiary must ensure that the latest EU tender template is used. Beneficiaries are advised to liaise with DoC on this matter. The Beneficiary is requested to download a fresh blank copy of the templates from the DoC website every time before they start compiling a new tender. The DoC templates are updated on a regular basis so as to keep consistent with any changes to legislations and thresholds and may change from one tendering process to another. Beneficiaries are advised to liaise with DoC on this matter PRIOR to initiating the tender drafting process.

³⁴ Beneficiaries should consult the latest version on the website as there could be changes to the schedules from time to time. The Beneficiary is to use the one applicable at the time of launching the tender.

³⁵ Contracts Circulars are available from https://secure2.gov.mt/eprocurement/archived_contracts_circulars

3. The Beneficiary shall compile the relevant forms for publication on the EU Official Journal if the tender value exceeds the thresholds. The forms are available on-line on www.contracts.gov.mt or http://simap.europa.eu/index_en.html. The Beneficiary must forward the tender dossier and the publication forms (if applicable), in soft copy to the EU Unit with the Department of Contracts, for vetting.
4. Works tenders exceeding €5,000,000 (excluding VAT) shall be published on the Official Journal of the European Union via a contract notice which must be compiled by the Beneficiary. The same applies to all services and supplies tenders in excess of €130,000 (excluding VAT)
5. The Beneficiary submits the Commitment Form which can be found in Section 4.5. It is important to note that the Commitment Form must be submitted immediately as the tender cannot be launched if the Commitment Form is not submitted to DoC. The Beneficiary submits a copy of the Commitment Form to the MA, the Assistant Director (Capital Expenditure) MFIN and the Accounting Office of the Line Ministry.
6. The EU Unit within the DoC vets the dossier and advises the Beneficiary on any amendments, if necessary. The Beneficiary will incorporate these amendments and re-submit the tender to DoC for further vetting as early as possible.
7. Once the tender vetting is completed by DoC and approval on the final text is granted, the DoC send the final version of the tender via email or soft copy to the Beneficiary for audit trail purposes.
8. The EU Unit will take the necessary steps to forward the publication forms to the Official Journal (where applicable) and also to publish the tender on the Government Gazette. The Beneficiary is responsible for following up matters with the DoC in this regard to ensure timely publication.

(In the case of NGOs and economic operators, apart from the issue of publication in the Official Journal referred to above, NGOs and economic operators should always ensure adequate publicity for tenders in local papers. Such costs, as long as they are reasonable and proportionate to the activity, can be funded through the project, if approved in the Grant Agreement.)

4.4.3 Tender Evaluation and Adjudication

1. Once the tender deadline elapses, the tender bids are opened and scheduled in public by the General Contracts Committee. Tender opening sessions are held every Tuesday and Thursday at 10.00a.m sharp unless otherwise directed by the DoC.
2. The Head of the Beneficiary organisation shall propose a *Tender Evaluation Committee (Departmental Adjudication Board)*. In the case of the relevant public entities, this recommendation, together with CVs, shall be sent to the DoC through the Line Ministry. The role of the Evaluation Committee will be to appraise the offers received against the pre-established selection and award criteria. **NO OTHER SELECTION OR AWARD CRITERIA OTHER THAN THOSE MENTIONED IN THE TENDER MAY BE USED.**
3. The evaluation committee shall be composed of 1 chairperson (non-voting member in charge of organising the meetings, requesting permission from the GCC to seek clarification from bidders and ensuring deadlines are adhered to, etc), 1 secretary (nonvoting member who shall be conversant with the procurement procedures), **and a minimum of 3 evaluators** (voting members who in general should have the technical

capacity/experience to evaluate the bids). The number of evaluators must always be an odd number and more than one). For further guidance on the composition and roles of members on evaluation committees, it is recommended to consult the *Standard Operating Procedures/Guidelines for Tender Evaluation Committees* issued by the Department of Contracts (www.contracts.gov.mt).

4. The tender bids are forwarded to the evaluation committee for evaluation.
5. The Chairperson of the evaluation committee shall submit an evaluation report, signed by all the evaluators, to the Director General DoC for the consideration of the General Contracts Committee.
6. The DoC shall vet the report and publishes the results of the adjudication process on the DoC notice board and website.
7. Upon award of the tender, and where applicable, the EU Unit within the DoC publishes the Contract Award Notice in the OJEU.
8. The DoC issues a letter to the successful bidder recommended for award.
9. The DoC also issues a letter to non-successful bidders informing them of the outcome of the adjudication of the tender and the deadline and deposit required for the submission of appeals.
10. Subject to no appeals being lodged, the DoC then proceeds to issue a Letter of Intent (where required) and a pursuant contract to the successful tenderer. Contracts are signed by the DoC (on behalf of the Beneficiary) and the Contractor (successful bidder).

Note for Voluntary organisations and economic operators:

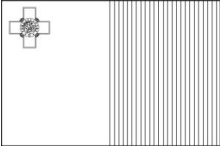

Voluntary organisations and economic operators should always ensure that tenders are opened in a transparent manner with at least three members of the evaluation board present for the tender opening session. This board shall, where possible, be composed of a chairman, a Secretary (non Voting Members) and three (or an odd number of more than one) evaluators. The evaluators shall include a technical expert (these can also be financed by the project if approved in the Grant Agreement and are then subsequently also contracted in a fair and transparent manner) related to the field of expertise associated with the technical specifications included in the tender. The head of finance within the organisation should ideally participate in the evaluation (perhaps as Chairperson) in order to guide the evaluators on the procurement procedures.

Voluntary organisations and economic operators should also ensure the publication of results and must also inform successful and unsuccessful bidders of the outcome of the adjudication process. Adequate time should be allowed for appeals to be lodged. In the case of an appeal, an independent appeals board (separate from the evaluation board above) shall be set up and award of contract suspended until the appeals board communicates its decision.

A contract must be signed between the Beneficiary and the contractor outlining the deliverables, contract duration and payment schedule, amongst others. Any items or components of the contract that are not approved in the Grant Agreement will not be paid for by the project.

Beneficiaries shall ensure good governance in the procurement process.

4.5 Funds Commitment Form (not applicable to non-public entities)

COMMITMENT FORM FOR APPROVED PROJECTS QUALIFYING FOR EU FUNDING UNDER THE 2007-2013 PROGRAMME											
<p><u>Original</u> to accompany tender documents in Contracts Department file. <u>Copy</u> to be sent to Director General, (Funds and Programmes Division), MEAIM <u>Copy</u> to be sent to Assistant Director (Capital Expenditure), Budget Office, MFIN. Copy to be sent Account Officer of the Line Ministry</p>											
<p>Date:</p> <p>Ministry:</p> <p>Public Entity (if applicable):</p> <p>Name of Priority Axis:</p> <p>Name of Project:</p> <p>Estimated Project Value:</p> <p>Name of Tender:</p> <p>Estimated Tender Value:</p> <p>CT Reference No.:</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> </table>										
<p>It is confirmed that the value of this tender (estimated at €.....), is contained within, and will not give rise to any excess funding requirement with respect to, the approved project value (estimated at €.....).</p>											
<p>Name and Signature of Project Leader:</p> <p>Name and Signature of Director (EU Affairs):</p> <p>Name and Signature of Permanent Secretary:</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td></tr> </table>										
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;"> <p>Fisheries Operational Programme 2007-2013 Project part-financed by the European Union European Fisheries Fund (EFF) Co-financing rate: XX% EU Funds; XX% National Funds</p> </div> <div style="text-align: center;">  </div> </div>											
<p><i>Investing in sustainable fisheries</i></p>											

4.6 Evaluation Committees for the evaluation of tenders

1. Tenders (including Departmental Tenders) are evaluated by an evaluation committee (or *Departmental Adjudicating Board*). In the case of public entities, the members of the Evaluation Committee for tenders above the €47,000 threshold are recommended by the public Beneficiary organisation, through the Director Programme Implementation of the respective Line Ministry and approved by the DoC. The CV's of the evaluators must be submitted to the DoC in good time (ideally with the recommendation letter) before the closing date for the DoC to approve the candidates or otherwise.
2. In the case of tenders below the €47,000 threshold, the Evaluation Committee is set up by the Beneficiary responsible for the contract. It is highly recommended that the Head of Finance (or his / her representative) of the public organisation participates in the evaluation committee (as a voting /non-voting member or observer) to ensure that correct procedures are followed in the procurement process. Departmental tenders must be adjudicated by a Departmental Adjudication Board (DAB) who then forwards the Evaluation Report to the Departmental Contracts Committee of the Ministry concerned. DABs must be composed of at least 3 senior public (in the case of public entities) officers who shall be selected on the merits of their competence in relation to the tender subject.
3. It is important that the structure of the Evaluation Committee and the procedure followed to evaluate tenders is in line with the procedures established in the Public Procurement Regulations (Part 2, 3 & 4 respectively {depending on the threshold of the tender value} of L.N.296/2010 and subsequent amendments).
4. A Curriculum Vitae on the appropriate template [see Annex I to the *Standard Operating Procedures/Guidelines for Tender Evaluation Committees* issued by the Department of Contracts (www.contracts.gov.mt)], of all Evaluation Committee members is to be submitted to the DoC by the Head of the organisation together with the recommendation to approve the members for the committee. Nominations must be sent to the DoC via the Director Programme Implementation of the Line Ministry, and must be submitted as soon as possible for the DoC to approve such nominations or otherwise. Tenders whose deadline elapses before the Evaluation Committee is not yet approved by the DoC will be scheduled as per deadline, but will be kept at the DoC until the Evaluation Committee is approved.
5. All documentation related to the evaluation process must be retained as an integral part of the project documentation (please refer to Chapter 14 of this MoP for Retention of Documents).
6. Evaluation Committees may feel the need to clarify any of the information submitted by a bidder in a proposal. In this case, the chairperson shall write to the Director of Contracts, seeking permission for the Committee to contact the bidder with the queries detailed in the request. Clarifications may only be requested on the documentation submitted by the bidder and cannot generally be used to rectify any missing or incorrect documentation that is not within the remit of Contracts Circular 11/2010.
7. It is important that following the adjudication of a tender, the Evaluation Committee sends all the documentation to the DoC. However, the Beneficiary must also ensure that the Evaluation Committee gives a copy of the evaluation report/s to the Beneficiary organization so the latter can keep this copy on file in accordance with the retention of documents as indicated in Chapter 14 of this MoP.

Also in the case of departmental tenders and quotations, a copy of the evaluation report shall be kept in the project file.

4.7 Payments Schedule and Late Payments (MFIN circular 3/2005)³⁶

1. Prior to the signing of a contract, the Beneficiary must comply with MF Circular 3/2005 to ensure that payments for procured goods and services are effected within 30 days. Alternatively, the conditions attached to public tenders should explicitly indicate the period of payment, as well as the rate of interest payable in the event of late payments. Therefore the Beneficiary should liaise closely with the DoC for the inclusion of appropriate clauses during the preparation of the tender documents. Penalties arising from late payments are not eligible for co-financing.
2. As of 1st July 2005, LN 233 of 2005 came into force and provides that unless the period for payment and rate of interest are specified in the contract, interest at the rate of intervention of the Central Bank of Malta plus 7% shall become payable automatically after 30 days following receipt of invoice or receipt of goods or services.

4.8 Approval of Additional Costs

1. When a Beneficiary encounters additional costs in the implementation of a contract, the Beneficiary must inform the MA immediately in view of budgetary constraints within the allocation to the project as stipulated in the Grant Agreement between the MA and Beneficiary.

For contracts whose value does not exceed €47,000 (Departmental Tenders)

2. Assuming approval to use funds has been granted by the MA (in line with point 1 above), a Beneficiary may approve additional costs which, individually or in their entirety, do not exceed 5% of the original contract value. When such costs are in excess of this 5% limit, the Beneficiary must inform the Permanent Secretary for his/her approval (or otherwise). This request shall include a sound explanation of the circumstances leading to the need to incur additional costs, how such costs are unavoidable, the effect on the total cost of the contract, and any effect on the recurrent expenditure.

For contracts whose value exceeds €47,000 (contracting authorities listed under Schedule 218)

3. Assuming approval to use funds has been granted by the MA (in line with point 1 above), a Beneficiary may approve additional costs which, individually or in their entirety, do not exceed 5% of the original contract value¹⁹. When costs are in excess of this 5% limit, the Beneficiary must inform the DoC accordingly in order to initiate the procedure for approval (or otherwise) of these additional costs. The Beneficiary must present a detailed report to the DoC explaining the additional costs encountered together with a sound justification (including also those of any technical supervisor engaged for the project) and recommendations. It is important to note that in line with Notice 18/2008, the DoC will not consider any requests for variations unless there is an explanation on the causes that led to the variation, the effect on the total cost of the tender and any effect on the recurrent expenditure. In addition, the Beneficiary must explain the unforeseeable events that prevailed and specify whether such a

³⁶ Circular available from <http://intra.gov.mt/genericdata.asp?pagecode=21&SubCategory=3&Data=2582>

variation could have been avoided. Requests for variations must be sent to the attention of the Director General of the Department of Contracts, and must be signed by the project leader, and endorsed by the Permanent Secretary of the Line Ministry involved.

4. The DoC reviews the documentation submitted by the Beneficiary and makes the necessary recommendations for the General Contracts Committee (GCC) to approve (or otherwise).
5. In accordance with the Public Procurement Regulations, the aggregate estimated value of contracts awarded for additional services or works may not exceed fifty per cent of the amount of the principal contract (Art. 60, 71 and 73).
6. Should GCC approve the additional costs, the Beneficiary prepares a new cost estimate of the contract based on the rates and quantities approved by the GCC. This costs estimate must then be submitted to the DoC for the latter to prepare an addendum to the contract.

For contracts whose value exceeds €47,000 (contracting authorities listed under Schedule 3)

7. Assuming approval to use funds has been granted by the MA (in line with point 1 above), approval of variations exceeding the 5% limit indicated in Article 78 (L.N.296/2010) on contracts awarded by contracting authorities listed in Schedule3, shall require the prior approval of the Minister responsible for that authority who may delegate his authority in writing to the Parliamentary Secretary, the Permanent Secretary or the Head of the authority concerned. As in the foregoing cases, such approval shall be granted only where any *force majeure*, unforeseen or unforeseeable events prevail and an addendum shall be prepared and signed by all parties concerned. **In all cases**

In all cases:

8. In all cases outlined under points 2, 3 and 7 above, additional costs shall be considered eligible under the EFF 2007 – 2013 Programme only if funds are available. The MA reserves the right to refuse awarding further funds, even in justifiable cases.

Note for NGOs and economic operators:

In the case of NGOs and economic operators, it is **the responsibility of the Beneficiary** to ensure that adequate organisational structures and separation of duties exist in the approval of additional costs. The DoC can be contacted informally for advice. NGOs and economic operators are to approve such variations only in exceptional and well justified cases that could not have been foreseen in advance. As in the case of bodies governed by the Public procurement Regulations, the approval of additional costs for works and services can never exceed 50% of the contract value. This shall also apply to supplies.

4.9 Addenda to a Contract

Some changes in the contract may necessitate an addendum (formal change recorded in a contractual manner) to the original contract. A public sector Beneficiary should seek the advice of the DoC in this regard. The mutual agreements of other changes which are not reflected in an addendum are to be thoroughly documented with the necessary authorisation given from the relevant bodies.

Note for NGOs and other Non-public entities:

In the case of NGOs and other non-public entities, the Beneficiary should ensure that all changes are well documented and approved by the legal representative of the organisation and the financial controller of the organisation, who is generally responsible for procurement. Contracts and subsequent addenda are generally signed by both the Beneficiary as well as the contractor and should clearly establish the changes as well as the effective date of the change and any other implications on any other part of the contract such as budget, payment schedule and overall validity period of the contract.

4.10 Non-compliance by Contractors with Contractual Obligations

1. The DoC stresses the importance that has to be placed on the responsibility of the Beneficiary, more specifically of the PL, to ensure that a contractor is abiding by the obligations stipulated in the contract. Should a contractor fail to meet the contractual obligations, the PL should bring this to the attention of the contractor, in writing, and should also copy the correspondence to the DoC.
2. Should the contractor continue to fail to meet the contractual obligations, the Beneficiary may in the first instance, ask the DoC to caution the contractor. Should the contractor persist in failing to abide by the contract despite being cautioned by the DoC, the PL can initiate the procedure to implement the necessary penalties as stipulated in the contract. It is important to note that it is the Beneficiary organisation and not the DoC that initiates this procedure. Penalty payments notified and recorded are to be deducted accordingly when processing payment claims and the contractor must be notified accordingly of all procedures taken.
3. The project leader is responsible to alert all concerned that a contractor is not abiding by the terms and conditions stipulated in the contract. The Beneficiary must inform the DoC and the MA immediately in order to limit any undesirable consequences to the project. Failure by the Beneficiary to raise such concerns could result in funds being lost.

NGOs and other non-public entities should be guided by the same principles and take necessary action and take relevant safeguards when publishing tenders

4.11 Release of Retention Money and Financial Guarantees

As explained in Section 4.2 of this Chapter, it is important to note that the Beneficiary **IS NOT TO RETAIN MONEY AT THE END OF A CONTRACT**, but ensure that any retention monies are transformed into bank guarantees (by the contractor in favour of the Beneficiary / Director of Contracts – as the case may be) at the end of the contract. Retention money throughout the implementation of a contract is allowed, however all invoices must be paid upon completion of a contract. In order to safeguard public funds and also ensure that the necessary safeguards are in place, the Beneficiary is to insert in the tender dossier a clause whereby the contractor is paid all funds due upon satisfactory completion of the contract but the contractor must undertake to transform any retention monies (as deemed by the Beneficiary) into an equivalent bank guarantee

upon completion of the contract (substituting the money to be retained). This instruction is to ensure that no funds are left to be paid beyond the eligibility period.

4.12 Release of Financial Guarantees

1. In the case of the financial performance guarantee, it is important to note that such a guarantee can only be released following confirmation that all contractual obligations have been fulfilled and the PL submits the Contract Completion Report to the DoC,³⁷ unless otherwise stipulated in the contract. In the case of contracts below the €47,000 threshold, the Beneficiary organisation is responsible for the release of any financial guarantees (where applicable).
2. In the case of tenders above the threshold of €47,000 and which fall within the responsibility of the DoC, the financial guarantee is made payable to the DoC and is retained by the DoC throughout the implementation of the contract and until a contract completion report is submitted by the Beneficiary to the DoC.
3. Upon completion of a contract, the Beneficiary organisation informs the DoC that the contract has been completed and that all obligations have been fulfilled accordingly. The Beneficiary cannot undertake any other arrangements with the contractor on the release of a bank guarantee without the authorization of the DoC. The bank guarantee is released by the DoC in accordance with the conditions stipulated in the contract and only if it results that all contractual obligations have been fulfilled.
4. Voluntary Organisations and other Beneficiaries not falling within the remit of the DoC are to ensure that similar procedures are adopted by the organisation when implementing European Fisheries Funds.

4.13 Procurement of Equipment through EFF

1. Documentation – When purchasing equipment through EFF, it is important that the equipment is used for the specific reasons for which it was bought and in accordance with the conditions in the Grant Agreement. All documentation in relation to purchase and use of the equipment (including guarantees etc...), has to be filed in the project file. It is up to the PL and Beneficiary organisation to ensure that all relevant documents in line with the principle of sound financial management are handed over by the supplier and filed for ease of reference.
2. Inventory – It is obligatory to keep an inventory of the equipment and its location in file. The inventory must be signed (and updated when necessary by the PL) and endorsed by the responsible officer within the organisation. In the case of Government departments and all public entities, a copy of the inventory must also be sent to the DCS of the Ministry. In the case of non-public entities and NGOs compiling their own accounts, the equipment must also be accounted for according to established accounting standards. The inventory list shall include for all assets :
 - purchase/installation date;
 - total cost or value;
 - location of asset;
 - asset description, and;
 - quantities;

³⁷ The contract completion template is obtained from the DoC.

The list shall be signed (and updated when necessary by the Project Leader) and endorsed by the responsible officer within the organisation. In the case of Government departments and all public entities, a copy of the inventory must also be sent to the Director Corporate Services of the ministry concerned. In the case of public entities and voluntary organisations compiling their own accounts, the equipment must also be accounted for according to established accounting standards.

3. The Beneficiary must keep in mind that:

- When equipment is purchased through EFF, it is imperative that such equipment is kept in good working order throughout and after the project life (in line with durability clause in the Grant Agreement).
- The Beneficiary is to ensure that the equipment comes with the appropriate guarantees.
- If any fault results in the equipment, all documentation in relation to the repair must be kept and in worse case scenario when the equipment needs to be replaced, it is important that all documentation is kept on file.
- If equipment is replaced, both the old and new serial numbers must be retained. In the case of replacing equipment which was purchased with funds allocated through an aid scheme, the Beneficiary must inform the IB responsible for the aid scheme.
- If equipment is faulty and/or damaged and is replaced by the supplier/Beneficiary – whether under guarantee or not, the replacement must carry out the same function and be of the same or higher specifications as the equipment being replaced.
- Equipment fully co-financed through EFF, must be exclusively used for the project implementation ex. computers must contain files and folders that are related to the project co-financed through EFF. Failure to comply with such an obligation may result in funds being recovered.
- The Beneficiary shall ensure that the relevant publicity appears on the equipment purchased as well as on the relevant documentation.

4.14 Employment Contracts

1. Services may either be procured through a service tender (procured in accordance with the foregoing sections of this Chapter) or through an employment contract. It is highly advisable that, prior to publication, the Beneficiary consults the Department of Contracts (in the case of public departments or entities) and the Department of Industrial and Employment Relations (all types of beneficiaries, including public, private and voluntary organisations) to identify which procedure to apply when considering the Beneficiary's particular requirements. The option of a **contract of service** (employment) as opposed to a **contract for service** (outsourcing) may have to be applied depending, amongst others, on the nature of the service required, level of autonomy allowed, the duration and frequency of delivery, and time (office hours or not) and location of delivery requested.
2. In the case of Government Departments/public sector entities, the relevant department within OPM (Public Administration Human Resources Office) and ETC (as per Employment and Training Services Act para. 15) should be consulted prior to launching a call for an employment contract, in line with established Government procedures. In the case of public entities that are not subject to the Public Service Commission process, any external call for

recruitment should be first approved by the relevant internal procedure (also in conjunction with PAHRO) and the ETC. The ETC permit number should be quoted on all adverts.

3. In the case of other non-public entities, the applicable national employment procedures shall apply. The ETC shall be consulted at all times.
4. **Full-time or part-time employment, with tasks solely related to the project:** If a Beneficiary employs a person on an employment contract to work solely on a project funded through the EFF 2007 – 2013 Programme, the Beneficiary shall ensure that the person being engaged works solely on the project and does not undertake any unrelated work within the Beneficiary organisation. The time spent on the project should also be well documented and regular task based reports should be provided.
5. **Full-time or part-time trainers/employees:** Where an individual is employed on the funded project but also undertakes other unrelated tasks within the organisation (as part of his/her job description), the Beneficiary shall be entitled to claim only that part of the salary related to tasks carried out on the project. This shall be calculated on the following formula:

Eligible staff costs = hourly rate * number of hours worked on the project

where hourly rate = Annual Salary / Total number of hours worked in a year.

The number of hours claimed shall be supported by timesheets fully endorsed by the project leader. In this regard the Project Leader should ensure that he/ she is able to produce regular task-based reports on any person contracted / employed under the project. The MA has developed staff costs calculators, based on the formula and on different pay periods (e.g. monthly, four-weekly). These are available on demand from the MA. The eligibility of staff costs shall be determined in the Grant Agreement.

6. If a Beneficiary employs a person through an employment contract, a clause should be inserted in the contract that the employment of this person is only for a specified period (in line with the completion of the project). The Beneficiary should seek advice from the PAHRO within the Office of the Prime Minister in the drafting of employment contracts. Entities in the Public Service shall be guided by the conditions provided for in Section 1.1.9.3 of the Public Service Management Code and L.N.51 of 2007 (and any additions/changes). The Beneficiary must also ensure compliance with other relevant legislation. The Managing Authority and the European Commission are not responsible for any employment related disputes that may arise during and after project implementation.
7. Terms and conditions of an employment contract should strictly conform to those issued in the respective Terms of Reference (ToRs) and Call for Applications. Beneficiaries should also consult the relevant Eligibility Rules before drafting the call and/or the contract, these are downloadable at https://secure2.gov.mt/fpd/links_downloads
8. Recruitment and selection procedures shall be transparent, based on national legislation and on the principles of good governance and sound financial management. The Beneficiary shall retain the necessary documentation recording the employment procedure utilised by the organisation (including the call, selection criteria, reports of the selection board, evidence of publication of results, etc). Further detail on document retention is available in Chapter 12.
8. The Beneficiary must ensure that relevant documentation, such as selection criteria, interview reports, time sheets, progress / performance reports and lesson/course plans (in case of trainers) are retained in file. Time sheets should be kept for all staff recruited under a Project, which are also validated by the Project Leader. The timesheets need to show time in and out (not just record of the total hours worked) and a concise description of tasks carried out.

9. For further detail on the payment process in relation to salaries of persons engaged in employment refer to Section 5.6 of Chapter 5.

5. Complimentarity & Project Selection Process

5.1 – Complimentarity

1. EU regulations governing the EFF 2007 – 2013 Programme, the European Agricultural Fund for Regional Development (EAFRD) and the Structural Funds specify that the respective strategies and operational programmes must set out how the different funding streams will complement each other. In Malta the MA for the Structural Funds is the Planning and Priorities Co-ordination Division (PPCD) within the Ministry for European Affairs and Implementation of the Electoral Manifesto (MEAIM), the MA for the EAFRD is the Rural Development Unit, MSDEC whilst for the EFF 2007 – 2013 Programme the MA is the Funds and Programmes Division, MEAIM.
2. Complementarity of actions will be regularly reviewed through quarterly evaluations and an annual meeting of the three managing authorities as listed above. A report on joint implementation of the different Funds will be presented to the Commission as part of the annual reporting exercise. The strategic and operational fit between the programmes will also be part of any mid-term evaluation.

5.1.1 – Consistency with other Funds and Programmes

The EFF OP, which has the central theme of improving the competitiveness and sustainability of the fishing industry, will run in parallel with other European funding initiatives. In some instances these initiatives address similar or complementary actions and therefore it is important that there is no overlap between the types of activities that will be funded. In order to avoid this, the OP has taken into account the priorities and measures of the different funding programmes and has sought to address those areas exclusively eligible for funding from the EFF.

The following section will seek to demonstrate the complimentarity and consistency of the EFF OP with the other main funding programmes.

1. EFF and the National Strategic Reference Framework 2007-2013

The linkage between the NSRF Strategic Objectives and the EFF is highlighted on two main focus areas; the issue of competitiveness of the fisheries sector and sustainable environmental development. Under the EFF OP, the importance of having a competitive sector will be actively pursued. Similarly, the importance of the physical and natural environment is underlined through the specific objectives highlighted in the NSP and the EFF OP. As a result, NSRF Strategic Objective 1 sustaining a growing knowledge-based competitive economy and NSRF Strategic Objective 2 improving Malta's attractiveness and the quality of life are consistent with the EFF OP. NSRF objective 3 Investing in human capital will contribute to the upgrading of human resources in the sector, particularly at the vocational level in order to make the sector a more viable career choice. The NSRF fourth objective is to address Gozo's regional distinctiveness whereby accordingly Government committed to ensure a minimum of 10% of funds be allocated to Gozo.

2. EFF and Operational Programme I Cohesion Policy 2007-2013

Operational Programme I 'Investing in Competitiveness for a Better Quality of Life' has two objectives – Sustaining a growing, knowledge-based, competitive economy and Improving Malta's attractiveness and quality of life. The central themes of the EFF OP are to improve the competitiveness of the fishing industry in a sustainable manner as well as improving

the quality of life via the protection of the natural environment and the enhancement of the working environment of people in the industry.

Objective 1 of OP I is supported by Priority Axis 1 'Enhancing knowledge and innovation' and Priority Axis 2 'Promoting sustainable tourism'. The EFF OP also has training of human resources and the development of environmentally friendly tourism activities as part of its thrust.

Objective 2 of the OP I is in turned sustained through Priority Axis 3 'Developing the TEN-T, Priority Axis 5 'Safeguarding the environment' and Priority Axis 6 'Urban regeneration and improving the quality of life'. In terms of the EFF OP there are no parallel actions taking place in terms of investment in TEN-T and services of general economic interest. In terms of actions to safeguard the environment, OP I is mainly focused on the development of physical infrastructure aimed at managing solid waste and storm water. With regards to the EFF OP, actions to safeguard the environment are more aimed at changing behaviours and practices rather than at the development of physical infrastructure. Measures for safeguarding the environment can be found under Priority Axis 2 of the EFF OP. In terms of urban regeneration and improving the quality of life (OP I Axis 6), the EFF OP also has complementary actions under Priority Axis 2.

3. EFF and Operational Programme II Cohesion Policy 2007-2013

Operational Programme II 'Empowering people for more jobs and a better quality of life' has as an overall objective the raising of the overall employment rate. This overall objective will be achieved through the attainment of two operational objectives which are 1) Investing in human capital and 2) strengthening the labour market structures. Investment in human capital aims to improve the quality of education and skills level of the labour force to achieve the necessary flexibility in the labour market for it to be in a better position to respond to the needs of Malta's economic growth and development. This objective includes support to enterprises to help them face the ever changing challenges of the market and sustaining a growing competitive economy. In this sense the EFF OP provides complementary supporting actions under Priority Axis 2 'Aquaculture, processing and marketing of fishery and aquaculture products'.

The operational objective of strengthening labour market structures aims to increase the employment rate by ensuring that those facing difficulties or barriers to enter work or to retain employment are supported. The EFF OP aims to safeguard jobs in the marine fishing industry and to increase employment in the aquaculture industry and in fishery related activities although it must be said that the actions / measures proposed are not specifically designed as support to people facing difficulties to enter the work force and are thus somewhat distinct.

4. EFF and the Rural Development Plan 2007-2013

The European Fisheries Fund and EAFRD have little in common in that both objectives and target groups differ significantly. The possible exception is aquaculture in land based systems where a combination of agriculture and aquaculture development is pursued in particular for leisure/recreational purposes. However, such initiatives will not be funded through the EAFRD programme. There exists a possibility for overlap between the EAFRD and the EFF, under axis 4 of the EFF which focuses on the sustainable development of fisheries areas. However this is not the case here as Axis 4 is not implemented in this OP.

5.2 – Project Selection

The procedures for selecting projects under the EFF OP are outlined below.

5.2.1 Project Selection Process for Open Call Procedures

This section specifically focuses on the project selection process that is adopted for projects to be co-financed through EFF through an open call. Aid Schemes co-financed through EFF have a dedicated selection process.³⁸

Approval of the Selection Criteria

1. The Monitoring Committee, established through Article 63 of the EFF Regulation, approves the criteria used to select the operations that are funded under the Programme.
2. The MC also approves the criteria that are used by the IB to select the operations under Aid Schemes implemented under Article 87 of the Treaty.

5.2.2 Submission and Selection of National Projects

The Managing Authority may opt for a restricted call inviting the relevant ministry/public organisation to submit an application for projects under Axis 1, and 3, without going through an open call. In this case the proposals submitted shall be received by the MA and assessed according to the criteria approved by the MC.

5.2.3 Selection of Projects under Aid Schemes

In the case of Aid Schemes, the FPD in its capacity as MA invites the IB to submit a grant request for consideration by the MA for the implementation of an Aid Scheme under the PA in question. Following the application stage between the MA and IB, the latter issues calls for project proposals for Aid Schemes implemented under Article 87 of the Treaty. Applications and guidance notes are, in this case, obtained from the IB. Information sessions are also organised by the IB. Applications are submitted to the relevant IB (as stipulated in the Guidance Notes) and the acknowledging receipt to the applicant is issued by the IB.

5.2.4 Selection of Operations under Technical Assistance

Technical assistance for the EFF OP will be managed by the MA and will be demand-driven thus not subject to specific calls. The MA has set up procedures for eligible stakeholders interested to make use of the technical assistance. The procedure is outlined in Chapter 12 of this Manual.

5.3 – Unsuccessful/Rejected Project Applications and Appeals Procedure (Open Calls)

Applications which do not meet the eligibility criteria will not proceed to the selection process for further appraisal and scoring. Projects that pass the gateway eligibility test but do not score 50% in the appraisal based on the selection criteria, are also rejected. Unsuccessful applicants will be

³⁸ As explained in Section 6.2.3 of this Chapter.

informed in writing (through a letter or e-mail) indicating the reasons why the applicant was deemed not eligible. The decision to reject an application will be subject to a right of review within a stipulated time-frame which is also outlined in the letter. The following sub-sections outline the review process that has been specifically set up in the case of unsuccessful applications under Aid Schemes.

5.3.1 Right of Review of Rejected Applications

1. Unsuccessful applicants have the right to request that the decision to reject a project be reviewed. A PSAB is specifically set up to review such decisions.
2. The appeal must state the grounds and the reasons for the appeal. The appellant must therefore give a detailed explanation/justification supported by relevant documentation/testimonials as to why the appellant does not agree with the decision taken by the PSC. No additional information will be considered during the review. The relevant documentation shall be provided for the sole purpose of supporting the basis of the information provided in the appeal. An appeal that does not give sufficiently detailed reasons for the appeal may be refused at the preliminary stage.
3. Requests for review are received by the secretary to the PSAB within 10 days from the date of the letter of rejection by the PSC. Late appeals **WILL NOT** be considered. The PSAB's decision in this regard shall be final.
4. In the case of Aid Schemes under Article 87 of the Treaty, each IB will set up its own Appeals procedure distinct from the project selection procedure/committee. The procedure will form part of the guidance notes to applicants that each IB will issue for the particular scheme.

6. Financial Management and Payments

6.1 Currency

As of 1st January 2008 the Euro became the official currency of Malta. Therefore all transactions as of this date shall be undertaken in € (unless otherwise authorised by the MFIN).

6.2 Eligibility of Costs

Council Regulation (EC) 1198/2006 of 27 July 2006 on the European Fisheries Fund; Regulation (EC) 498/2007 of 26 March 2007 laying down detailed rules for the implementation of Council Regulation (EC) 1198/2006 on the European Fisheries Fund.

A set of eligibility rules is available on the MA's website (http://ppcd.gov.mt/links_and_downloads). In the case of Aid Schemes, information on the eligible costs of aid schemes is available from the respective incentive guidelines issued by the Intermediate Body (grantor of aid). In case of inconsistencies between the eligibility rules set in the incentive guidelines and the eligibility rules, the latter rules will prevail.

6.3 Co-financing

1. The financing of all projects benefiting from EFF have an element of national co-financing. The eligible cost and the co-financing arrangements (EU, national public and own resources³⁹) are outlined in the Grant Agreement⁴⁰.
2. In the case of voluntary organisations and organisations not falling within the definition of public equivalent, the organisation will provide the relevant co-financing (and any ineligible costs) while the rest will be split between 75% EU and 25% national public.

6.4 Government Pre-financing set-up

1. Distinct procedures for the mobilisation and circulation of funding have been set up to facilitate project implementation and ensure the transparency of financial flows. The financial flows vary according to specific categories of Beneficiaries.
2. **Public Sector Beneficiary:** In the case of projects being implemented by a public sector Beneficiary, the Maltese Government's annual financial estimates provide for the pre-financing of the Community share of the forecasted annual eligible expenditure of the projects. The financial estimates also provide for the Maltese co-financing share of the forecast annual eligible expenditure, as well as, an allocation for other expenditure not eligible for Community co-financing (e.g. non-eligible VAT). The Treasury pays the relevant service/supplier/works provider from the pre-financing arrangement (the annual estimates are allocated in the Government's Departmental Accounting System (DAS)) following a request for payment raised by the Beneficiary.

³⁹ Where applicable

⁴⁰ The eligible cost can vary and can also change throughout the project's lifetime (e.g. due to changes in the funding gap arising from the monitoring exercise).

3. **Public/Public Equivalent Beneficiary:** In the case of projects being implemented by other Public/ Public Equivalent Beneficiary, the Maltese Government's annual financial estimates provide for the pre-financing of the EU co-financing share (75% of public eligible cost) of the forecasted annual eligible expenditure of the projects. Unless otherwise indicated, the national public co-financing share of the projects is provided for from the funds of the Beneficiary. On receipt of invoice/s, the Beneficiary's share (together with any ineligible expenditure related to the invoice), is extracted from the respective organisation's allocation (capital expenditure line item) in the DAS. Treasury then pays the full amount of the invoice to the service/supplier/works provider on behalf of the Beneficiary (please refer to *Figure 2*).
3. **Voluntary organisations and economic operators:** In the case of voluntary organisations and economic operators, the (EU and national) public share for the respective accounting year is allocated in the European Fisheries Fund Item in the DAS by Government as pre-financing. Voluntary organisations shall provide for the co-financing. When submitting invoices to the Line Ministry, voluntary organisations attach a cheque for the amount equivalent to the voluntary organisation share of the invoice, so that Treasury then pays the full amount to the contractor.
4. **Aid Schemes:** In the case of Aid Schemes, the Government's annual financial estimates will include the forecast annual public component for the year which is reimbursed to the Beneficiary upon a request made by the IB.

6.5 Budgetary Allocation

1. The expected annual cash flow of each project will be provided for in the Financial Estimates of the respective year under Line Item 7219. The estimates for the following year are normally prepared in the preceding August/September by the MA in liaison with the Project Leaders, taking into consideration the project's procurement and disbursement progress and projections.
2. In the case of a Public Sector Beneficiary, there will be two sub-items within the project allocation – sub-item 1 will contain the EU allocation and sub-item 2 will contain the national public (MT) and non eligible costs (e.g. ineligible VAT).
3. In the case of Other Public or a Public Equivalent Beneficiary, (unless otherwise indicated by the MA), there will only be sub-item 1 within the project allocation which will contain the EU allocation only.

In view of point 1 above, it is important that Beneficiaries provide continuous and accurate updates of the forecast expenditure to the MA. In cases where Accounting Officers⁴¹/Project Leaders foresee a shortfall of funds in any one of the line items for a particular year, the MA should always be informed and supplied with the necessary details (i.e. amount remaining in Departmental Accounting System (DAS) and amount required and for which project, supported by the relevant calculations). The MA shall then liaise with the Budget Affairs Division within MFIN for the necessary approvals of the transfer and instruction to Treasury for the updating of DAS.

5. All stakeholders are reminded that the EFF vote cannot be accessed for any other reason/operation other than those approved and stated in the Grant Agreement for each project.

⁴¹ Or financial controller in the case of non- Public Sector Beneficiaries.

6.6 Payment Process for Salaries

1. In order to ensure that payment is issued within the stipulated timeframes, it is advisable that salaries payable are processed by the Beneficiary in the normal manner (from the salaries vote/account/payroll of the organization) which is then followed up by a reimbursement request from the EFF line item. In this way, the employee is paid in time and Beneficiaries can claim the amount as frequently as they need (although it is recommended to do these on a quarterly basis) from the EFF line item.
2. In the case of employees engaged in more than one EU-funded project, the salary shall be divided between the respective projects, in proportion to the time spent on each project in the relevant period. This division shall be substantiated by timesheets signed by the employee and endorsed by the Project Leader. In certain cases, the staff costs calculator (which is available from the MA upon request) may be used for the purpose of calculating the respective proportions. Time sheets may be queried and hence Beneficiaries are to retain regular reports outlining the main work activities undertaken for each project in a given period.
3. The Beneficiary should then prepare an Invoice Status Certificate (ISC), together with:
 - i. the relevant Reimbursement Request form (see Annex VIII)
 - ii. proof of payment of salary; and
 - iii. the staff costs calculator (where applicable)

Documents are to be uploaded in the Database in accordance with Chapter 12 of this Manual and the physical documents sent to Treasury (via the Line Ministry) for reimbursement from the Treasury. In the case of ministries/departments, the Treasury will only transfer money from the 7219 Item to the salary vote of the Beneficiary concerned. In the case of corporations, other Public Sector and Public Equivalent, the Treasury will issue a reimbursement for the EU share from the 7219 items to the entity's account. For *ad hoc* instructions please refer to the Treasury Department.

6.7 Reimbursement of Staff Costs

1. Training-related staff costs are considered eligible subject to a number of conditions. Unless otherwise approved by the Managing Authority, the costs are apportioned on the following basis:

Eligible staff costs = hourly rate * number of hours worked on the project

Where, **hourly rate** = $\frac{\text{Annual Salary}}{\text{Total number of hours worked in a year}}$

Staff costs charged to the project shall be calculated in proportion to the time spent on the project in the relevant period, sufficiently substantiated by timesheets signed by the employee and endorsed by the Project Leader. The staff costs calculator may differ from one entity to another, depending mostly on the frequency of salary payments. Beneficiaries are encouraged to contact the MA in order to determine which calculator to use.

Annual Salary includes the gross wage (before tax) plus the employer's national insurance and statutory bonuses

Number of weeks in a year * number of working days in a week – (vacation leave + public and national holidays not falling either on Saturday or Sunday) * number of hours worked each day, e.g. (52 weeks * 5 days) – (24 days leave + xx days public holidays) * 8 hours = xxxx hours worked in a year.

6.8 Computation of Salaries and Allowances for Pro-rata Payment

1. This section concerns the reimbursement of salaries of individuals who have not worked a full pay period (e.g. commencement, termination, resignation of/from employment mid-way through any given calendar month).
2. For salaries worked out on a four-weekly basis, the calculation of pro-rata salaries in the Reimbursement Request should be based on the method outlined in MPO Memo 1/2009, irrespective of whether the Beneficiary forms part of the Public Service or not, and irrespective of any other methods used by the Beneficiary.
3. For salaries worked out on a monthly basis, the calculation of pro-rata salaries in the Reimbursement Request should be worked out by multiplying the number of days worked in the first/last month of employment by the daily rate⁴².
4. Beneficiaries are not asked to change their payroll system. **This article only stipulates that the amounts eligible for payment from the EFF 2007 – 2013 Programme will be based on such methods.**
5. Such methods are distinct from the staff costs calculator and the two should not be confused. The staff costs calculator caters for situations where the Beneficiary requests reimbursement of salaries for a portion of full-time hours worked on the Project (for example), whereas the methods in this section cover the “tail-end” periods at the beginning and / or end of employment contracts.

6.9 Treatment of VAT

1. Before finalising a contract, the Beneficiary should refer to the VAT Regulations to see under which section of the VAT legislation the contract falls. Guidance notes on VAT issues can be downloaded from the VAT Department website. It is highly recommended that the Beneficiary contacts the VAT Department to see clarifications on issues related to VAT and to make the necessary arrangements for the payment of VAT.
2. When VAT is **not** an eligible cost, the Beneficiary should note that the VAT component of every payment should be charged to the Malta Funds sub-item within Line Item 7219 (EFF) in the case of a Public Sector Beneficiaries. In the case of Other Public or a Public Equivalent Beneficiary, the VAT is paid from the entities own funds as described in Section 5.4 above.

⁴² Where the daily rate is computed by dividing the Annual Salary by the working days in a year.

6.10 Invoices and Confirmation (Proofs) of Payment

1. This section includes considerations on invoices, receipts and any other proofs of payment. It should also be read in conjunction with section 12.3 (*Uploading of documents in the Database*).
2. In line with Article 39 (2) of the Council Regulation (EC) No 1198/2006 (EFF Implementing Regulation) expenditure claimed for reimbursement from the Funds (i.e. in the drawdown requests from the EC) must be real.
3. An *invoice* is a *request for payment* while a *receipt* (or equivalent) is a *confirmation of payment*.
4. In the case of payment through the **normal procedure (by Treasury direct to contractors)** and where the invoice is a tax invoice, its corresponding proof of payment (not a fiscal receipt) should be filed, but NOT uploaded in the Database.
5. In the case of payment through the **normal payment procedure (by Treasury direct to contractors)**, invoices which are not tax invoices should be followed by a fiscal receipt⁴³ (also not uploaded on the Database) within reasonable time of payment⁴⁴, unless the invoice quotes the EXO (exemption)⁴⁵ number of the supplier. In order to ensure both objectives of fiscal validity and payment confirmation, a fiscal receipt must:
 - i. contain reference to the invoice in question (invoice number). Payments on account without the relevant invoice number are not acceptable; be dated after the payment date;
 - ii. be dated after the payment date.; and
 - iii. name of the Beneficiary as recipient of receipt.
6. It is the responsibility of Beneficiaries to ensure that fiscal receipts (where applicable) are received in good time and filed in the payments section of the file.
7. In the case of reimbursement requests, the invoice and corresponding proof of payment should be filed and uploaded on the Database. If the invoice presented is not a tax invoice (and does not contain an EXO number), a fiscal receipt should be presented as proof, containing:
 - i. reference to the invoice/s in question (invoice number/s). Payments on account without the relevant invoice number/s are not acceptable;
 - ii. a date occurring after the payment date; and
 - iii. name of the Beneficiary as recipient of receipt.

Note on fiscal receipts: A fiscal receipt is the “*grey receipt*” issued by a supplier from the VAT receipt books provided by the VAT Department or the receipt issued from cash registers or computerised systems approved and authorised by the same Department. In this case, an *Exemption Number* is provided by the Department to the registered person and this must be printed on each receipt (this is a reference number preceded by the abbreviation *EXO* or *EX*). This

⁴³ Unless the economic operator is not registered for VAT purposes in lieu of LN524 of 2010 – *Exemption from VAT Registration*. In the case of Government Departments, such operators shall supply a declaration in accordance with MFEI Circular 7/2011.

⁴⁴ Government departments should also refer to MF Circular No. 7/2011.

⁴⁵ Exemption by the Commissioner of VAT following approval of supplier’s computerised invoicing system. Applicable only in cases of transactions between a registered person to a non-registered person.

receipt is considered the equivalent of the *grey receipt* and is therefore fiscal. In the absence of this EXO number, a cash register/computer-generated receipt cannot be considered fiscally valid.

Payment Procedure	Condition	Invoice Type	Proof of Payment Required	Uploading in the Database	Filing
Direct payment (Condition 1)	<u>Tax</u> invoice issued by a person registered under Art 10 – for supplies other than exempt without credit supplies – to a person registered under Art 10 or Art 11 of the VAT Act who identifies himself with a VAT number on invoice.	Tax invoice	Any document proving payment (dated after payment date on the Database) (e.g. bank transfer advice slip, bank statement, acknowledgement of receipt from supplier, etc)	Tax invoice only	Tax invoice and proof of payment
Direct payment (Condition 2)	Invoice issued by a person registered under Art 10 – for supplies other than exempt without credit supplies – to a non-registered person	Not a tax invoice + no EXO number	Fiscal Receipt dated after the actual payment date on the Database. <u>OR</u> Fiscal Receipt dated before the actual payment date on the Database <i>(If dated prior to the payment date, the fiscal receipt cannot be considered as sufficient proof and further proof is required. However, the same receipt remains fiscally valid, as per Thirteenth Schedule, point 2)</i> <u>AND</u> further proof of payment (e.g. bank transfer advice slip, bank statement, acknowledgement of receipt from supplier, etc)	Invoice only	Invoice and fiscal receipt (and any further proof where applicable)
Direct payment (Condition 3)	Invoice issued by a person registered under Art 10 – for supplies other than exempt without credit supplies – to a non-registered person)	Not a tax invoice + with EXO number	Any document proving payment (dated after payment date on the Database) (e.g. bank transfer advice slip, bank statement, acknowledgement of receipt from supplier, etc)	Invoice only	Invoice and proof of payment
Reimbursement request (Condition 1)	<u>Tax</u> invoice issued by a person registered under Art 10 – for supplies other than exempt without credit supplies – to a person registered under Art 10 or Art 11 of the VAT Act who identifies himself with a VAT number on invoice	Tax invoice	Any document proving payment (dated after payment date on the Database)	Reimbursement request, tax invoice, proof of payment	Reimbursement request, tax invoice, proof of payment
Reimbursement request (Condition 2)	Invoice (not a tax invoice) issued by a person registered under Art 10 – for supplies other than exempt without credit supplies – to a person registered under Art 10 or Art 11 of the VAT Act	Not a tax invoice	Fiscal Receipt dated after the actual payment date on the Database. <u>OR</u> Fiscal Receipt dated before the actual payment date on the Database <i>(If dated prior to the payment date, the fiscal receipt</i>	Reimbursement request, invoice, fiscal receipt (<u>and</u> any further proof where applicable)	Reimbursement request, invoice, fiscal receipt (<u>and</u> any further proof where applicable)

	whether he identifies himself or not with a VAT number on invoice		<i>cannot be considered as sufficient proof and further proof is required. However, the same receipt remains fiscally valid) <u>AND</u> further proof of payment (e.g. official cheque image from bank, bank transfer advice slip, bank statement, acknowledgement of receipt from supplier, etc)</i>		
Reimbursement request (Condition 3)	Invoice issued by a person registered under Art 10 – for supplies other than exempt without credit supplies – to a non-registered person	Not a tax invoice + no EXO number	Fiscal Receipt dated after the actual payment date on the Database <u>OR</u> Fiscal Receipt dated before the actual payment date on the Database <i>(If dated prior to the payment date, the fiscal receipt cannot be considered as sufficient proof and further proof is required. However, the same receipt remains fiscally valid), <u>AND</u> further proof of payment (e.g. official cheque image from bank, bank transfer advice slip, bank statement, acknowledgement of receipt from supplier, etc)</i>	Reimbursement request, invoice, fiscal receipt (<u>and</u> any further proof where applicable)	Reimbursement request, invoice, fiscal receipt (and any further proof where applicable)
Reimbursement request (Condition 4)	Invoice issued by a person registered under Art 10 – for supplies other than exempt without credit supplies – to a non-registered person	Not a tax invoice + with an EXO number	Any proof of payment dated after invoice date	Reimbursement request, invoice, proof of payment	Reimbursement request, invoice, proof of payment

6.11 Invoice Payment Process

Stakeholders involved in the payment process (Beneficiary, Line Ministries [and Accounting Officers], Treasury and the Central Bank of Malta) are to ensure that the payment process moves in the shortest time possible since Malta will only be able to draw funds from the Commission on the basis of payments effected to the contractors. It is the responsibility of the PL to ensure that invoices and the relevant documentation are sent in time and correctly (i.e. first time round) in order not to slow down the process.

6.11.1 Roles and responsibilities of all key players involved in payment process

	Functions	Responsible Body
1	Issuing/Receiving Invoices	
	<p>a. In principle, all contracts/invoices/payments (after 1st January 2008) shall be made in €⁴⁶</p> <p>b. The contractor shall issue the invoice according to the stipulated conditions in the contract and deliver the invoice to the Beneficiary implementing the project.</p> <p>c. Financial Identification Form (TRS9) - Whenever the Beneficiary receives an invoice for the first time from a contractor, the Treasury asks the Beneficiary to provide a Financial Identification Form (TRS9) filled in by the Contractor.⁴⁷ In this form, the Treasury will have the necessary information on the contractor for the proper execution of the bank credit transfer. This applies to both local and cross-border payments. This form needs to be sent to treasury prior to insertion of invoice in the Database.</p> <p>It is important for Beneficiaries to note that should contractors' financial details change throughout the execution of a contract, the Beneficiary is to inform the Treasury to:</p> <ul style="list-style-type: none"> ▪ ensure contractor fills in a new Financial Identification Form (TR/S 9); ▪ ensures that contractor submits the new TRS 9 for the Treasury to insert the contractors' new details. <p>The Treasury Department will issue payment against the details of the latest TRS 9 form therefore payments into other accounts will not be effected unless the contractor submits a new TRS 9 form.</p> <p>d. The title or reference number of the project and the contract reference code should preferably be indicated on the invoice.</p>	<p>Contractor (sending request for payment)</p> <p>Beneficiary (receiving and processing request for payment)</p>

⁴⁶ A foreign company may ask for payments to be made in another currency however prior authorization from MFEI is necessary. The request must be made by the relevant Permanent Secretary to the Permanent Secretary MFIN copying in MA, CA, Treasury and DoC.

⁴⁷ Please refer to Annex I of this MoP for a sample of the TR/S 9 form

	<p>e. The invoice must be addressed to the Beneficiary and Project Leader. Contractors are to note that invoices must be issued by the company that was awarded the contract. No invoices issued by subsidiary companies or one of the partners of a joint venture, will be accepted.</p> <p>f. Payments are made via a bank credit transfer only. No cheques will be issued to Contractors.</p> <p>Contractors and Beneficiaries are advised to consult the <i>Guidelines for Issuing Valid Invoices and Receipts</i>⁴⁸ in Annex VI, particularly article 3 – <i>Requirements and contents of an invoice</i>.</p>	
2	Regular Payments	
	<p>The Beneficiary and the Line Ministry shall ensure that invoices are received and payments are processed in the shortest time possible and monitor the payment until it is paid.</p>	Beneficiary and Line Ministry
3	Certifying Works/Services/Goods and Invoicing	
	<p>a) The Database is the single channel through which requests for payment (invoices or reimbursement requests) related to the EFF 2007-2013 Programme are processed for ultimate payment (or reimbursement) by Treasury.</p> <p>b) Tutorials for the processing of payments through the Structural Funds Database, which is similar to the Database used for the EFF 2007 – 2013 Programme, are available at http://www.ppcd.gov.mt/tutorials.</p> <p>c) Payments under the EFF are effected in a three-stage process, where:</p> <p style="padding-left: 40px;">i. The Beneficiary receives the request for payment from the Contractor (or the finance unit within the Beneficiary organisation in the case of reimbursement requests). Following vetting of the request (to ensure compliance with section 1 above) and confirmation of its adequacy, the Beneficiary generates an (ISC) in the Database. A sample of the ISC can be viewed in Section 6.11.2 of this Chapter. This process is explained in further detail below;</p> <p style="padding-left: 40px;">ii. The Beneficiary sends the documents to the Line Ministry (office of the Ministry’s Director Programme Implementation), for the second stage;</p> <p style="padding-left: 40px;">iii. The Treasury receives the documents from the LM, for the execution of payment.</p> <p>d) To fulfil the step in point (c) above, the Beneficiary shall:</p> <p style="padding-left: 40px;">i. validate the invoice – validation implies that the data on the invoice is correct. The Beneficiary shall check the following:</p>	Beneficiary

⁴⁸ Prepared by the EU Certifying Authority, May 2009.

	<ul style="list-style-type: none">- the invoice is the original. This means that the hard original of the invoice is handed over by the Contractor to the Beneficiary. Scanned invoices sent by email or other similar computerised means (not electronic invoices as defined in the VAT Act) and printed by the Beneficiary are not acceptable;- the invoice is addressed to the Beneficiary, issued by the company/individual awarded the contract and preferably bears the relevant contract reference code. The name and the VAT number of the company/individual issuing the invoice belong to the same company/individual entering into the contract;- invoice number: this should be unique to the supplier's accounting system;- date: this should normally follow the effective date of the contract;- line items: these should reflect the same line items in the agreement/contract and any subsequent addenda;- quantity/ies: should not exceed the maximum quantity/ies stipulated in the agreement/contract and any subsequent addenda;- individual rates: same individual rates stipulated in the agreement/contract and any subsequent addenda;- total net invoice value: should not exceed the maximum amount stipulated in the agreement/contract and any subsequent addenda;- the VAT element: as a distinct component of the total amount of the invoice; Beneficiaries are also advised to consult the guidelines in Annex VI. <p>ii. ensure that the invoice is based on and reflects the schedule of payments as stated in the respective contract (if applicable). The Beneficiary must also ensure that advance payments in subsequent interim payments are discounted as stipulated in the contract;</p> <p>iii. ensure that the expenditure being claimed is in line with the Grant Agreement of the project and the eligibility rules of the OP;</p> <p>iv. verify the delivery of supplies (including quantities), works/ and/or services (except where the invoice refers to an advance payment)</p> <p>v. confirm compliance with Community and national rules</p> <p>The Beneficiary shall then complete the checklist on the ISC which is</p>	
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a means of confirming that all the checks above have been carried out. It is important to note that the ISC sent to the Line Ministry and subsequently to Treasury must be the *final* and not a *draft*. A *final* ISC is only generated once the *Certify Work Beneficiary* level of the ISC is marked *complete* and the Certification Date must be the SAME as the date appearing under the *Payment Authorisation* tab in the *Invoices* section of the Database.

e) The Project Leader (or delegate) must then:

i. certify the invoice as correct by writing/rubber-stamping the words “Certified correct” on the original invoice , followed by her/his signature. Through these words, the PL is confirming that all the contents of the invoice are in line with the contract, Grant Agreement and the national rules on invoicing; and

ii. write/rubber-stamp reference to the Fund (EFF 07-13), the Programme (Fisheries Operational Programme). This is a safeguard against double-funding.

f) The Project Leader (or delegate) shall finally sign and identify her/himself (by own rubber stamp or writing own name in blocks next to the signature) in the relevant section of the ISC. The person certifying the invoice/reimbursement request should be the same person certifying the ISC.

g) The Beneficiary shall scan the invoice (and any additional documentation required such as the summary certificate of the supervisor in relation to works) and uploads it on the Database (refer to Chapter 14 – Uploading of Documents section). It is important that the Beneficiary retains a copy of the invoice/reimbursement request and any supporting documentation in the project file. It is not necessary to keep a copy of the partially-complete ISC at this stage. A fully-signed copy should be printed once Treasury uploads it on the Database (i.e. after the third stage of the payment process).

h) The Beneficiary submits the original ISC and the original invoice (and any additional documentation required), to the Line Ministry.

Attention: Corporations, Other Public Sector & Public Equivalent Beneficiaries:

In the case where the MT co-financing and any ineligible costs (such as VAT) are not provided for in the EFF line items, the Treasury Department shall charge the applicable amount to the respective capital vote of the entity

Attention: Voluntary Organisations:

Voluntary organisations are to attach a cheque equivalent to the value of their share (25% of public eligible cost as well as the total of any ineligible cost) on each invoice. The remaining 75% public share is provided for through the allocations in Item 7219.

4	Authorising Payment	
	<p>In the second stage of the payment process, the Line Ministry confirms the checks carried out by the Beneficiary and signs the ISC prior to authorising payment.</p> <p>The signature on the ISC by the Line Ministry confirms that:</p> <ul style="list-style-type: none"> a) the Beneficiary has carried out the relevant checks, has completed the ISC as required and has updated the confirmation status on the Database; b) the relevant National and Community rules, including Public Procurement Regulations and Eligibility Rules, have been complied with; c) the Beneficiary uploaded the relevant request for payment and required supporting documentation (refer to Chapter 14 –<i>Uploading of Documents</i> section); d) the amount being claimed corresponds to a valid contract; and e) the amount being claimed is arithmetically correct. <p>The DPI must also ensure that the ISC signed by the Beneficiary is the final version not a draft. This is recognisable from the <i>Certification date</i>. If this date is missing, then the ISC is a draft and should be rejected.</p> <p>Following the certification of the first five items of the relevant LM section on the ISC, the DPI then forwards the relevant documents to the Accounting Officer of the LM to raise the commitment in the DAS (as per below). This task is carried out by the Accounting Officer but the Director Programme Implementation has the overall responsibility for the LM function of this stage of the payment process.</p> <p>The DPI (or delegate) then completes the last three items of the relevant ISC section and signs and stamps/writes name on the ISC. These checks may be carried out and signed off by a delegate of the DPI, after filling the appropriate delegation of authority form (see Chapter 11).</p>	<p>Directorate Programme Implementation of the Line Ministry</p>

<p>Tasks and Responsibilities of the Accounting Officer</p> <p>Step 1 – Request Commitment The <i>commitment request</i> routine is the first stage of the commitment cycle wherein, accounting officers in the Line Ministries must insert ample description of the goods or services required by the Beneficiary, the prospective contractor and the total cost involved.</p> <p>Although in principle, a single commitment cannot accommodate more than one contractor, even if the supply or service may have similar characteristics, the Accountant General may instruct otherwise, as referred to in Article 28 of Chapter 174 of the Laws of Malta. However, payments expressed in foreign currencies can only be dealt with individually.</p> <p>Accounting Officers must keep in mind that, whenever the contractor is a non VAT registered body, the vendor number must be replaced by CBM001 (ADVANCES).</p> <p>Step 2 – Procure Commitment The <i>procure commitment</i> routine enables accounting officers to ascertain that the details of the commitment are correct before authorisation is granted for advancing the commitment to the next stage.</p> <p>Step 3 - Soft Commitment The <i>soft commitment</i> shall be considered as a pivotal stage in the whole process of the commitment cycle. At this stage accounting officers must allocate the relative expenditure to the specific account – EFF control account 7219 – in the estimates.</p> <p>It is important that Accounting Officers pay attention to expenditure which cannot be covered by existing provisions allocated under the budgetary estimates for that purpose. Any potential budgetary implications should be immediately brought to the attention of the competent authorities (MA & Budget Office within MFIN) for remedial action. Failure to properly manage EU related spending may result in severe delays of subsequent payments and potentially loss of funds to Malta and to the Beneficiary organisation.</p> <p>Step 4 – Hard Commitment This final routine sets the type of purchase document required and consolidates the commitment cycle. In order to prevent the misuse of the budgetary allocation of these EU funds, the creation of a new transaction type was envisaged. As a result, a new code, specifically for EFF related to payments, was inserted in the system – 08. It is therefore recommended that, prior to proceeding to the ‘print document’ routine, Accounting Officers ascertain that the correct document type is selected.</p> <p>Accounting Officers are responsible for the propriety, regularity and accuracy of the payments they authorize. In this regard, desk instructions are laid out to give guidance on the principles to be</p>	<p>Accounting Officer of the Line Ministry</p>
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	<p>observed prior to submitting documents to the Treasury Department for payment execution.</p> <p>In addition, Accounting Officers shall:</p> <ul style="list-style-type: none"> ▪ check that a valid invoice has been presented and that this corresponds to the commitment. Whenever significant disparities are recognised, Accounting Officers are responsible for taking remedial action, and if necessary, immediately produce a fresh commitment; ▪ ascertain that the provisions on the treatment of VAT have been thoroughly observed. Further guidance can be sought from the Treasury Department; ▪ In the case of public sector projects, debit the EU share of the eligible cost of the invoice under 7219 EU sub-item and the Malta share of the cost under 7219 Malta sub-items. Ineligible VAT is debited to the 7219 sub-item; ▪ In the case of NGOs and organisations not falling within the definition of public equivalent, the public equivalent share is debited to the EU and MT sub-items as per co-financing procedure. 	
	<p>Submission of documentation from Line Ministry to Treasury</p> <p>The Line Ministry sends the original invoice, debit advice, ISC (and any additional documentation accompanying the invoice) to Treasury authorizing payment. A copy of these documents shall be kept by the Line Ministry. Treasury reserves the right to refer documents back to the relevant Line Ministry for correction.</p> <p>Before transmitting the ISC to Treasury, the Line Ministry shall mark the status of the ISC as complete Confirmation Line Ministry in the Invoice Payment section of the Database.</p> <p>The Directorate Programme Implementation (MEAIM) is responsible for:</p> <ul style="list-style-type: none"> ▪ liaising with the Accounting Officer with regards to the preparation of the required documents related to commitments in the DAS; ▪ signing the relevant checklist on the ISC (already signed by the Beneficiary); ▪ transmitting (in a timely manner) all the documents to Treasury. 	<p>Line Ministry</p>

5	Effecting Payment	
	<p>Following the receipt of the relevant documents from the LM, the Treasury shall:</p> <ul style="list-style-type: none"> ▪ confirm that the original invoice and ISC are validated by the Beneficiary and the LM respectively; ▪ ensure that the expenditure has been approved by the accounting officer and the commitment is in accordance with any agreed contract or other documentation governing the transaction; ▪ determine the correctness of the commitment. In this regard, the commitment and invoice must have common recipient names, same VAT identification number and analogous amounts; ▪ check that the invoice is arithmetically correct; ▪ ensure that the invoice complies appropriately with legislative requirements particularly with those contained in the Financial Administration and Audit Act⁴⁹ and the Value Added Tax Act;⁵⁰ ▪ ensure that the commitment has been raised out of the appropriate incidence of charge (Control account 7219) and that the VAT treatment is correct; ▪ ascertain that any VAT payable directly by the LM on behalf of the contractor has in effect been settled. A sufficient proof of payment must be provided promptly; ▪ confirm that the LM has performed the required data entry in the Database; <p>On completion of the above checks and provided that the above conditions are adequately met, the Treasury proceeds with the relevant payment. The Treasury :</p> <ul style="list-style-type: none"> · certifies the ISC, by marking the checklist, signing and stamping/writing name of Treasury officer; · creates the required document for transferring funds from the Public Account to the <i>ad-hoc</i> Central Bank of Malta (CBM) account; · issues the Fund Transfer Report; · obtains the authorized signatories in accordance with approved bank mandates; · consolidates all payment documents in one statement prior to submitting documents to the CBM through the Database. At the point of entry, a unique number is allocated to every document. Upon receipt of documents, the CBM acknowledges and returns a copy of the statement to the Treasury; · instructs CBM to execute payment; and · uploads ISC onto the database, fully-signed by all three relevant 	<p>Treasury</p>

⁴⁹ Chapter 174 of the Laws of Malta and Subsidiary Legislation 174.01 laying down the general provisions regulating the receipt, control and disbursement of public money, to provide for the audit of accounts in relation thereto, and to provide for other matters connected with or incidental to the purposes aforesaid.

⁵⁰ Chapter 406 of the Laws of Malta laying down the general provisions for the imposition of a value added tax in place of an excise tax system on imports, products and services.

	<p>stakeholders (Beneficiary, LM and Treasury)</p> <p>After making the relevant checks in line with the national procedures, the Treasury instructs the CBM to debit the relevant account and issue a CBM debit advice. It is important to note that the Treasury has opted to disburse and account for payments in individual bank accounts of contractors by bank transfer which shall nevertheless form part of the Public Account proper.</p> <p>The Treasury scans the ISC (which at this stage would be signed by the Beneficiary, the LM and Treasury) and upload it to the Database. The Treasury keeps the original invoice and ISC in the relevant file.</p>	
6	Role of the Central Bank of Malta (CBM)	
	<p>Upon receiving instructions from the Treasury, the CBM debits the relevant bank account and issues a CBM debit advice for all relevant payments and forwards it to the Treasury.</p>	CBM
7	Post Payment	
	<p>Following the receipt of the CBM Debit Advice, the Treasury:</p> <ul style="list-style-type: none"> ▪ updates the DAS as necessary; ▪ performs a bank reconciliation exercise as quickly as often as possible; ▪ ensure that all accounting records and supporting documents are maintained appropriately and in an organised manner as to facilitate audit controls; ▪ inserts the relevant date (including uploading of the complete ISC and inserting the payment date) on the Database as soon as the Treasury receives the debit advice from the CBM which confirms payment. This information is available for review by all bodies and is particularly important in relation to the Statement of Expenditure in view of the fact that the latter will only include expenditure for which the whole payment process on the Database has been completed (i.e. Treasury must update the payment process in the Database by inserting complete <i>Payment Execution</i>). 	Treasury
8	Receipts	
	<p>It is important to note that once the Treasury instructs the CBM to issue payment via a bank credit transfer to the contractor's account, the Treasury issues a letter to the contractor informing that payment has been effected indicating:</p> <ul style="list-style-type: none"> ▪ the CBM reference number of the transaction; ▪ the value date; ▪ the name of the bank and the bank branch; ▪ the bank account number; ▪ the contractor's address; ▪ the LM responsible for the project; ▪ the title of the project. <p>Where applicable, fiscal receipts are to be sent by the Contractor to</p>	Treasury

	<p>the Beneficiary. Beneficiaries are to ensure that such fiscal receipts are obtained within the timeframes prescribed by law, and are to be retained in file. Where fiscal receipts are not required, sufficient proof of payment should be obtained (see Table 1)</p>	
9	Suspension/Interruption/Withholding of Payments	
	<p>The responsibility for necessary corrections rests with the LM and, should there be proposals for payment which do not meet these requirements or which depart from the normal rules or procedures, the Treasury reserves the right to refer the documents back to the relevant Line Ministry for correction.</p> <p>Should an irregularity be detected, funds may be suspended, interrupted or payments may be withheld.</p>	Treasury

Figure.1 Financial Flow Chart – Public Sector Beneficiaries

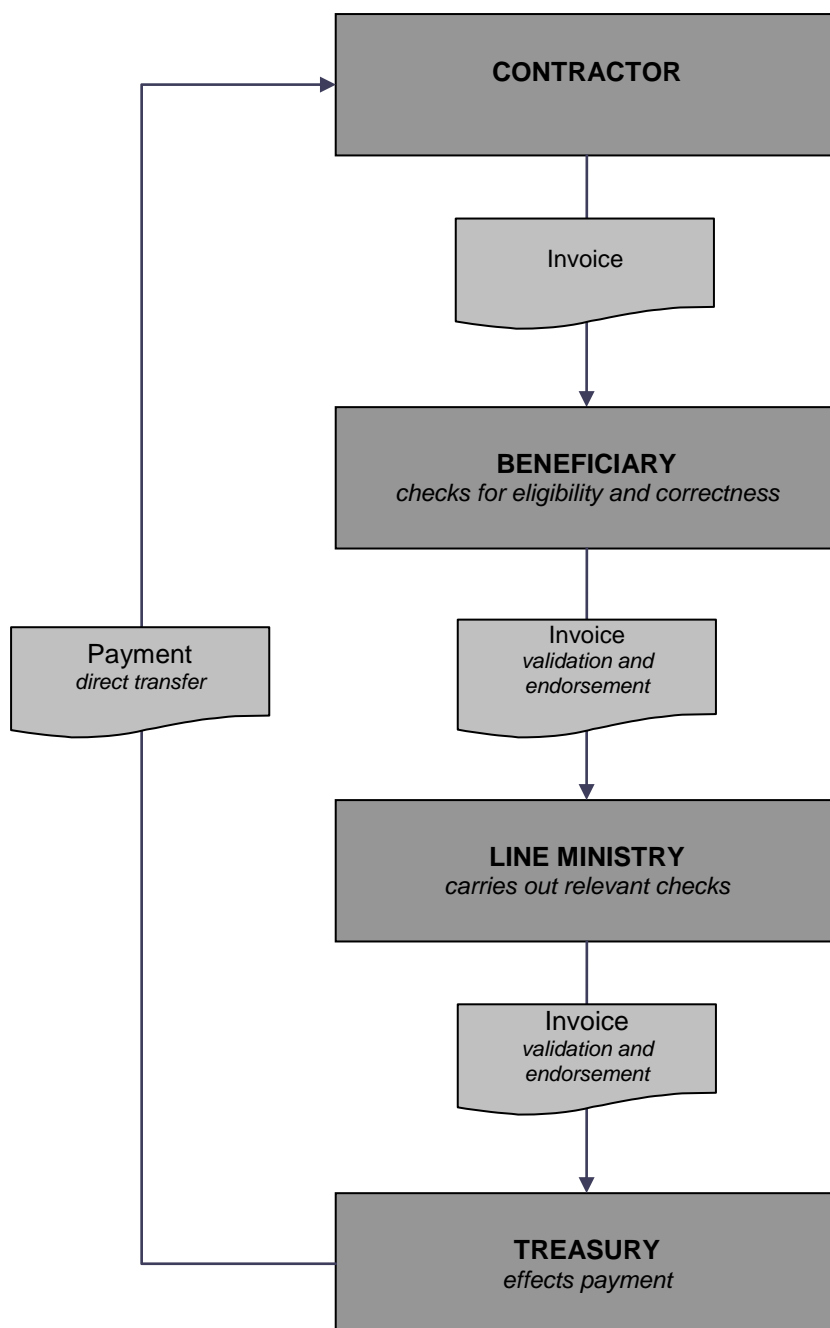


Figure.2 Financial Flow Chart – Public and Public Equivalent Beneficiaries

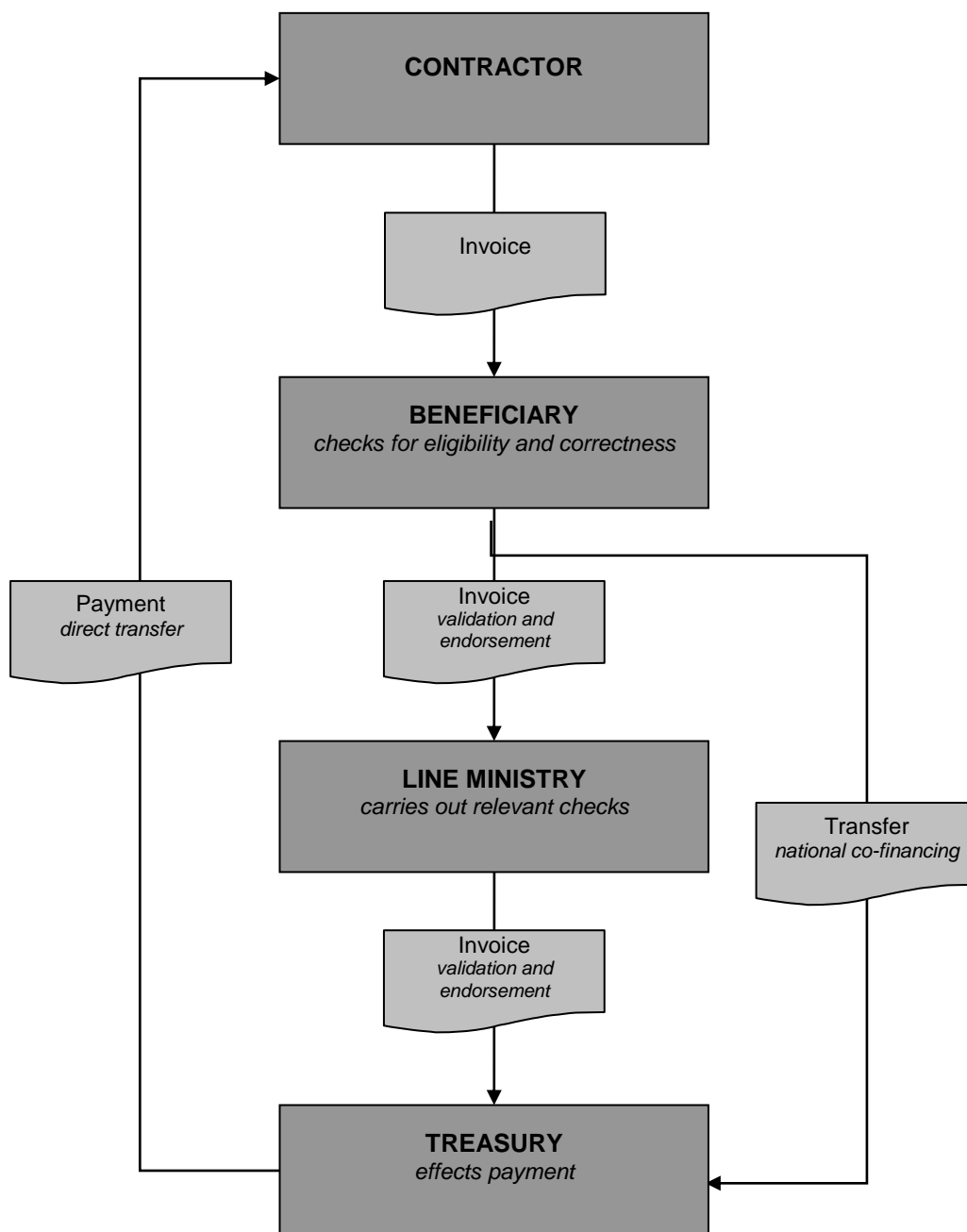
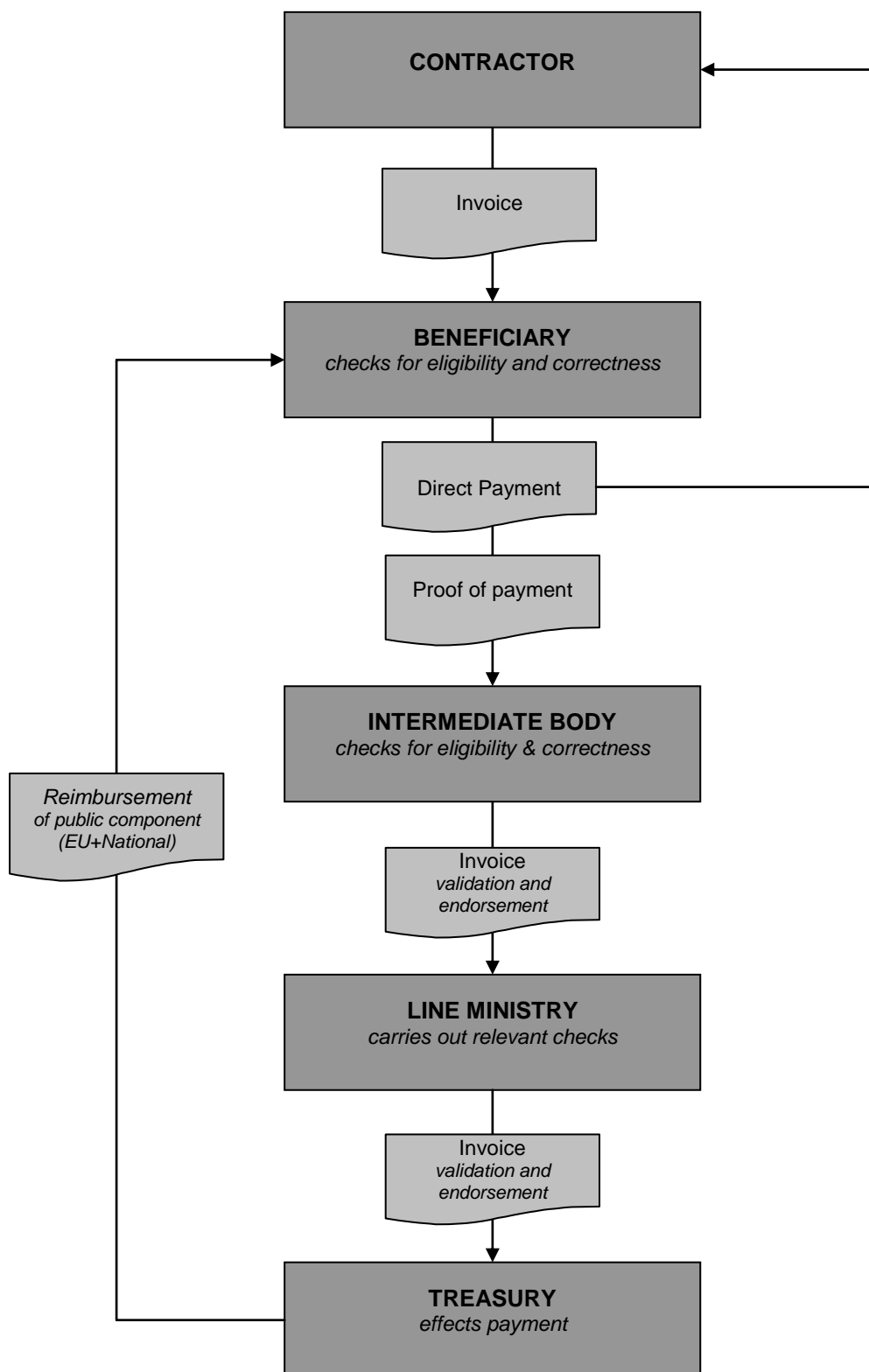



Figure.3 Financial Flow Chart – Private Sector Beneficiaries [in case of Aid Schemes]



6.11.2 Sample of Invoice Status Certificate

Invoice Status Certificate - ISC Fisheries Operational Programme for Malta 2007-2013						
Project Details Name: Technical Assistance Code:						
Contract Information Comm. Level No. Contract Code Description Financial Component Public Eligible VAT Not Eligible Remarks						
	Initial (Euro)	Allocation (Euro)	Disposal (Euro)	Initial (MLT)	Allocation (MLT)	Disposal (MLT)
Contract Date						
Guarantees Date/Remarks Type Reference Executed Amount (Euro) Amount (MLT)						
Invoice Details Certificate Date Invoice No. Trade Name Address Account Holder Account No. Bank Invoice Description Remarks Financial Component Public Eligible VAT Not Eligible Total						
				Invoice Date VAT No.		
				Allocation (Euro)	Allocation (MLT)	
Financial Details Financial Component Financial Source Percentage (%) Amount (Euro) Amount (MLT)						
Public Eligible		Community	75.00			
Public Eligible		National Public	25.00			
VAT Not Eligible		National Funding	100.00			
Notes/Remarks:						

Checklist - Certify Work Beneficiary		
Is the original invoice and/or request for reimbursement and any required annexes attached?	Yes	No
<u>Validation of Documents:</u>		
✓ Is the expenditure being claimed in line with the 'grant agreement' issued by the Managing Authority?	Yes	No
✓ Is the line item on the invoice eligible?	Yes	No
✓ Is the invoice/request for reimbursement based on a valid contract?	Yes	No
✓ Does the invoice reflect the schedule of payments in the respective contract? (if applicable)	Yes	No
	Not Applicable	
✓ Are the following details on the invoice/request for reimbursement all correct: date, line item, quantity, amount, contractor's/entity's details, VAT element?	Yes	No
✓ Is the amount on the invoice/request arithmetically correct?	Yes	No
✓ The ISC must be final not a draft. Was the <i>Certify Work Beneficiary</i> level (Payment Authorisation section) marked as Complete prior to generation of this ISC?	Yes	No
<u>Delivery of product/service:</u>		
✓ Unless the invoice is for an advance payment, have the works/products/services been delivered according to contract specifications/Terms of Reference?	Yes	No
	Advance Payment	
<u>Compliance with National and Community rules:</u>		
✓ Have the relevant National and Community rules, including the Public Contracts Regulations and Rules on Eligibility been complied with?	Yes	No
Signature: Date:		
Managing Authority - EFF		

Checklist - Confirmation LM		
<u>Ensuring that the Beneficiary carried out the required checks:</u>		
✓ Has the Beneficiary carried out the required checks, completed the ISC as required and updated the SFD?	Yes	No
✓ Have relevant National and Community rules, including the Public Contracts Regulations and Rules on Eligibility been complied with?	Yes	No
✓ Has the Beneficiary uploaded the invoices or equivalent onto the SFD?	Yes	No
✓ Does the payment correspond to a valid Contract?	Yes	No
✓ Is the amount requested arithmetically accurate?	Yes	No
<u>Raising the DAS Commitment:</u>		
✓ Has the correct commitment been raised through the DAS by the Accounting Officer?	Yes	No
✓ Does the commitment and the invoice have common recipient names, common corresponding VAT identification numbers and matching amounts?	Yes	No
<u>SFD:</u>		
✓ Upon confirmation of the above, has the LM confirmed the status of Confirmation_LM as completed on the SFD?	Yes	No
Signature: Date:		
Programme Implementation Directorate, MRRA		

Checklist - Acceptance_Treasury		
<u>Checking the Invoice and ISC:</u>		
✓ Have the Beneficiary and the LM checked, completed, signed and stamped the ISC?	Yes	No
✓ Is the invoice or equivalent in line with National rules?	Yes	No
<u>Confirming the DAS Commitment:</u>		
✓ Is the commitment issued by the Accounting Officer in the Ministry accurate?	Yes	No
✓ Has the commitment been produced out of the correct incidence of charge budget line?	Yes	No

<u>SFD:</u>			
✓	Have the Beneficiary and the LM marked the status of the ISC as complete in the relevant section of the SFD?	Yes	No
<u>Instructing CBM to transfer funds:</u>			
✓	Were the required documents prepared and forwarded to the CBM for payment execution?	Yes	No
Signature: Treasury		Date:	

6.12 Savings to the Project

1. It is important to note that as a general rule any savings to a project go back to the Priority Axis of the OP under which the project is co-financed. In this regard, the Beneficiary is to inform the MA of any savings (even if these are still potential at the time and not yet fully quantified) as soon as the Beneficiary becomes aware of them. **Beneficiaries will be held responsible for any loss of funds to Malta resulting from failure to report savings (or even possibility of savings) to the project.**
2. The Beneficiary cannot utilise savings without prior authorization from the MA. If the Beneficiary needs to utilise the savings, the Beneficiary should first inform the MA in writing that there are savings from the project budget allocation and make the request to utilise these savings providing the relevant justification.

6.13 Accounting System

1. In accordance with Article 59(d) of Council Regulation EC1198/2006, the Managing Authority (or Intermediate Bodies, as applicable) is entrusted with the function of ensuring that: *[...] beneficiaries and bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules.*
2. Beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or accounting code for all transactions relating to the operation. It is therefore the responsibility of the Beneficiary to ensure that all transactions related to each co-financed operation are recorded either:
 - i. in a fully-dedicated separate accounting system; or
 - ii. through the assignment of a specific accounting code in the existing system (easily identifiable and retrievable, as well as auditable).

6.13.1 Governmental Ministries, Departments and Agencies

1. Government departments, whose operations are fully recorded in the Departmental Accounting System (DAS), shall be deemed to fulfil its obligations implied under Article 60(d), as long as the coding system ensures adequate traceability of all transactions related to operations.

6.13.2 Government Entities

1. All relevant International Financial Reporting Standards (IFRS) and in particular International Accounting Standards (IAS): Accounting for Government grants and Disclosure of Government Assistance – shall be applied. In this regard, the Beneficiary is requested to present the auditor's certificate for the latest financial statements, providing assurance that such statements give a true and fair view of the financial position, in accordance with International Financial Reporting Standards. Adherence to the applicable Standards shall therefore be implied from this certificate.

The Managing Authority shall:

- i. check the accounting system in its on-the-spot checks; and
- ii. obtain a copy of the auditor's certificate for each financial year, for the full duration of the project, and for the year following the last reimbursement received by the Beneficiary.

6.13.3 Private Enterprises

1. Two types of Beneficiaries are being identified, taking into account the nature of the enterprise and its obligation to disclose annual financial statements as premeditated by national legislation.

2. **Type 1: Private enterprises with the obligation to prepare annual financial statements.** These enterprises are to comply with generally accepted accounting principles and practices as defined by Article 3(1) of L.N. 19 of 2009 Accountancy Profession (Accounting and Auditing Standards) Regulations. This shall mean that enterprises are to adhere either to:

- i. international accounting standards; or
- ii. general accounting principles for qualifying private or small and medium sized entities as may be prescribed by regulations, directives or guidelines issued from time to time in terms of the Accountancy Profession Act.

In this regard, the IB is requested to obtain either:

- i. a copy of the auditor's certificate for the applicable financial statements, providing assurance that such statements give a true and fair view of the financial position and that the financial statements have been properly prepared; or
- ii. an auditor's certificate providing specific assurance that a separate accounting system or adequate accounting code has been maintained

3. **Type 2: Private enterprises with no obligation to prepare annual financial statements** in the absence of the obligation to prepare financial statements, the following will suffice:

- i. maintenance of a separate bank account; and
- ii. a record showing full details of expenditure paid and funds received related to the project (e.g. spreadsheet)⁵⁹.

The IB shall check that these obligations are in place.

6.13.4 Non-Governmental Organisations

Voluntary organisations benefiting from the EFF 2007 – 2013 Programme shall also ensure adherence to this obligation and other obligations as prescribed by the applicable national legislation, regulations and procedures.

Voluntary organisations are requested to present the auditor's certificate for the latest financial statements, providing assurance that such statements give a true and fair view of the financial position, in accordance with International Financial Reporting Standards. Adherence to the applicable Standards shall therefore be implied from this auditor's certificate. The Managing Authority shall:

- i. check the accounting system in its on-the-spot checks; and
- ii. obtain a copy of the auditor's certificate for each financial year, for the full duration of the project, and for the year following the last reimbursement received by the Beneficiary.

7. Drawdown of Funds from the European Commission

7.1 Grant Agreement

The Grant Agreement signed between the Managing Authority and the Beneficiary gives the relevant detail on the objective, targets and financial allocation of the project. The Grant Agreement binds the Beneficiary to implement the project in accordance with terms and conditions of the said agreement and any requests for changes shall be notified to the desk officer within the MA (and or Intermediate Body in the case of aid schemes) within good time to allow for an assessment by the MA (or the IB as the case may be) of the request and its relevant approval (or rejection). Approvals are sent to the Beneficiary in writing and these are then generally followed up in an addendum. Although the MA shall approve all changes in writing, there is no need to sign an addendum each time there is a change. In the spirit of proportionality and also reduction of administrative burden, an addendum may incorporate several changes that have taken place over a span of time. No unilateral changes (from the Beneficiary) to the Grant Agreement shall be accepted by the MA.

7.2 Statement of Expenditure

1. Malta can only submit a claim for reimbursement from the EU when expenditure is actually incurred. Therefore, Beneficiaries and Line Ministries are to ensure that invoices are received and payments are processed in the shortest time possible.
2. It is important to note that **failure to ensure that payment procedures are initiated and processed efficiently may result in Malta losing funds.**
3. The paid invoices are stored in the Database and then undergo a verification process by the MA / IB. Once a substantial amount of expenditure is incurred, the MA will, initiate the verification process for the submission of requests for reimbursement from the Commission. The MA prepares a timetable with established dates for the different stakeholders involved in the process and this is circulated to Public Beneficiaries, IBs, Line Ministry and Treasury. The CA is informed by the MA on the dates it will be forwarding the relevant SOE documents for certification.

7.2.1 The Verification Process

1. The verification process is an integral part of the implementation system of EFF projects. Verification is the process whereby all payments effected by Treasury for each project benefiting from EFF are checked again, verified correct at different levels and are eventually submitted to the European Commission (by the CA) for reimbursement. There are various levels and this process is undertaken through the Database:
 - a) **At Project level** this process is undertaken by the Beneficiary (refer to the next section for details). Once the Statement of Expenditure at project level is generated, the actual SOE invoice list and declaration (fully signed hard copy) is submitted to the MA for further processing at the next level (Priority Axis level).
 - b) **At Priority Axis level** this process is undertaken by the MA. The MA undertakes documentary checks (which may include both on-site checks on the documents held by the Beneficiary and desk-based checks through the Database) on all the payments listed in the SOE generated by the Beneficiary for each project. During this stage the MA may ask for additional clarifications and/or additional assurances from the Beneficiary. Those payments that are accepted in the verification process by the MA are then passed on (by the MA) to

the CA. At this stage, the MA recommends which payments (from those selected originally by the Beneficiary at project level) may be considered for reimbursement from the EC.

In the case of Aid Schemes under Article 107 of the Treaty, the verification process is undertaken by the IB for the whole scheme and forwarded to the MA for onward transmission to the CA to include it in the certification process. The MA shall undertake its own sample checks and may ask the IB for additional clarifications at this stage.

c) Upon receipt of the SOE from the MA, the CA undertakes the certification process. The CA may also ask for clarifications during this process.

7.2.2 – Verification Process at Project Level

1. For the purpose of this MoP, the focus is on the verification process undertaken by public Beneficiaries or Intermediate Bodies at Project Level.
2. Only payments that have been processed correctly and against which there are no pending follow-up issues (including suspicion of irregularity) has been raised by any of the stakeholders in the system should be verified by the Beneficiary or IB.
3. When undertaking the verification process, the Beneficiary or IB must undertake a review of each payment effected by Treasury since the previous SOE as well as any relevant pending payments not included in previous SOEs. Beneficiaries/IBs may utilise the checklist found at Annex VII of this MoP which is **only** a guidance of issues that the Beneficiary/IB should check prior to the verifying the payments in the Statement of Expenditure at Project Level.
4. Once the Beneficiary/IB undertakes the review exercise and is satisfied that all expenditure incurred is in line with the Grant Agreement and contract and in compliance with the established EFF procedures, the Beneficiary/IB can generate the Statement of Expenditure by Project (including all relevant payments pertaining to that project) through the Database. It is important that the Beneficiary/IB generates the SOE within the stipulated deadline as set out in the timetable issued by the MA (see para. 2 of section 7.2 above).
5. It is important to note that the SOE is prepared for every project or scheme separately.
6. Once the SOE is generated through the Database, the project leader prints and signs the SOE together with the Declaration and a pdf scanned copy of the SOE is uploaded on the Database.
7. It is important that the Beneficiary/IB ensures that all necessary documents (as per section 12.3 of this MoP) have been uploaded on the Database, prior to submitting the SOE and Declaration to the MA.
8. The Beneficiary/IB sends the signed original SOE by Project and the Declaration to the MA for the 2nd stage of the verification process.
9. It is important to note that should the MA require any clarifications on expenditure included in the SOE, the MA submits (via an email) a request for clarification to the Beneficiary/IB. The latter must reply immediately to the MA's request in view of the tight deadlines within which the verification process is completed. If the MA is satisfied with the Beneficiary's reply, the MA will proceed with the verification process. If the MA is not satisfied with the Beneficiary's reply, the MA may either request additional information or notify the CA for further action.

7.3 The Certification Process

1. The CA has the overall responsibility for the certification process (as explained in Section 2.2 of Chapter 2 of this Manual). Once the verification process is concluded, the SOE by project and by priority together with any relevant comments are sent to the CA for further processing. The CA will undertake its own checks on the claims being forwarded for certification via the SOE. The CA may also ask for clarifications where the need arises.
2. Checks are conducted on a sample of claims/invoices brought forward in the respective SOEs.
3. The CA has the overall responsibility for the certification process. Once the verification process is concluded, the SOE together with any relevant comments are sent to the CA for further processing. The CA will undertake its own checks of the relevant documentation and may also ask for clarifications. It is important for Beneficiaries to reply immediately to any requests for clarification from the CA in order not to delay the certification process. The CA may reject part of the SOE in which case a formal letter containing the relevant information will be sent to the PL, copied to the Permanent Secretary of the Line Ministry (where relevant) and also recorded in the Database by the CA, within a maximum of one week from the submission of the certification by the CA to the EC. The PL shall ensure that any documentation submitted by the CA is filed in the appropriate manner in order to ensure a full audit trail of the certification process.
4. The CA performs the certification process in accordance to Article 60 of the EFF Regulation every time a request for reimbursement is made to the EC.

The certification process is undertaken in two stages which are inter-related.

7.3.1 – Stage 1. Certification Process

1. The Officer in charge of a particular fund within the CA shall:
 - a. Review all relevant documentation, namely:
 - SOE by Priority together with the attached Declarations;
 - The invoices and the Invoice Status Certificate (a sample of all claims being forwarded for certification will be checked, having a mix of high value, medium value and lower value claims);
 - The Irregularities Report received between the previous certification and the date of certification;
 - The reports of the on-the-spot checks carried out by the MA (or the IB in the case of aid schemes);
 - The Audit Reports received by the CA between the previous certification and the date of certification.
 - b. Print Out of the SOE by Priority related to the OP of the EFF 2007 – 2013 Programme. This SOE is generated through the Database. The officer ensures that, based on the testing carried out:
 - every expenditure in the SOE is supported by the SOEs by Priority and by project together with the relevant Declarations provided by the MA;
 - a CBM debit advice has been issued for every expenditure therein;
 - every expenditure was actually effected within the eligible period;
 - every expenditure was incurred in operations that were selected for funding and are in line with the Grant Agreement;

- every expenditure related to measures for which all State Aid has been formally approved, where relevant;
 - there is compliance with all relevant national and Community rules.
2. The Officer reviews findings with the Senior Manager who, in turn, discusses with the Assistant Director (who is the Officer i/c of Stage 1 Certification). The latter communicates findings to the MA/IB (where applicable) and requests clarifications on queries (if any). Where clarifications/follow up is necessary, these will be sent to the MA (copying the LM and Beneficiary where necessary) so that the required action is taken. Where the replies/follow up to the clarifications does not provide the necessary assurance to the CA and/or where queries are not resolved, then that particular invoice is rejected from the SOE. In this manner, the CA may certify the remaining invoices and hence not jeopardise the whole certification process. Once the query is settled, the invoices are certified with the next batch of invoices in the following certification.
 3. Once the above points have been satisfied, the Officer in connection with Stage 1 Certification informs the Senior Manager accordingly and requests the finalisation of the process at this Stage.
 4. The Senior Manager ensures that the office fills in the relevant CA Checklist, signs and dates it. The checklist together with the relevant documentation is submitted to the Senior Manager who makes the necessary counter checks and countersigns the checklist.
 5. The Officer in connection with Stage 1 Certification endorses the relative documentation as complete from Stage 1.
 6. All relevant documentation is then passed on to the Stage 2 Certifying Officer to prepare the Certificate and Application for Payment in accordance with Annex IX of the EFF Implementing Regulation.

7.3.2 – Stage 2. Certification

1. Following the completion of Stage 1, the Stage 2 Officer within the CA shall issue the Certificate and Application for Payment in accordance with Annex IX of the EFF Implementing Regulation.
2. The Stage 2 Officer shall draw up the Certificate of Expenditure against the SOEs and Declarations. Prior to drawing up the Certificate of Expenditure, the Certifying Officer (Head Certifying Authority) shall be satisfied that operations are progressing in accordance with the objectives laid down in the EFF Regulation particularly with regard to:
 - Compliance with the provisions of the Treaty and instruments adopted under it with Community policies, in particular the rules on competition, procurement regulations, environmental protection, elimination of inequalities and the promotion of gender equality;
 - Application of management and control procedures to the assistance granted;
 - Availability of all the supporting documents for a minimum period of three years following payment of the final balance by the Commission;
 - The OP and/or AIR has been sent to the EC by the MA;
 - If any recommendations on management have been made by the Commission and whether these have been followed;
 - If any requests for corrective measures on control have been made by the Commission under Article 97 of the EFF Regulation and whether these measures have been applied;

- None of the certified expenditure has been suspended under Article 89 of the EFF Regulation;
- None of the certified expenditure comes under a Priority containing state aid that has not yet been approved by the Commission.

Such assurance would emanate from the documentation and declarations submitted by the MA.

3. The Stage 2 Officer shall also complete the Application for Payment (Annex IX of the EFF Implementing Regulation) and shall ascertain the status of:
 - The OP and the date when the OP was adopted;
 - The latest annual report/final report on implementation (Article 67(1) of the EFF Regulation);
 - Any follow-up to recommendations for improving the monitoring and management arrangements made by the Commission under Article 69(2) of the EFF Regulation;
 - Follow-up to requests for corrective measures under Article 97 of the EFF Regulation.
4. Other requirements that the Stage 2 Officer has to take into account are:
 - that decisions of the MA and the MC are consistent with the total amount of Fund contribution to the priorities concerned;
 - whether certified expenditure has been suspended pursuant to Article 89 of the EFF Regulation.
5. The Stage 2 Officer shall report and deduct in the Application for Payment any irregular payments recovered together with any interest received on account on late payment. The debtors' ledger maintained in accordance with Article 60(f) of the EFF Regulation shall be updated on a continuous basis to enable the CA to keep track of recoveries that are being reported to the Commission and to monitor pending recoveries to ensure that these are deducted from upcoming certifications.
6. The Stage 2 Officer and the Certifying Officer shall complete the Certification Checklist of the CA and endorse it accordingly.
7. The SOE by Fund together with the Certificate of Payment shall be sent to the EC through the Database where, the Stage 2 Officer shall create, sign, validate and send the Interim Payment Application to the Commission. Moreover, the Stage 2 Officer shall ensure that the relevant DG within the Commission receives the Application for Payment and that the Database has been successfully uploaded.
8. The Stage 2 Officer has the overall responsibility to ensure that the funds that have been requested are approved by the Commission and funds are actually transferred to the CBM. Any clarifications or corrections requested by the Commission have to be reviewed and any necessary action to be taken to enable the drawdown of funds. Subject to availability of funds, the Commission shall make interim payments to the relevant bank account at the CBM within two months of receipt of an acceptable payment application from the CA.
9. It is important to note that the verification and certification process is the basis on which the claim for reimbursement of funds can be made to the EC. Thus all stakeholders involved in the process are to ensure that the steps outlined above are followed in a correct and transparent manner. Errors committed may result in delays in the certification process which could have serious implications on the automatic de-commitment of the funds.

7.4 – Payment from the European Commission

1. Payments from the EC can consist of:

- a. Payment on account – the advance payment for this Programming period amounts to 7 % of the contribution from the EFF. It may be spread to two financial years in accordance with the available budget of the EFF.

Payments on account are made to the CA. Once the advance payment for the OP is effected, all future interim claims from the EU must be based on certified expenditure incurred. If no request for payment is made to the EC within 24 months from the date when the Commission pays the first instalment of the pre-financing amount, all of the payment on account must be repaid by the CA to the EC⁵¹.

- b. Interim payments – Interim payments are made by the EC on the basis of certified expenditure applications submitted by the CA and are subject to a number of conditions, including submission of the AIR and the mid-term evaluation being submitted by the MA within the appropriate timeframes. Interim Payments are made to reimburse the Government with the EU component of the actual expenditure incurred by the Beneficiaries and IBs (in the case of Aid Schemes) and certified by the CA. Payments are based on expenditure at Fund level and at the co-financing rate indicated in the OP. The CA must ensure that the advance payment plus the interim claims do not exceed 95% of the contribution from the Fund.
- c. Payment of final balance – the final balance is paid once the CA submits a certified SOE following the submission of the final implementation report by the MA. An independent statement of assurance (closure declaration) summarizing the adequacy of control checks carried out is also required for closure of the programme. The closure declaration is compiled by the AA.

2. The CA must ensure that all payments received by Malta are recorded in the Database.

7.5 – Transfer to Central Government Revenue

1. The Constitution of Malta stipulates that all money received by the Government of Malta has to be accounted for in the General Public Account. Therefore, upon receipt of payment from the EC, the CA ensures that:
- It issues an official letter authorising the CBM, in conjunction with the Treasury Department, to debit the CBM Account and credit the Government's Revenue Account in the appropriate revenue Line Item;
 - As a security requirement, the official letter should bear two signatures. This responsibility has been delegated to the Head of the CA and the Director General (Budget Affairs). In the absence of the former two, this task is performed by those Public Officers delegated with the authority to perform such tasks;
 - The transfer of Funds through a 'Transfer Schedule of Payments' is effected;
 - Subsequent 'Receiving Schedule of Payments' evidencing the above mentioned transaction shall be kept recorded in the relevant CA file.

⁵¹ Article 81(2) of the EFF Regulation.

8. Monitoring and Reporting

8.1 Monitoring

Articles 62 to 69 of the EFF Regulation specify the monitoring process. Monitoring is an on-going process of examining the progress of interventions and expenditure to ensure the attainment of programmed results. The MA has the overall responsibility for monitoring at Programme level. However, the monitoring system relies on a bottom up approach and therefore it is important that all players in the system give their input timely. The implementation system foresees a number of tools and structures that will support the monitoring process.

8.1.1 Monitoring Structures and Tools

i. Monitoring Committee

Malta has set up a Monitoring Committee (MC) in terms of Article 63 of the EFF Regulations. The main task of the MC is to **monitor the OP at the strategic level** thus ensuring that the objectives and targets at Programme level are being met. The Committee is chaired by the Permanent Secretary (MEAIM) (or his representative) and has members from the Government as well as Partner Organisations and Civil Society. The Committee meets at regular intervals. The objectives are both to monitor targets as well as facilitate implementation and the timely and effective absorption of the Funds. The secretariat to the MC is provided by the MA and any queries regarding the OP can be sent to the MA on the contact address provided under Chapter 2 of this MoP.

ii. Ministerial Projects Steering Committee (in case of public sector projects)

This is a monitoring structure **at ministerial level** which provides an effective mechanism to track progress of projects falling within the portfolio of the particular Line Ministry⁵². The Committee is chaired by the Permanent Secretary of the Ministry (or his/her representative). The objectives of this committee are both to monitor targets as well as facilitate implementation and the timely and effective absorption of the Funds. In this regard the Project Leader is required to compile progress reports bi-annually (refer to Section 8.2) through a structured template. It is important for Project Leaders to ensure that the reports contain all the necessary information at the required level of detail so that discussion at Project Steering Committee level is effective.

iii. Bi-lateral Meetings (all projects)

From time to time the MA may organise bilateral meetings with Beneficiaries (including voluntary organisations) and/or IBs to discuss issues arising from the progress (monitoring) reports and/or from the day-to-day monitoring conducted through the Database. Specific meetings are held with those projects deemed to have specific issues which could put at risk the timely implementation of the project. Beneficiaries are notified in due time if they are called in for such a meeting.

iv. Co-ordinating Cells within the Line Ministries (in case of public sector projects)

Directors Programme Implementation, as the co-ordinating cells within the line Ministries, are responsible for monitoring of projects and to alert any of the horizontal stakeholders, if and when required, of any issues that could effect the timely implementation of the project. The

⁵² Part of recommendation of the mid-term update on the SPD04-06

DPIs are also responsible for endorsing the quality of the progress reports before these are confirmed to the MA.

iv. Monitoring by the Beneficiary/IB

The Beneficiary/IB, through the appointed PL, has the responsibility of ensuring effective monitoring of the project/aid scheme. The Beneficiary/IB is also responsible for financial monitoring (and forecasting) as well as monitoring of physical implementation on the ground. It is up to the Beneficiary/IB organisation to choose the most appropriate tool to ensure effective and timely monitoring of the project/aid scheme, however continuous monitoring activities by the Beneficiary/IB must be well documented, dated and signed.

v. Ministerial Projects Steering Committee (in case of public sector projects)

This is a monitoring structure **at ministerial level** which provides an effective mechanism to track progress of projects falling within the portfolio of the particular Line Ministry. The Committee is chaired by the Permanent Secretary of the Ministry (or his/her representative). The objectives of this committee are both to monitor targets as well as facilitate implementation and the timely and effective absorption of the Funds. In this regard the Project Leader is required to compile progress reports bi-annually through a structured template. It is important for Project Leaders to ensure that the reports contain all the necessary information at the required level of detail so that discussion at Project Steering Committee level is effective.

8.1.2 Monitoring of Results - Use of indicators

1. Monitoring of European Fisheries Funds is facilitated through the use of indicators, making it possible to measure the progress in relation to the baseline situation and the achievements of targets of each project, Priority Axis and the OP as a whole.
2. There are three sets of indicators:
 - Context indicators - such indicators capture the physical output or product activity undertaken, i.e. what is directly obtained in exchange for public expenditure. Such indicators are described and quantified at Priority Axis level and are based on the main focus areas of each of the Axes and under which, most of the interventions of each Axis are likely to occur;
 - Output indicators - these indicators measure the immediate benefits of the intervention/group of interventions for beneficiaries. Just like the output indicators, these result indicators are described and quantified at Priority Axis level and are based on the main focus areas of each of the Axes and under which, most of the interventions of each Axis are likely to occur;
 - Results indicators - these capture the longer-term effects of the programme on a national level. The overall objective and the specific objectives of the OP are measured and assessed through an overall impact indicator. The selection of the impact indicators is driven by the objective to come closer to the performance of the EU member States on issues related to economic performance and enhancement of the quality of life of the Maltese citizens and the objective to contribute towards the goals of the Lisbon strategy. The selected impact indicators are expected to contribute towards the attainment of the overall target of the OP.

1. The output and result indicators are described and quantified at the Priority Axis level and are based on the main focus areas of each Axes and under which most of the interventions of each Axis are likely to occur or can be grouped. The targets established for the output and result indicators will be achieved at programme level by the end of the programming period. These two sets of indicators contribute towards the attainment of the results indicators (specific and/or overall).
3. In order to achieve the indicators at programme level, a bottom up approach is adopted whereby each project selected for funding through EFF, will have an established set of output, result & impact indicators established in the Grant Agreement. The Beneficiary/IB of each project/aid scheme will work towards the attainment of the indicators set out in the respective Grant Agreement, which will ultimately contribute towards the attainment of the indicators set at OP level under the relevant Axis.
4. The indicators of each project/aid scheme will be monitored mainly through the EFF Database and the Project Progress Report (PPR). However, additional surveys and/or research activities may be undertaken (by the Beneficiary and/or the MA) in the case of certain result indicators.
5. The Beneficiary/IB and the project leader are responsible for collecting, and verifying the data with regard to the indicators in the agreed project/aid scheme. It is important to note that monitoring of indicators is a condition of the grant and failure to attain the agreed targets could lead to recovery of funds on the project and loss of funds for Malta.

8.1.3 The Database

1. Day-to-day monitoring is based on a bottom-up approach. Informally, the MA is in touch with Project Leaders almost on a daily basis, however most of the effective monitoring depends on timely information being uploaded or inputted into the central electronic system (the Database) by all the relevant stakeholders – including both the Beneficiary as well as horizontal stakeholders. The Database information is used by the MA to track and deal with urgent issues regarding implementation.
2. Once an organisation becomes a Beneficiary, it will be asked to nominate the various officials that shall have access to the Database. Heads of organisations should inform the MA immediately of any changes in this regard (e.g. persons no longer working on the project) in order to ensure that only those persons that should have access to the data, do in fact have this. The Beneficiary organisation shall bear all responsibility for the misuse of data in cases where it fails to inform the MA of such changes. Heads of organisation should raise an electronic request for service (ERFS) with the MITA through the respective Information Management Unit (or equivalent) in order to deactivate the account.
3. Tutorials and guidance notes about the Structural Funds Database, which is very similar to the Database used for the EFF 2007 – 2013 Programme, are available at https://secure2.gov.mt/fpd/links_downloads. These tutorials and guidance notes provide information to the officers using the information system, and should be considered as an integral part of this MoP.

8.2 Reporting Requirements by Beneficiary

Different levels of reporting have been established. These include:

- Project Progress Reports prepared by the Beneficiary;
- Regular Updates in the electronic system;
- Input (by the Beneficiary) to the Annual (and Final) Implementation Report prepared by the MA when applicable;
- Project Closure Report which is prepared by the Beneficiary at the end of the project and confirmed by the MA.

8.2.1 Project Progress Report

1. The Beneficiary may be requested by the IB or the MA to prepare Project Progress Report (PPR) every six months. The report is compiled on a specifically designed template and is intended to give a snapshot on progress (physical and financial) and any risks or issues needing mitigation and/or resolution. The report will be endorsed by the PL and IB and will be used during the Bi-lateral Meetings.
2. The PPR will contain the following data:
 - Project data in terms of funds allocated to the project as per Grant Agreement;
 - List of project activities and their status;
 - Implementation Update:
 - update of the project as at cut off date for reporting;
 - update on progress achieved from the last project progress report submitted i.e. progress achieved during the previous four months.
 - Planned/actual implementation schedule as Grant Agreement;
 - Contracting schedule;
 - A table containing the planned vs. actual disbursement schedule as in the Grant Agreement;
 - A table with the performance indicators obtained to date;
 - A table with a list of the actual publicity initiatives undertaken and;
 - A section dedicated to any follow-up actions required to mitigate risks;
 - Updates on projected revenue (where applicable);
 - Details are to be provided as at the cut off date of the report.
3. The co-ordinating cells (DPI) within the Line Ministries (where applicable) shall validate the report before it is submitted to the MA. (and/or to MPSC if applicable). The MA (or MPSC) may suggest changes to the report.
4. It is important that the Beneficiary and Ministry ensure that any data is validated as errors in the data could result in recoveries on the project.

8.2.2 Regular Updating on the Database

The Beneficiary, the IB and other stakeholders (e.g. Treasury) must regularly update the project implementation status in the Database to reflect both physical and financial progress. It is important that the Beneficiary and other stakeholders update the Database both in terms of contracting as well as in terms of disbursements. This allows the MA to monitor the actual progress being achieved on a regular basis. Failure to update the

Database on the regular basis may lead to distorted reporting in terms of the achievements of the respective project.

8.2.3 Project Closure Report

1. Upon completion of the project, the Beneficiary should compile the Project Closure Report in a template provided by the MA. The PL submits the signed report within one month from the MA's request. The report must be reviewed by the Director Programme Implementation and endorsed by the Permanent Secretary (in the case of public sector projects). In the case of Voluntary Organisations or economic operators, the report should be endorsed by the legal representative of the Organisation and the person responsible for the organisation's finances.
2. The Original report is submitted to the MA. A copy of the signed report is kept in the project file of the Beneficiary as well as that of the LM (where applicable).

8.3 Reporting Requirements by the IB

1. The IB for Aid Schemes has the same reporting obligations as outlined above for Beneficiaries with the exception that the IB must prepare an annual report on the implementation of the respective Aid Scheme while a Beneficiary provides input to the MA in relation to the AIR only if and as requested by the MA. Therefore the IB reports at the following reporting levels:
 - Regular Updates in the electronic system Database;
 - PPR prepared by the IB every six months;
 - Annual Report submitted to the MA and;
 - Project Closure Report which is prepared by the IB at the end of the project and confirmed by the MA.
2. The Beneficiary / Project Leader may be asked to submit ad hoc progress reports for internal use of the MA or by any of the monitoring structures.
3. The IB will be tasked to monitor targets as well as facilitate implementation and the timely and effective absorption of the Funds allocated to the respective aid scheme.
4. The Project Leader of the IB is also required to compile progress reports once every six months (refer to Section 8.2 above) through a structured template. It is important for the PL of the IB to ensure that the reports contain all the necessary information at the required level of detail so that discussion at Bi-lateral Meetings is effective.
5. In order to fulfil its responsibility in reporting on an annual basis, the IB provides an annual report to the MA which contains the following information:
 - the progress made in implementing the respective Aid Scheme in relation to the specific, verifiable targets, with a quantification;
 - the contribution of the respective scheme to the objectives and output and results indicators at Priority Axis level, and objectives and impact indicators at Programme level;
 - data on Beneficiaries that are benefiting from the respective scheme;
 - the financial implementation of the scheme:
 - the expenditure paid out by the Beneficiaries included in applications for payment sent to the MA and the corresponding public contribution; and
 - the expenditure paid out by the Treasury Division;

- the indicative breakdown of the allocation of Funds by categories, in accordance with the implementation rules adopted by the Commission in accordance with the procedure referred to in Article 101(3) of the EFF Regulation;
- any modification as specified in Article 56(2) of the EFF Regulation;
- number of on-the-spot checks carried out during the year (by quarter) and where possible those projected for the following year by quarter;
- number of irregularities detected and reported during the year under review;
- information on any follow-ups of on-the-spot checks/irregularities pending from the year under review;
- information on the publicity actions undertaken and any samples supporting that action.

8.4 Reporting Requirements at Programme Level

8.4.1 Annual Implementation Report

1. Article 67 of the EFF Regulation requires the MA to prepare an AIR for the EFF OP. The report must first obtain the approval by the MC and subsequently be submitted to the EC. The AIR must be submitted to the EC not later than six months after the end of each full calendar year of implementation (i.e. 30th June each year). The first AIR for the 2007-2013 programming period is due by 30 June 2008.
2. The AIR is compiled on the basis of the information gathered through the various monitoring levels referred to previously as well as through information supplied by key horizontal stakeholders such as the CA, the AA, DoC and the Treasury Department.
3. The AIR is drafted in accordance with the template provided in Annex XIV of the EFF Implementing Regulation. The report includes information on the following:
 - the progress made in implementing the OP and priority axes in relation to their specific, verifiable targets;
 - the financial implementation of the OP detailing the total expenditure paid out to Beneficiaries including claims for payments submitted to the EC and the total payments received from the EC;
 - indicative breakdown of the allocation of Funds by categories in accordance with the implementation rules adopted by the Commission (in accordance with Article 101(3) of the EFF Regulation);
 - steps taken to ensure quality and effectiveness of implementation;
 - publicity measures taken to raise awareness on the respective OP and the assistance being granted through the respective OP;
 - significant problems encountered throughout implementation in relation to compliance with Community regulations and measures taken to deal with such problems;
 - progress and financing of major projects (where applicable);
 - use made of funds following a financial correction (where applicable); and
 - reports of cases of non-compliance with the durability clause set out in Article 56 of the EFF Regulation.
4. Following completion of the draft AIR, the MA presents the report to the respective MC for approval in accordance with Article 65(d) of the EFF Regulation. Upon the MC's approval, the MA submits the report to the EC within six months from the end of the calendar year to which the report relates to.
5. Following submission, the EC will inform the MA on the admissibility of the report within 10 working days from the date of receipt of the report. In addition, the Commission informs the

MA on its opinion on the content of an admissible report within two months from the receipt of the report.

6. The Commission can make recommendations as part of its review and the MA prepares a draft detailed reply following consultation with the relevant stakeholders. The draft response is submitted to the MC for approval whereby the latter exercises its discretion whether to implement the response as proposed or to vary the response. Once approved, the final response is sent to the EC.

8.4.2 Annual Examination of Programme

Following the submission of the AIR, the EC and the MA examine the progress made in implementing the OP, the results achieved over the year under review together with the financial implementation and other factors which may improve implementation.

Following completion of the annual examination exercise, the EC may make comments to the MA and the latter informs the MC accordingly. Following consultation, the MC will approve the actions to be taken in response to the EC's comments and the latter will be informed accordingly.

8.4.3 Final Report

The MA prepares a final report (containing information similar to that of the AIR) for the EFF OP for the 2007-2013 period. As per Article 86(1) of the EFF Regulation, the final report must be submitted to the EC by 31st March 2017. The same procedure applied for preparing, approving and submitting the annual reports, is adopted for the final report.

8.5 Post-Closure Project Monitoring

1. As stipulated in Article 56 of EC1198/2006, Beneficiaries shall ensure that any operation comprising investment in infrastructure or productive investment retains the contribution from the Funds only if it does not, within five years from its completion, undergo a substantial modification which is caused by a change in the nature of ownership of an item of infrastructure or the cessation of a productive activity and which affects the nature or the implementation conditions of the operation or gives to a firm or a public body an undue advantage.

2. In accordance with Article 56, any changes with regard to point 1 shall be brought to the attention of the Commission in the Annual Implementation Report prepared by the Managing Authority. Sums unduly paid shall be recovered in line with the measures prescribed under Title VIII, Chapters II and III of the General Regulation. Such proceedings may not apply in cases of substantial modification as a result of the cessation of the productive activity due to a non-fraudulent bankruptcy.

3. The MA shall be monitoring the obligations under Article 56 of EC 1198/2006 for each closed project in the form of a Beneficiary declaration. In addition the MA (on sample basis) may undertake on site visits to check the durability of the co-financed operations.

8.6 Evaluation

The aim of an evaluation (in accordance with Article 47 of EC No 1198/2006) is to improve the quality, effectiveness and consistency of the assistance from the Funds and the strategy and implementation of OPs. Evaluation exercises may be undertaken by a number of stakeholders, including the MA and the European Commission.

The MA may undertake evaluations for a number of reasons, including to assess the *strategic* achievements of the OP in a more systematic and holistic manner and also in cases where the monitoring system reveals departures from the objectives set out in the respective OP. Evaluations of an *operational* nature shall be utilised to provide support to the monitoring and implementation system. All Beneficiaries (and other relevant stakeholders) shall co-operate fully with the MA and the EC (and their delegated Contractors) on evaluation exercises. The MA shall inform the Beneficiary (in advance) of any such exercise and the Beneficiary is to ensure that any information and feedback provided during an evaluation exercise (through an interview or in writing or through any other medium following consultation with the MA) is retained by the Beneficiary in file.

The Beneficiary shall inform the MA if approached by an evaluator directly in order to ensure full coordination of the exercise and avoid duplication of effort and resources.

9. Audit and Control

9.1 Introduction

1. This section is concerned with financial control procedures applied for EFF 2007-2013 co-financed expenditure. The framework for proper financial management, control and audit is set out in the EFF Regulation (EC 1198/2006) and the Implementing Regulation (EC 498/2006).
2. Internal Control – The Beneficiary stakeholder organisation is the main actor responsible to put in place and to maintain control arrangements to ensure proper and sound financial management of the Funds. The financial regulations of the Government of Malta apply to all public sector projects governed by these regulations. In the case of non-public sector projects, the Beneficiaries shall be guided by the same regulations and above all by the principles of good governance and sound financial management.
3. The MA has drawn up an implementation system which has been assessed for compliance with the Regulatory Framework by the AA and submitted to the Commission. This Manual of Procedures incorporates the main issues of that system as applicable to the relevant organisations, particularly the Beneficiary organisation. It is the responsibility of each management level (Beneficiary, LM, MA, DoC, Treasury, CA, etc.) to ensure that there are adequate internal control systems and that these are functioning effectively.
4. Audits and verification checks are required to trace transactions and validate the declared outputs and expenditure from a project. A clear audit trail has been established that allows reconciliation of amounts certified to the Commission with individual expenditure records and supporting documents at various administrative levels (e.g. project and Priority Axis). The audit trail is part of the implementation system drawn up by the MA. The audit trail has been translated into a set of procedures which Beneficiaries and stakeholders should follow when implementing the projects.

9.2 Management Verifications (First Level of Control and On-the-Spot Checks)

1. In accordance with Article 39 of the EFF Implementing Regulation and Article 59(b) of the EFF Regulation, the MA shall carry out verifications in respect of each request for reimbursement. The verification carried out by the MA is in the first instance an **administrative** check to ensure that expenditure is carried out in line with the Grant Agreement/Commission Decision that the relevant procedures have been followed and that operations and expenditure comply with Community and national rules. It should be noted that these checks are NOT audits but administrative verifications. These checks are carried out via the Database. Any queries submitted to the Project Leader should be answered within the stipulated deadline to ensure that funds are not at risk.
2. The administrative verifications represent only one component of the so-called first level of control. In order to ensure that the administrative checks are robust, as part of the 1st level of control, the MA carries out **physical on-the-spot checks. These checks are obligatory by Regulation.** These checks focus on the administrative, financial (payment process and verification of payments), publicity and physical aspects of the project. The MA may use external expertise to support it during checks of the projects' physical implementation.
3. In the case of Aid Schemes under Article 107 of the Treaty, these on-the-spot checks are carried out by the IB. The IB can also be supported by external technical expertise.

4. Administrative and physical verifications may be carried out throughout the project's lifetime. The MA/IB shall inform the Beneficiary that an on-the-spot check will take place at least one day in advance. The template used during the visit is to be sent to the Beneficiary with the on-the-spot check notification in order to help the Beneficiary prepare for the visit. The on-the-spot check is carried out in the presence of the Beneficiary.
5. **The Beneficiary shall ensure that the PL and any other relevant officials are present for the checks and that the relevant documentation is readily available.**
6. The objective of the spot checks are well defined and shall cover the administrative, financial, technical and physical aspects of the project. The Beneficiary should note that the following documents form an integral part of the project dossier which is checked:
 - Copy of the application and relevant correspondence;
 - Original Grant Agreement;
 - Supporting documentation (e.g. site-plans, Cost Benefit Analysis, EIAs, MEPA permits time sheets, performance reports, evidence of internal monitoring⁵³);
 - Original correspondence on agreed changes to the project;
 - Copies of procurement documents required in accordance with the relevant thresholds and as indicated in Retention of Documents, Chapter 16 of this MoP;
 - A copy of all invoices;
 - A copy of all ISCs signed and filled in by the relevant bodies;
 - A copy of the completed Statements of Expenditure (SOEs) and the attached declarations;
 - Inventory of equipment and related documentation⁵⁴;
 - Documentation required in the case of training (e.g. signed attendance sheets) as indicated in Chapter 14 of this MoP;
 - Publicity records;
 - State Aid documents (where relevant);
 - Copies of the Project Progress Reports (PPR) (if any);
 - Copies of reports on irregularities (if any);
 - Finally the Beneficiary shall note the objectives of the checks are well defined. They are not intended to offer the Beneficiary any comfort/guarantees with regards to audits, but are merely management verifications.

9.2.1 – Follow-up Action to the On-the-Spot Check

1. Following an on-the-spot check, the MA shall send the draft report (outlining findings and follow-up/recommendations⁵⁵) to the Beneficiary for signature/comments. The finalised report is uploaded on the Database by the MA for the benefit of the relevant stakeholders.
2. Any follow-up action required is undertaken by the Beneficiary within a stipulated deadline. Failure to do so may result in suspension of the grant.
3. The MA may undertake a follow-up spot check if it deems necessary.
4. In the case of Aid Schemes under Article 107 of the Treaty, Follow-Up Checks are undertaken by the IB managing the scheme, if necessary.

⁵³ See section 9.1.1 of this MoP

⁵⁴ E.g. guarantees as well as documents in relation to 2nd hand equipment (in the case of such equipment having been authorised by the MA).

⁵⁵ Where applicable

9.2.2 – Verifications carried out by the CA

The CA may also carry out administrative or physical verifications, if it needs further clarifications to gain assurances that the system is sound. In such cases, the Beneficiary is informed by the CA and the relevant template is sent by the CA to the Beneficiary in advance. The Beneficiary is expected to co-operate fully with the CA during these checks.

9.3 Systems Audit and Audits on Operation (Second Level of Control)

1. Systems audits and audits on operations are carried out by local and foreign audit institutions. The Internal Audit and Investigations Department (IAID) is the designated Audit Authority in terms of Article 61 of the EFF Regulation and it is the main entity responsible for second level of control. The audits (obligatory by Regulation) are carried out on an ongoing basis throughout the programming period and up to 2015.
2. **Systems audits** are carried out in accordance to Article 61 (1)(a) of Council Regulation No. 1198/2006 in order to verify the effective functioning of the management and control systems of the operational programmes. Systems audits may be carried out on the main implementing bodies and other horizontal stakeholders, as well as on horizontal issues.
3. **Audits on operations** are carried out on operations on the basis of an appropriate sample to verify expenditure declarations to the Commission in accordance to Article 61 (1) (b) of Council Regulation No. 1198/2006. The sample is selected based on a random basis. The Audit Authority may decide to audit a complementary sample of operations based on risk analysis in order to guarantee coverage of different types of operations, beneficiaries, priority axes and intermediate bodies. The risk factors that will be taken into account for the audit of the complementary sample include, for example, the amount declared to the Commission; any reported irregularities; type of beneficiary; and stage of implementation of the operation.
4. An audit on operation usually includes:
 - reconciliation between the expenditure claimed and the supporting documents; and
 - Verification of the execution of the operation, the eligibility of the expenditure, the provision of co-financing and of compliance with relevant EU and national legislation, including, where applicable, public procurement, state aid, equal opportunities and the environment.
5. The Audit Authority will inform the Beneficiary to be audited at least one day in advance.
6. The Beneficiary must ensure that all relevant documentation is made available to the auditors. The Project Leader should ensure that the necessary support is provided to the auditors in carrying out their work (vide Section 9.6 below).
7. The Audit Authority will send all audit reports to the Managing Authority for onward submission to the respective auditee as it deems necessary and will copy them concurrently to the Certifying Authority.
8. The Beneficiary is in the first instance responsible to follow up any recommendations in any audit report prepared in accordance with Article 61(1) of the General Regulation (EC)

1198/2006, and subsequent amendments). The Line Ministry is to ensure that the Beneficiary has followed up the recommendations within the relevant time-line. The MA shall be responsible to coordinate the replies to feedback and comments provided by the Audit Authority. These replies shall be submitted **within one month** of receipt of the audit report.

9. The Audit Authority may organise follow-up audits if necessary.
10. Beneficiaries should note that other organisations including the National Audit Office (NAO) as well as the European Commission and the European Court of Auditors may undertake audits on the projects. Other organisations such as the SAMB or the VAT Department may carry out checks on the project in order to ensure that the project is being implemented in accordance with state aid or VAT regulations respectively.

9.4 National Audit Office

1. As the external auditor of Government, the NAO may carry out audits on projects co-financed through EFF. The NAO may carry out audits on projects which are implemented by public entities and agencies as well as the private sector or projects implemented by NGOs.
2. Beneficiaries are to notify the MA and the IB (in case of Aid Schemes) in good time when they are in receipt of an announcement regarding an audit on any project co-financed under the EFF 2007 – 2013 Programme. The MA and the IB (in case of Aid Schemes), will seek to support the Beneficiary in the process.
3. Beneficiaries and other stakeholders (whether public or not) shall grant the NAO full access to the project documentation.

9.5 EU Audit Missions

1. Officials from the Commission and the European Court of Auditors may carry out audits (both on systems and operations) on projects co-financed by the EFF.
2. Auditors generally inform the Maltese counterparts of the mission in advance.
3. The MA and/or the AA (as the case may be) usually co-ordinates a timetable for the audit mission and informs stakeholders accordingly.
4. Beneficiaries and other stakeholders (whether public or not) shall grant the EU auditors (and/or their delegated contractors) full access to the project documentation.

9.6 Preparing for Audit Visits

1. In general auditors will want to spend a few days examining documentation held by the beneficiary organisation, the MA, the DoC, the Treasury as well as the CA. Auditors may also ask to be taken on site.
2. As part of their preparation for an audit mission, Beneficiaries should:
 - Ensure that all persons (including technical personnel) within the Beneficiary organisation involved in the implementation of the project being audited are available during the audit mission. Priority must be given to the audit by all those involved in the

project being audited. It is important that such persons are appropriately briefed by the PL on the scope of the audit mission.

- Ensure that all the project documentation is made available and filed in accordance with the Retention of Documents chapter of this MoP to facilitate easy access to the necessary documentation during the audit.
- Provide a spacious meeting room for the audit mission.
- Ensure that photocopy facilities are readily available in view of the fact that auditors may ask for copies of documents that are on file. The Beneficiary will take note of any copies of documentation that is given to the auditors and will submit this list to the MA and the IB (in case of Aid Schemes) upon completion of the audit.
- Ensure that the actual site where the project is being implemented is in accordance with the conditions stipulated in the Grant Agreement, particularly in relation to EU publicity requirements. The technical supervisor should also be available for site visits. It is important to note that auditors may give no prior notice to visit the site and may ask the Beneficiary at short notice for an ad-hoc site visit.

3. Typically auditors will seek to examine the following documentation during an audit visit⁵⁶:

a. Project Documentation

- Copy of application submitted;
- Signed Grant Agreement between MA and Beneficiary or between the IB and Beneficiary, as applicable;
- Addenda to the Grant Agreement and letter/s stipulating any changes to the project;
- Commission Decision in the case of Major Projects;
- Feasibility studies & technical studies (where applicable)

b. Tendering & Contracting

- Tender document launched on the market;
- Advertisement of the tender (also in the Official Journal where applicable);
- List of responses to the publication of the tender;
- The tendering opening report;
- Any clarifications requested during the adjudication of the tender;
- The evaluation report and relevant documentation such as minutes of meeting/s of the evaluation committee;
- Copy of the publication of the adjudication of the tender (and the Contract Award Notice [CAN] where applicable);
- Contract drawn up and signed by the DoC/Beneficiary⁵⁷ and the contractor;
- Any subsequent addenda to a contract;
- Any other relevant documents related to the contracts (including employment contracts⁵⁸) of the project.

c. Other Community policies

All relevant documentation related to other community policies, including state aid, equal opportunities and sustainable development.

⁵⁶ This is only an indicative (not an exhaustive) list of documents which the auditors may ask to review. Other documents which should be part of sound of financial management and therefore part and parcel of any Beneficiary's obligations are not necessarily listed here.

⁵⁷ In the case of contracts administered by the Beneficiary organisation.

⁵⁸ Where applicable

d. Payments

- Copies of the SoEs of the project;
- Copies of a sample of the invoices listed in the SoEs and the relevant ISCs (originals are retained at the Treasury).
- Receipts obtained from the Contractors;
- Certification of works by technical supervisor, acceptance certificates / reports for supplies, services.

e. Information and Publicity

- Photos or recordings evidencing information activities or publicity undertaken in relation to the project;
- Original adverts, brochures, leaflets or any other publicity material and promotional items produced through the project;
- Copies of handouts, documents, attendance sheets, certificates, agendas and other publications displaying EU information and publicity requirements.
- Copies of press articles (where applicable);
- Verification of compliance with compulsory EU information and publicity requirements during on site visits (such as billboards, posters, permanent plaques and identification stickers or plaques on physical items/equipment);

f. Monitoring reports

- Copies of the progress reports prepared by the Beneficiary (if applicable);
- Viewing of progress updates in the Database;
- Record keeping of time sheets (particularly in the case of employment contracts and or schemes).

g. Others⁵⁹

- Lists of participants;
- Selection of participants (mainly when training is given);
- Progress / Performance reports of contracted employees / trainers;
- Documentation related to the work of trainers (lesson notes / plans, weekly/fortnightly/ monthly progress reports by the trainers;
- Attendance sheets;
- Evaluation sheets.

9.7 Follow-up to an Audit Mission

Once the audit mission is complete, the auditors will write a report with the findings and recommendations (where necessary). If there is the need of any clarifications, the auditors may ask any of the stakeholders for clarification/s. In case of EC audits, the replies will be co-ordinated by the MA/AA and a co-ordinated reply will be given on behalf of the Member State.

9.8 Audits after Closure of Programme

Beneficiary should note that projects can be audited even after project implementation. In view of this, all project documentation must be retained by the Beneficiary until at least three years after the closure of the Programme, **i.e. until 2020**.

⁵⁹ Where applicable

9.9 Ex-Post Management Control

1. All Beneficiaries should take note of Article 56 of the EFF Regulation. All grants are bound by the conditionality in this article, namely that the relevant operation co-financed by the EU grant (i.e. the project) does not, within five years from completion of the operation, undergo a substantial modification as outlined in Article 56 of the EFF Regulation which:
 - affects the nature or the implementation conditions or giving to a firm or a public body an undue advantage; and
 - results either from a change in the nature of ownership of an item of infrastructure or the cessation of a productive activity.
2. All Beneficiaries are to inform the MA immediately of any such changes to the project. Such changes may require that financial corrections (partial or in full as applicable) be made which could result in the cancellation of all or part of the EU contribution.

10. Reporting on Irregularities

10.1 Irregularities and Financial Corrections

1. An **irregularity** means “any infringement of a provision of Community law resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget”.⁶⁰
2. It is important to note that failure to apply rules and regulations can result in irregularities which, in turn, could lead to financial corrections. In certain cases, particularly in the case of public procurement, the recovery can be up to 100% of the overall contract value. In the case of systemic irregularities the recoveries can extend to other or all components of the project and possibly also other projects of the same Beneficiary.
3. Irregularities can be one-off or systematic:
 - An *individual irregularity* is a one off error which is independent of other errors in the population or deficiencies in the systems.
 - A *systemic irregularity* is an error, repeated or not, resulting from the existence of serious deficiencies in the management and control systems. System deficiencies are weaknesses in the management and control system.
4. The amount of the financial correction is assessed, wherever possible, on the basis of individual cases and is equal to the exact amount of expenditure wrongly charged to the EU budget. However, precisely quantified corrections are not always possible or cost effective if extensive additional verification work is needed. In such cases a flat rate correction, proportionate to the seriousness of the irregularity or the system deficiency, should be made.
5. *Quantifiable corrections* – The financial impact of an irregularity is quantifiable precisely when it is possible, on the basis of an examination of the individual, to calculate the exact amount of expenditure wrongly declared to the Commission (e.g. ineligible expenditure). In such cases the financial correction should be calculated exactly.
6. *Non-quantifiable corrections* – In other cases, due to the nature of the irregularity or system deficiency, it may not be possible to quantify precisely the financial impact (e.g. public procurement or publicity rules not complied with). In these cases, a flat rate correction may be applied to the individual operation based upon the seriousness of the irregularity or deficiency identified.
7. *Extrapolated corrections* – Where irregularities have occurred in a great number of activities throughout an operation, but it is not cost-effective to verify the regularity of such activities not included in the verified sample, the financial correction may be based on extrapolation. In this case, the results of a thorough examination of a representative sample of the individual cases concerned are extrapolated to all expenditure in the population, in accordance with generally accepted auditing standards.
8. Upon establishment of systemic irregularities in any of the projects or schemes, the MA/IB shall immediately notify the Beneficiary (the MA in the case of IBs) and relevant stakeholders (AA, CA, Treasury and other stakeholders as may be applicable), informing them of the immediate measures to be taken, which may include recovery of irregular amounts, suspension of payments on the project, interruption of payments on other operations

⁶⁰ Article 3(q) of 1198/2006

managed by the same Beneficiary, corrective action required to reinstate adequate management and control systems and relevant deadlines for all action.

9. Irregular amounts, for both systemic and individual irregularities shall be recovered **within two months of reporting**. The periods established shall be interrupted in the case of legal proceedings or other duly motivated cases.

10.2 Detecting and Reporting Irregularities

1. Article 70(1)(b) of the EFF Regulation and Article 55 of EFF Implementing Regulations regulate the reporting of irregularities.
2. There are various methods how irregularities can be detected:
 - a. at Management and Control level through:
 - Checks undertaken by stakeholders (including the Beneficiary itself) during implementation (e.g. payment process);
 - Checks made during the verification process by the MA / IB;
 - Checks made during the certification process by the CA;
 - Checks made under Article 61 of the EFF Regulation and Article 42 of EFF Implementing Regulation;
 - Checks undertaken by other stakeholders in the system;
 - Audits carried out by AA and other Audit Bodies.
 - b. through other methods such as:
 - Fiscal controls;
 - Evaluations;
 - Initial/judicial enquiry;
 - Ex-post checks and controls;
 - Correction of accounts (reconciliations);
 - On-the-spot check;
 - Denunciation;
 - Grievance or complaint (unanimous or not);
 - Situation of operator and;
 - Preventive control;
 - Release of the guarantees;
 - Press information;
 - Parliamentary statements;
 - Situation of the Beneficiary;
 - EU controls.
3. Any one player (the MA, CA, AA, Treasury, DoC, LM, Beneficiary or any other relevant entity) involved in the implementation of EFF, who, at any stage of contracting, implementation, payment, certification, verification process, etc. becomes aware of an irregularity (whether one-off or systematic), has the duty to **IMMEDIATELY** report the irregularity in accordance with the procedures specified in this chapter. The person/organisation detecting an irregularity at any stage of the implementation of the programme, shall prepare the European Fisheries Funds Irregularity Report⁶¹ (EFFIR) giving details on the relevant irregularity. It is important to note that the EFFIR must **be drawn up and sent to the MA copied to the CA and the IAID, once the irregularity is detected.**

⁶¹ Annex III

- 4. In the case of public sector Beneficiaries, the report, signed by the person reporting the irregularity, is sent to the EU Affairs Director of the relevant LM who countersigns the report and sends the report immediately to it to the MA immediately copying the IAID, and the CA.**
5. There might be isolated circumstances where the relative officials feel constrained to bypass the normal system of reporting irregularities. Whenever this situation arises, the official is given the opportunity to report any irregularity directly to the MA (copying the AA and CA) by filling in the EFFIR.
- 6. In the case of non-public organisations Beneficiaries (e.g. NGOs and economic operators), the report is sent directly to the MA (copying the AA and CA).**
- 7. In the case of private Beneficiaries participating in Aid Schemes under Article 107 of the Treaty, the report is sent to the IB. The IB would then forward the original report to the MA copying the AA and the CA.**

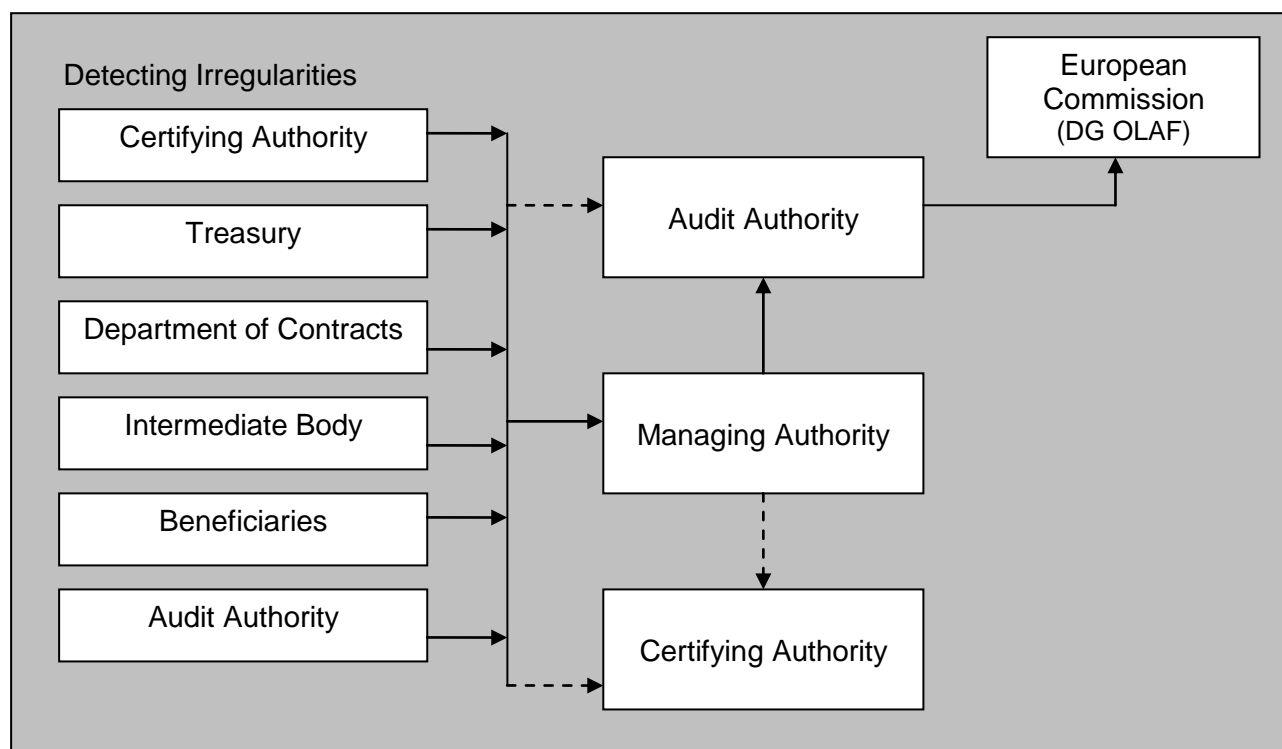
10.3 Content of an Irregularity Report

The EFFIR provides details concerning:

- The name of the project and form of assistance being provided through the grant⁶². The provision/procedure which has been infringed (where applicable);
- The nature and amount of the expenditure (EU and Malta Funds);
- In case where no payment has been made, the amounts which would have been wrongly paid had the irregularity not been discovered, except where the error or negligence is detected before payment and would not have resulted in any administrative or judicial penalty;
- The total amount and its distribution between the different sources of funding;
- The period during which, or the stage at which the irregularity was committed;
- The practice employed in committing the irregularity;
- The national authority/ies or body/ies detecting the irregularity;
- The financial consequences, the suspension, if any, of payments and where applicable the procedure to be undertaken for recovery;
- The date and source of the information when the irregularity was suspected;
- The date on which the official report on the irregularity was drawn up;
- The body involved, save in cases where such information is of no relevance, in combating irregularities on account of the character of the irregularity concerned;
- Follow-Up required.

⁶² If this information is not available to the person drawing up the report, this information can be obtained from the Database and/or the MA.

Figure.4 Irregularities



10.4 Financial Recoveries

1. An irregularity that warrants a financial recovery will be specified in an irregularity report. In this case the person/organisation detecting the irregularity must ensure that recovery procedures are initiated immediately, in line with the instructions of the MA.
2. In the case of public entities, a note addressed to the head of the organisation (copying the Permanent Secretary, the Director Programme Implementation, the project leader, AA, CA and Treasury) shall be issued by the MA (or any other relevant organisation drawing up the irregularity report) specifying the amount to be recovered.
4. A deadline for the settlement of the recovery is set in the recovery note, which, in any case, should not exceed two calendar months from the note. Failure to settle the irregularity in a timely manner may lead to suspension of any remaining funds on the operation and/or other operations being implemented by the same Beneficiary.
5. The MA shall be responsible to ensure that all necessary procedures are undertaken so that funds are recovered within reasonable deadlines, that timeframes for corrective action are respected and that the necessary escalation procedures are followed. The MA shall set formal deadlines in the irregularity report within which all action is to be completed. Such periods shall be interrupted in the case of legal proceedings or duly motivated cases.

11. Information and Publicity

11.1 Introduction

This chapter shall provide information on how to ensure that the results and achievements of the Programmes and projects co-financed by EFF are communicated as widely and effectively as possible. These measures are intended to lead to increased transparency and greater awareness.⁶³

11.2 Publicity and Information: Strategic Objectives

Communication is essential at both programme and project level in order to reach the following strategic objectives:⁶⁴

- Ensuring transparency of and accessibility to the Funds;
- Increasing visibility and awareness of the role of the European Union and the positive impact of EFF on Malta and Gozo.

These communication objectives are entrenched in a number of EU and national regulations and guidelines as outlined in Section 11.3 below.

11.3 The Regulatory Framework

This Chapter of the MoP incorporates and builds on the following regulations and specifications:

- The EFF Regulation (EC) 1198/2006, Article 51;
- The EFF Implementing Regulation (EC) 498/2007, Chapter V;
- The official Graphical Specifications of the EU Emblem;
- The official Graphical Specifications of the National Flag of Malta;
- Relevant National Circulars and Guidelines which the MA may issue from time to time.

Failure to comply with the Manual of Procedures may put the eligibility of expenditure or parts thereof at risk.

11.4 Role of the Managing Authority (Programme Level Information and Publicity)

The MA (or the IB on its behalf in the case of Aid Schemes, as provided for in Article 87 of the Treaty) has two main functions:

- Provide guidance, monitoring and ensure compliance with the information and publicity regulations and requirements at programme and project level. The MA undertakes this function through both written guidance (e.g. this manual and the MA's website) and also through training sessions which the MA might organise from time-to-time;

⁶³ As required by Article 51 of the EFF Regulation.

⁶⁴ Article 51 of the EFF Regulation.

The MA will also provide useful downloads and information through the publicity section of its website.

11.5 Responsibility of the Beneficiary (Project Level Information and Publicity)

1. The Beneficiary also has responsibilities relating to publicity and information in relation to the project/s. These are:
 - Participating in publicity and information measures as well as networks or exchanges of experience organised at EU, national or programme level. Refer to Section 11.6 below.
 - Implementing publicity and information measures in line with this Manual of Procedure.
2. This also involves:
 - Carrying out relevant publicity measures outlined in Paragraph 11.9 below (and as specified in the grant agreement).
 - Ensuring compliance with the logos, emblem and flag and the text set out in Paragraph 11.8 below when undertaking the publicity measures.

11.6 Participation in publicity and information measures at EU or Programme Level

1. The Beneficiary must be aware that acceptance of funding is also an acceptance of their inclusion in on-line or other published lists and databases of beneficiaries compiled by the MA or the IB on its behalf. The information includes⁶⁵ name and details of Beneficiary organisation, cost of the project, grant amount and purpose and results of the project. This information may also be uploaded on websites, including those hosted by the Commission and / or other EU institutions where information is collated and presented in order to show activity across Member States.
2. The Beneficiary shall collaborate with the MA (and /or the IB on its behalf) during the organisation of events or promotional activities, including networks and exchanges of experience at both national and European level.

11.7 Implementing publicity and information measures

Publicity and information is an integral part of project implementation. However, publicity is **NOT** synonymous with marketing. If the project warrants marketing activities, these should be described and budgeted separately in the project proposal. Attention is drawn to the following main points relating to publicity initiatives:

- a. **Principle of proportionality:** Publicity measures (financed from the projects)⁶⁶ should be reasonable and in proportion to the size, objectives and results of the project.
- b. **Planning and scheduling:** publicity and information measures should be carefully planned at an early stage and implemented in line with the budget and project plan set out in the

⁶⁵ The list is indicative and not comprehensive of the information that can be published.

⁶⁶ Beneficiaries are welcome to increase the publicity measures out of their own funding.

Grant Agreement. In the case of projects which involve compulsory publicity and information requirements, project leaders need to ensure that they include these measures in their budgets and implementation schedules. The following must also be taken into account at the planning stage:

- **Proportion:** publicity or information measures and their relevant costs must be in proportion and appropriate to the project concerned. What is not considered appropriate will not be borne by the budget of the Beneficiary.
 - **Consultation:** the MA recommends that the Beneficiary informs and consults with the MA about **ALL** information and publicity activities before implementation.
 - **Target audience:** publicity and information measures should be appropriate for the identified target groups. Where possible the Beneficiary should also target the general public.
 - **Language and tone:** publicity and information activities should be neutral and factual in tone to avoid being perceived as biased and/or propaganda. The language used can be either Maltese or English, though use of the former is encouraged to reach a wider audience.
 - **Publicity as opposed to marketing:** The Beneficiary must ensure that publicity and information measures are not used as a marketing tool to promote an organisation, its products, services or infrastructure. Where a project includes an element of marketing, this must be used to complement, but not replace the project's obligatory information and publicity measures. Marketing expenses should also be listed separately in the project's budget and approved. However, marketing initiatives must still conform to the compulsory publicity requirements outlined in Section 11.8 below.
- c. **Tendering and Procurement:** Like other co-financed project components, publicity and information initiatives or items should be procured or contracted in line with national legislation on public procurement. It is important to note that advertising and documents relating to tendering and procurement should preferably comply with the compulsory Visual Identity Requirements outlined in Section 11.8 below. The DoC can also advise on this matter; however the Beneficiary should note that the relevant cover page templates for tenders and contracts can be downloaded from https://secure2.gov.mt/fpd/links_downloads or from www.contracts.gov.mt. Moreover it has to be noted that:
- a. in exception, adverts/notices financed through DOC to appear on the Government Gazette in restricted spacing, do not require to feature the visual identity requirements, **but** specific statements **must** be inserted (refer to Table 5). [Beneficiaries are to liaise with DOC in order to ensure that these statements are included] and;
 - b. In exception, adverts/calls for quotations etc published on the Government Gazette which are financed through EFF must include the Maltese and EU flags together with the co-financing statement.
- d. **Copyright issues and reproduction:** Beneficiary is advised to retain copyright of original publicity or information material, including all artwork or components, and to allow the MA to utilise project level publicity or information material during events, presentations or publicity at programme level. Co-financed publicity or information material cannot be used by the Beneficiary for other purposes. It is important that copyright issues are clear to prospective tenderers and set out in the terms of reference.
- e. **Reporting:** The Beneficiary shall report on progress relating to the implementation of information and publicity actions by filling in the publicity section of the Project Progress Report template (when applicable) and submitting the relevant documents listed in Chapter 8 of this Manual. A nil report in the publicity section of the project progress report is also required where relevant. This information will assist the MA to monitor and report on the

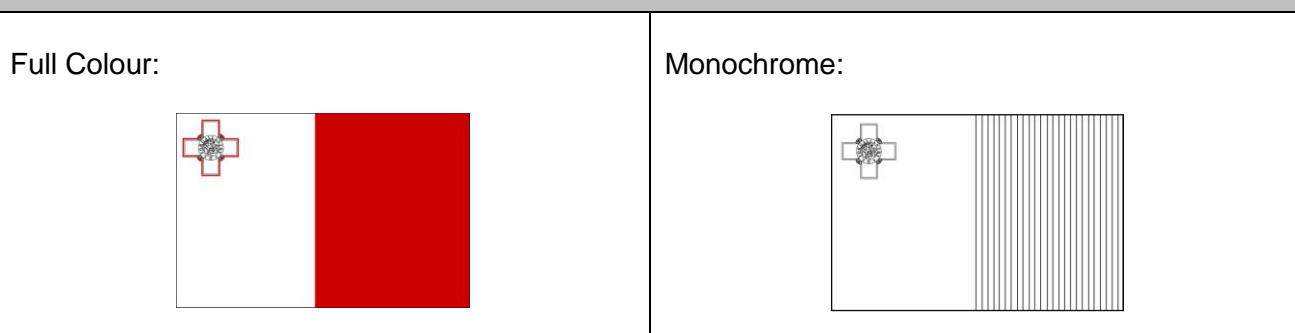
publicity actions undertaken. Copies of all information and publicity material shall be sent to the MA together with the Project Progress Report (with reference to events or billboards, the MA will accept photographs while DVD/CDs will be accepted in the case of TV commercials/programmes) (when applicable).

- f. **Audit and Control:** The Beneficiary is advised to keep original copies of all articles, news items, press releases, promotional and informative material for future checks / audits in line with the requirements set out in Chapter 9 of this Manual, wherever possible. Audio-visual material such as TV and radio commercials, photographs, video-clips, documentaries or features should also be archived and kept for audit purposes. Audio-visual material could also be made available on CD to ensure that it can be viewed by auditors and/or other officials involved in the control process.
- g. **Confidentiality and data protection:** The confidentiality of participants in all projects is to be respected. Photographs or footage featuring participants can only be transmitted or reproduced for information or publicity purposes if participants give their written authorisation. The relevant letters of authorisation should be retained on file by the Beneficiary. Beneficiaries should ensure that such authorisation is given in order to ensure that publicity material can be used.



11.8 Ensuring Compliance with Visual Identity Requirements and compulsory text

1. All documents, publicity and information items, publications or measures are to include the following elements in line with Article 33 of the EFF Implementation Regulation and with national requirements. These are referred to as the Visual Identity Requirements:
 - The National Flag of Malta [see paragraph (a) below]
 - The EU Emblem [see paragraph (b) below]
 - The Compulsory Text adapted to the project [see paragraph (c) below]
2. These three main elements make up the Visual Identity of the EFF 2007-2013 Programme (below). These can also be downloaded from https://secure2.gov.mt/fpd/links_downloads.

a. **The National Flag of Malta.** It is important to ensure that the flag is reproduced correctly, in line with the official Graphical Specifications for the National Flag which can be downloaded from www.ppcd.gov.mt.



b. **The Emblem of the European Union.** The emblem must be reproduced correctly, in line with the official Graphical Specifications which can be downloaded from the following site: http://europa.eu/abc/symbols/emblem/graphics1_en.htm The EU emblem is strictly compulsory for all information and publicity measures, as per Article 33 of (EC) 498/2007.

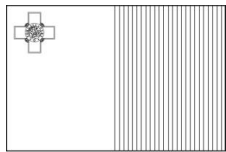

<p>Full Colour:</p> 	<p>Monochrome:</p> 
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c. **The Compulsory Text.** In line with Article 33 of (EC) 498/2007, apart from the EU Emblem and the National Flag of Malta, it is advisable for all publicity measures to include reference to the EU's contribution to projects and the role of the programme concerned. The text consists of the following:

- Reference to the EFF: 'European Fisheries Fund'. *
- Reference to the European Union: E.g. 'Project part-financed by the European Union'.
- The relevant co-financing rate.
- The slogan: 'Investing in sustainable fisheries'. *

* Statements marked with asterisks are strictly compulsory, as per Article 33 of (EC) 498/2007.

3. For ease of reference and reproduction, the recommended text is incorporated in a standard paragraph. The illustration below provides this compulsory text and its position between the National Flag and EU emblem:

	<p>Fisheries Operational Programme 2007-2013 Project part-financed by the European Union European Fisheries Fund (EFF) Co-financing rate: 75% EU Funds; 25% National Funds</p>	
<p><i>Investing in sustainable fisheries</i></p>		

4. The recommended text can be found in Table 2 below and can also be downloaded from https://secure2.gov.mt/fpd/links_downloads.

11.9 Carrying out compulsory information and publicity measures

Apart from ensuring that all information and publicity initiatives comply with the visual identity and text requirements, the Beneficiary shall also ensure to carry out all the compulsory publicity and information measures which are necessary for the project are undertaken⁶⁷. These compulsory activities are outlined in further detail below. A summary is provided in Table 3 below for ease of reference.

11.9.1 All Projects

Launch Press Release

- a) Once the Grant Agreement is signed, the beginning of each project may be announced through an official press release, depending on the size of the project. Information or media events could also be organised when projects reach important milestones and completion.
- b) Press Releases, including those published online, are to be issued complete with the general *visual identity requirements*. Since it is to the discretion of the respective editor to publish the *visual identity requirements*, or parts of it, it is required that each press release includes a statement referring to the EU and the respective fund (refer to Table 3).
- c) It is advisable to keep original copies of press releases or published media articles for reporting and control/audit purposes.

Recommended visual identity requirements shall feature on:

- All adverts issued in the press (and other media) in relation to procurement, recruitment, calls or other procedures and/or events (with the exception of adverts on the Government Gazette);
- All information and publicity measures part-financed by the funds;
- The cover pages of tender documents and contracts and;
- The cover pages of all part-financed reports, studies, questionnaires, attendance sheets, certificates, power-point presentations, handouts and other documents without excluding information and publicity items;
- Promotional items/giveaways financed through the project.

Recommended layouts for print media adverts can be found in Table 2 below or downloaded from the web site of the MA.

⁶⁷ As required by Article 32 of EFF Regulation.

11.9.2 Projects involving construction / infrastructural works [total public contribution over €500,000]

Projects which have a total public contribution of over €500,000 and which involve construction/infrastructural works must set up a prominent billboard, followed by a permanent explanatory plaque at the work site/s as follows⁶⁸. This is compulsory as per Article 32 of the EFF Regulation (EC) 498/2007. Beneficiaries of smaller projects should consult their grant agreements to see if a billboard has been approved in the case of these projects. If approved, the Beneficiary may charge such a billboard to the project (in line with what the MA has approved).

1. The Compulsory Billboard must be:

- Set up at or beside the construction or infrastructure site/s during the whole period of project implementation until works are complete;*
- Clearly visible to passers-by and well-maintained throughout the whole period of construction;
- Set up in line with relevant national or MEPA requirements;
- Of significant size, appropriate to the scale of the operation;*
- Designed in such a way to reflect the actual EFF involvement and therefore at least 25% of the billboard must be allocated to the EU Emblem, National Flag of Malta, and compulsory text.^{69*} The font used for the compulsory text shall be the same size as the font indicating the Beneficiary's involvement;⁷⁰
- Made of a material which is weather-resistant and durable enough not to fade, crumble or succumb to vandalism;⁷¹
- Well-maintained and erected in line with relevant national and/or MEPA requirements;
- Photographed on site by the Beneficiary for reporting and audit purposes.

* Requirements marked with an asterisk are strictly compulsory, as per Article 32 and 33 of Regulation (EC) 498/2007.

2. The Compulsory Explanatory Plaque must be:

- Set up within six months after completion of the construction / infrastructural works mentioned above;*
- Visible and of significant size, located at a part of the site which can be seen by the general public.* Text must be legible from a distance;
- Designed in such a way that at least 25% of the plaque is dedicated to a) the name and type of the project; b) the EU emblem, National Flag of Malta, and recommended text;*
- Made of a material which is weather-resistant and durable enough not to fade, crumble or succumb to vandalism;
- Well-maintained and erected in line with relevant national or MEPA requirements;
- Photographed on site by the Beneficiary for reporting and audit purposes.

Note: Plaques must also not be used as marketing tools for contractors and must not feature any branding or statements referring to the contractor. The setting up of plaques is also compulsory as per Regulation EC 498/2007, Article 32. Beneficiaries of smaller projects should consult their grant agreements to see if a plaque has been approved in the case of these projects. If approved, the Beneficiary may charge such a plaque to the project (in line with what the MA has approved).

⁶⁸ Total public contribution consists of EU funding and national co-financing.

⁶⁹ As specified by Article 32 of Regulation (EC) 498/2007.

⁷⁰ Billboards should not be used as marketing tools for contractors.

⁷¹ If billboards and plaques are vandalised, these must be replaced by the Beneficiary at its own cost.

* Requirements marked with an asterisk are strictly compulsory, as per Article 32 and 33 of Regulation (EC) 498/2007.

11.9.3 Projects involving purchase of physical items / equipment / furniture or other objects

1. Beneficiaries whose projects involve the purchase of equipment or other items of any value are advised to ensure that each item [including portable electronic equipment] is identified through the use of a sticker or plastic plaque attached to the equipment.

It is only in very exceptional circumstances and only upon explicit approval by the MA that this requirement can be waived in favour of a suitable alternative measure (e.g. a wall plaque on site where the equipment is kept), stating that it was co-financed through the project. Examples of such circumstances would be where the equipment is very small and the affixation of such stickers or plaques may be damaging to the equipment itself or the environment where it is kept.

2. Projects which have a total public contribution of over €500,000 and which involve the purchase of a physical object, including equipment or furniture, shall also set up a compulsory permanent plaque at the project site/s.
 - It is recommended to ensure that stickers:
 - Include the EU emblem and National Flag of Malta, together with the compulsory text as outlined above;
 - Be based on the templates obtained from Table 2 or downloaded from the MA's web site;
 - Are made of a durable material;
 - Copies are retained for reporting and audit purposes, including photographs of the affixed signs.
 - Explanatory Plaques should preferably conform to the description outlined in Sub-Section 11.9B above and on site photographs retained for reporting and audit purposes.

11.9.4 Projects involving events, conferences or training;

A Beneficiary implementing projects which include events, conferences, training, employment measures or other activities involving several participants is advised to ensure that all participants are informed of the project's source of funding. This involves the following:

- Recommended specifications for **events, conferences, training or other activities**:
 - Documents, including hand-outs, presentation slides, attendance sheets, certificates, agendas and other publications shall include the project title as well as the compulsory EU emblem, National flag, and Compulsory Text mentioned above*;
 - The EU flag and Malta flag shall be displayed prominently inside the venue, preferably behind or beside the speakers / trainers;

- Photographs and/or recordings of the event shall be taken and retained by the Beneficiary for reporting and audit purposes. These photographs and/or recordings are to clearly show the compulsory emblems and text;
 - Venues must be fully accessible to persons with disability both with regard to training rooms and also facilities;
 - Copies of all documentation including original signed attendance sheets and forms are to be retained for reporting and audit purposes.
- Compulsory posters / signs shall be:
- Positioned at sites which are clearly visible to participants and the public, such as in or outside training rooms, reception areas, hallways and entrances;
 - Designed in such a way that at least 25% of the poster is dedicated to a) the name and type of the project; b) the EU emblem, National Flag of Malta, and compulsory text and;
 - Photographed on site by the Beneficiary for reporting and audit purposes.

* Requirements marked with an asterisk are strictly compulsory, as per Article 32 and 33 of Regulation (EC) 498/2007.

11.9.5 Optional publicity and information measures

1. In addition to the measures mentioned above, Beneficiaries may choose from a wide range of optional publicity and information measures to publicise their projects as required as long as these are reasonable and in proportion to the rest of the project. Advice should preferably be sought from the MA prior to embarking on additional publicity measures.
2. When carrying out publicity and information measures, the Beneficiary is advised to ensure that these measures comply with the publicity requirements mentioned in this Manual. Optional publicity and information measures, together with their corresponding compulsory requirements are summarised in the checklist in Table 3 below.
3. The Beneficiary is also urged to select the publicity and information measures which are most appropriate to their project and which reach the widest audience possible.
4. Some recommended publicity measures are provided below:

▪ **Print and Audio-visual Adverts or Informative Spots**

Adverts are effective to ensure transparency and good practice during all project's tendering, recruitment or marketing processes. They can also be an optional publicity tool. The MA's approval should be obtained before optional adverts or informative spots are launched in the media.

All types of media adverts must include the compulsory EU emblem, National Flag and text as outlined in this MoP.

TV/ Radio advertising should only be considered as an option for larger projects or those which have a very wide target audience in view of the significant expense involved. TV commercials could end with the emblems and recommended text. Radio commercials could end with a voiceover reading the recommended text.

Given the time constraints which TV and radio adverts would have, it is strongly recommended that any voice-over and/or stills with the visual identity requirements are given enough time to capture the listeners'/viewers' attention.

Ideally, reference to the EFF Operational Programmes, the name etc (as per the visual guidelines and manual of procedures) would also be included; however priority is to be given to the compulsory text indicated in **bold**.

The Beneficiary requires providing justification supported with relevant sources for selecting particular newspaper/s, magazines, TV and radio stations.

It is strongly recommended that where CDs or DVDs are distributed as part of a project's publicity initiatives, the CDs and DVDs include the compulsory emblems and text on the sleeve or box as well as at the beginning and / or end of the audio-visual recording.

Newspaper/magazines cuttings and CDs/DVDs are to be retained for reporting and audit purposes.

▪ **Articles, Advertorials and Press Releases**

- Paid articles and advertorials shall feature the general *visual identity requirements* layout together with clear reference to the EU, the respective fund and programming period within the article/advertorial*. The Beneficiary is to ensure that this requirements and references are featured with the published article/advertorial.

- Press releases including those published online are to be issued complete with the general *visual identity requirements*. Since it is up to the discretion of the respective editor to publish the *visual identity requirements*, or parts of it, it is required that each press release includes a statement referred to the EU and the respective fund (refer to Table 2)*. In addition, since DOI does not publish the *visual identity requirements* it is to be ensured that a link is added to the original press release. It is to be noted that press releases are free measures for increasing awareness.

- Newspaper/magazines cuttings and/or web shots are to be retained for reporting and audit purposes.

- Optional Billboards, plaques or posters

- Billboards, plaques or posters may be used by various types of projects if deemed necessary by the Beneficiary, with the approval of the MA. The Billboards are to remain in place until they are replaced by the compulsory explanatory plaque.

- Such optional billboards, plaques or posters should ideally conform to the requirements for compulsory billboards or plaques outlined in 11.11 above. Designs which differ from those indicated by the MA in its manual and/or visual identity guidelines need to be sympathetic to the standard designs and receive approval of the MA.

- On site photographs of billboards and plaques must be kept for reporting and audit purposes.

- Promotional Material

- Promotional material can be an effective means of information or publicity, as long as it is distributed widely and in a targeted fashion. Promotional material can include items such as mugs, bags, caps, leaflets, folders, bookmarks, postcards as well as conference

material (such as pens, notepads, handouts and backdrop signs) preferably in the context of the project and the targeted audience. It is the responsibility of the beneficiary to limit this material at project level to items which can be linked to the project.

- It is essential to ensure that all promotional items have sufficient printing space to include the *visual identity requirements* as outlined above.

- Items with very limited printing space or very small items (pens, pencils, USBs etc) should note the minimum visual requirements outlined in the Visual Identity guidelines. If opting for such small items, the Beneficiary is advised to contact the MA for guidance on a case-by-case basis in this regard.

▪ **Media Events, Interviews or Press Conferences**

When seminars, training, public or media events are organised as part of a project or as a publicity measure, the provisions in Paragraph 11.9 above apply.

In the case of media interviews, note that Beneficiaries are likely to find it difficult to ensure that journalists' articles comply with and include the publicity requirements unless the interview is a paid advertorial. It may therefore be necessary to discuss such issues with the journalist or newsroom prior to the interview.

Copies, including photographic evidence, are to be retained for reporting and auditing purposes.

▪ **Websites, Web-pages and Mail shots**

Websites are another effective means of publicising a project, as long as the content conforms to the following recommended specifications:

- Websites, web-pages and mail-shots which are part-financed by a project feature the compulsory EU Emblem*, National Flag of Malta, and text* on the home page and on all other pages (possibly through the use of a permanent banner or equivalent).
- There has to be a reference and link to the European Commission's web site and the Managing Authority's website.
- Co-financed websites should retain the compulsory publicity and information requirements for the duration of the website.
- Retain screen shots for reporting and audit purposes.
- Mentions, adverts or spots on other websites: includes the compulsory visual identity requirements on the co-financed page/advert/spot.

* Requirements marked with an asterisk are strictly compulsory, as per Article 32 and 33 of Regulation (EC) 498/2007.

Table.2 Recommended Text Templates

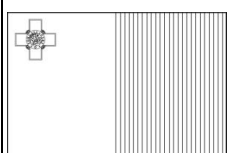
Select the appropriate recommended text from the options below, depending on the project itself, especially with regard to the Operational Programme and Fund through which it is being funded. Note that the highlighted text in the templates below is to be adapted to the components or co-financing rate of the project concerned. Choose either the Maltese or English version, depending on the language used for the information or publicity measure in question.

With respect to operations involving private funds such as **Beneficiary's Own Funds** and **Aid Schemes**, the co-financing rate is to read: XX% EU Funds, XX% National Funds; XX% Private Funds (or Beneficiary's Own Funds, as applicable).

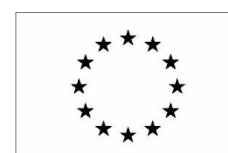
Note that the highlighted text in the templates below is to be adapted to the components or co-financing rate of the project concerned.

Depending on the language used for the information or publicity measure in question, the Beneficiary is to choose the between Maltese and English accordingly.

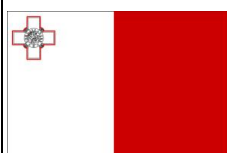
i. Beneficiaries are asked to select and reproduce **ONE** of the following for information or publicity initiatives implemented for project at the **application or selection stage**:



Fisheries Operational Programme 2007-2013
This tender is being considered for European Union part-financing
European Fisheries Fund (EFF)
Co-financing rate: XX% EU Funds; XX% National Funds;
XX% Private Funds



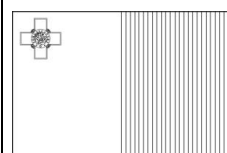
Investing in sustainable fisheries



Fisheries Operational Programme 2007-2013
This tender is being considered for European Union part-financing
European Fisheries Fund (EFF)
Co-financing rate: XX% EU Funds; XX% National Funds;
XX% Private Funds



Investing in sustainable fisheries

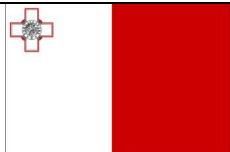



Programm Operattiv tas-Sajd 2007-2013
Din l-offerta qed tigi kkunsidrata sabiex tigi parzjalment
iffinanzjat mill-Unjoni Ewropea
Fond Ewropew għas-Sajd (FES)
Rata ta' Ko-finanzjament: XX% Fondi UE; XX% Fondi
Nazzjonali; XX% Fondi Privati

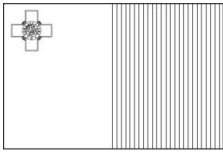



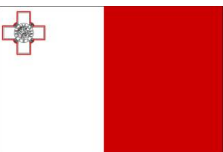

Investment f'sajd sostenibbli

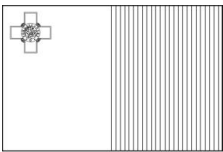

Programm Operattiv tas-Sajd 2007-2013
Din l-offerta qed tigi kkunsidrata sabiex tigi parzjalment
iffinanzjat mill-Unjoni Ewropea
Fond Ewropew għas-Sajd (FES)

	<p>Rata ta' Ko-finanzjament: XX% Fondi UE; XX% Fondi Nazzjonali; XX% Fondi Privati</p> <p><i>Investiment f'sajd sostenibbli</i></p>	
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ii. Select and reproduce **ONE** of the following for information or publicity initiatives relating to projects which have **already been approved** by the Managing Authority:

	<p>Fisheries Operational Programme 2007-2013 Tender part-financed by the European Union European Fisheries Fund (EFF) Co-financing rate: XX% EU Funds; XX% National Funds; XX% Private Funds</p> <p><i>Investing in sustainable fisheries</i></p>	
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	<p>Fisheries Operational Programme 2007-2013 Tender part-financed by the European Union European Fisheries Fund (EFF) Co-financing rate: XX% EU Funds; XX% National Funds; XX% Private Funds</p> <p><i>Investing in sustainable fisheries</i></p>	
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	<p>Programm Operattiv tas-Sajd 2007-2013 Offerta parzjalment iffinanzjat mill-Unjoni Ewropea Fond Ewropew għas-Sajd (FES) Rata ta' Ko-finanzjament: XX% Fondi UE; XX% Fondi Nazzjonali; XX% Fondi Privati</p> <p><i>Investiment f'sajd sostenibbli</i></p>	
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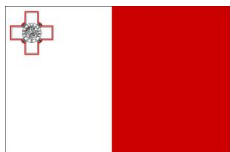

	<p>Programm Operattiv tas-Sajd 2007-2013 Offerta parzjalment iffinanzjat mill-Unjoni Ewropea Fond Ewropew għas-Sajd (FES) Rata ta' Ko-finanzjament: XX% Fondi UE; XX% Fondi Nazzjonali; XX% Fondi Privati</p> <p><i>Investiment f'sajd sostenibbli</i></p>	
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Table 3: Check list for compulsory Publicity and Information Measures

Type of Project	Public Contribution to Project*	Measure/s	Recommended Publicity Requirements
All Projects	Any	<input checked="" type="checkbox"/> Press Release or Launch Event	<input checked="" type="checkbox"/> The press release content includes the Reference to the contribution of the EU under the relevant Fund. The press release itself includes the visual identity requirements in header/footer based of the Visual Identity Guidelines; <input checked="" type="checkbox"/> Launch Event complies with requirements for training and events (see below); <input checked="" type="checkbox"/> Copies of press release and photographs of event, including any related documents, retained for reporting and audit purposes.
	Any	<input checked="" type="checkbox"/> Visual identity requirements on adverts, tenders, contracts, documents, publications, reports, handouts, power-point presentations, questionnaires, templates etc.	<input checked="" type="checkbox"/> Includes the compulsory visual identity requirements and based on the layout in the Visual Identity Guidelines. <input checked="" type="checkbox"/> The correct cover page template for tenders and contracts is used (adapted to the project). <input checked="" type="checkbox"/> Copies retained for reporting and audit purposes.

Type of Project	Public Contribution to Project*	Measure/s	Recommended Publicity Requirements
Projects including Infrastructure/ Construction	Exceeding €500,000	<input checked="" type="checkbox"/> Billboard on site throughout duration of works.	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Is based on the technical specifications in the Visual Identity Guidelines. <input checked="" type="checkbox"/> Is well-maintained and set up in line with relevant MEPA or other local guidelines if applicable; <input checked="" type="checkbox"/> Is clearly visible and of significant size, in proportion to scale of the operation; <input checked="" type="checkbox"/> At least 25% of billboard is allocated to the <i>visual identity requirements</i>; The font used for the recommended text is same size as the font indicating the Beneficiary's involvement; <input checked="" type="checkbox"/> The name of project is included. <input checked="" type="checkbox"/> Onsite photographs retained for reporting and audit purposes; <input checked="" type="checkbox"/> Has been replaced by a permanent commemorative plaque within six months of completion of the construction or infrastructural works.
Projects including Infrastructure/ Construction ... Cont'd		<input checked="" type="checkbox"/> Permanent explanatory plaque installed within six months from completion of construction or infrastructural works.	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Based on the technical specifications in the Visual Identity Guidelines. <input checked="" type="checkbox"/> Well-maintained and erected in line with relevant MEPA or other local guidelines if applicable; <input checked="" type="checkbox"/> Visible and of significant size, located at site which can be seen by general public - text is legible at a distance; <input checked="" type="checkbox"/> At least 25% of the plaque are allocated to the compulsory <i>visual identity requirements</i>; <input checked="" type="checkbox"/> The name of project is included; <input checked="" type="checkbox"/> Is made of weather-resistant, durable material. <input checked="" type="checkbox"/> On site photographs retained for reporting and audit purposes.

Type of Project	Public Contribution to Project*	Measure/s	Recommended Publicity Requirements
Projects involving purchase of physical items/ equipment / furniture or other objects	Any	<input checked="" type="checkbox"/> Stickers or plastic plaques attached to each smaller or portable co-financed item;	<input checked="" type="checkbox"/> Based on the technical specifications in the Visual Identity Guidelines. <input checked="" type="checkbox"/> Made of durable material. <input checked="" type="checkbox"/> Copies have been retained for reporting and audit purposes including photographs of the affixed signs.
	Exceeding €500,000.	<input checked="" type="checkbox"/> Permanent explanatory plaque installed within six months from installation or delivery.	<input checked="" type="checkbox"/> Is in line with the permanent explanatory plaque requirements outlined above. <input checked="" type="checkbox"/> On site photographs retained for reporting and audit purposes
All projects involving events, conferences, training or other activities; [Cont...]	Any	<input checked="" type="checkbox"/> Publicity at Venue and event documents	<input checked="" type="checkbox"/> Documents including handouts, completed attendance sheets, certificates, agendas, presentation slides and other publications include the project title as well as the compulsory <i>visual identity requirements</i> . Copies of each must be kept on file. <input checked="" type="checkbox"/> The EU flag and National Flag of Malta are displayed prominently inside the venue, preferably behind or beside the speakers or trainers. <input checked="" type="checkbox"/> Venues, as well as their relevant facilities, are fully accessible to persons with a disability. <input checked="" type="checkbox"/> Photographs and/or recordings of the event clearly showing the <i>visual identity requirements</i> on display shall be taken and retained by the Beneficiary for reporting and audit purposes ; <input checked="" type="checkbox"/> Copies of all documentation including originally signed attendance sheets and forms are to be retained for reporting and audit purposes.

Type of Project	Public Contribution to Project*	Measure/s	Recommended Publicity Requirements
<p>Projects involving events, conferences, training or other activities e.g. projects. [Cont...]</p>	<p>Any</p>	<p><input checked="" type="checkbox"/> Posters/signs inside and / or outside the venue.</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Based on the technical specifications in the Visual Identity Guidelines; <input checked="" type="checkbox"/> Positioned at sites which are clearly visible to participants and the public, such as in or outside training rooms, reception areas, hallways and entrances; <input checked="" type="checkbox"/> Are designed in such a way that at least 25% of the poster is dedicated to the compulsory <i>visual identity requirements</i>. <input checked="" type="checkbox"/> Include the name and type of the project; <input checked="" type="checkbox"/> On site photographs retained for reporting and audit purposes. (Data protection approvals have been obtained in writing from participants in respect of photography and original documentation retained)..

Table 4: Check list for optional Publicity and Information Measures

Type of Project	Public Contribution to Project*	Optional Measure/s	Information and Publicity Requirements
Any	Any	<input checked="" type="checkbox"/> Print, TV, radio or audiovisual adverts or informative spots.	<input checked="" type="checkbox"/> Include the compulsory <i>visual identity requirements</i> : <ul style="list-style-type: none"> ○ <u>Audio/visual</u>: at start or end of transmission as per Visual Identity Guidelines; ○ <u>Print</u>: as per Visual Identity Requirements; ○ <u>Radio</u>: end with a voice-over reading the co-financing statement (refer to Table 4). <input checked="" type="checkbox"/> CDs or DVDs include the <i>visual identity requirements</i> at start or end of recording and also on the CD sleeve or box, based on the layout in the Visual Identity Guidelines;
		Articles, Advertorials and Press Releases	<input checked="" type="checkbox"/> Include the <i>visual identity requirements</i> (refer to the Visual Identity Guidelines) together with clear co-financing reference within the text;
		<input checked="" type="checkbox"/> Optional billboards, plaques and/or posters	<input checked="" type="checkbox"/> Conform to the requirements for compulsory billboards or plaques outlined in 10.11 above. <input checked="" type="checkbox"/> On site photographs of billboards and plaques retained for reporting and audit purposes.
Type of	Public	Optional Measure/s	Information and Publicity Requirements

Project	Contribution to Project*		
Any	Any	<input checked="" type="checkbox"/> Promotional material [e.g. Mugs, bags, folders, pens, etc.]	<input checked="" type="checkbox"/> Include the <i>visual identity requirements</i> ; <input checked="" type="checkbox"/> Based on the layouts in the Visual Identity Guidelines; <input checked="" type="checkbox"/> Copies retained for reporting and auditing purposes.
		<input checked="" type="checkbox"/> Publications and printed material [e.g. Booklets, notepads, brochures, flyers, newsletters, etc.]	<input checked="" type="checkbox"/> Include the <i>visual identity requirements</i> ; <input checked="" type="checkbox"/> Based on the layouts in the Visual Identity Guidelines; <input checked="" type="checkbox"/> Copies retained for reporting and auditing purposes.
		<input checked="" type="checkbox"/> Media Events, Press Conferences	<input checked="" type="checkbox"/> Include the venue requirements for events, conferences, training or other activities [see above].
		<input checked="" type="checkbox"/> Websites, webpages and mailshots	Co-financed websites and all mail shots: <input checked="" type="checkbox"/> Include the compulsory <i>visual identity requirements</i> in a permanent header or footer on home-page and on each page if the website is entirely co-financed; <input checked="" type="checkbox"/> Based on the layout provided in the Visual Identity Guidelines; <input checked="" type="checkbox"/> Include reference and a link to the European Commission website (www.europa.eu) and to the Managing Authority's website (www.ppcd.gov.mt); <input checked="" type="checkbox"/> Screen print copies retained for reporting and audit purposes. Mentions, adverts or spots on other websites: <input checked="" type="checkbox"/> Includes the compulsory <i>visual identity requirements</i> on the co-financed page/advert/spot.

Table 5: Co-financing statements to be inserted in DOC paid adverts in respect of Calls for Tenders, or in documents referred to under point 10.7

The following statements are to be included in adverts and notices issued and paid by the Department of Contracts (DOC) and published on the Government Gazette and/or circulated through the Department of Information (DOI) mailshots and/or uploaded on the DOC website, for call for tenders part-financed (or considered for part-financing) by the European Fisheries Fund 2007-2013 programming period.

In addition, as referred to under points 10.7, these statements can also be introduced in Press Releases, articles, and any other documents for referring to the EU's contribution to the community.

1. Projects at application or selection stage (select one of the following as appropriate):

European Fisheries Fund (EN and MT versions):

- This tender is being considered for European Union part-financing under the European Fisheries Fund (2007-2013) – *Investing in sustainable fisheries.*
- Din l-offerta qed tiġi kkunsidrata sabiex tiġi parzjalment iffinanzjata mill-Unjoni Ewropea taħt il-Fond Ewropew għas-Sajd (2007-2013) – *Investiment f'sajd sostenibbli.*

2. Approved projects (select one of the following as appropriate):

- This tender is part-financed by the European Union under the European Fisheries Fund (2007-2013) – *Investing in sustainable fisheries.*
- Din l-offerta hija parzjalment iffinanzjata mill-Unjoni Ewropea taħt il-Fond Ewropew għas-Sajd (2007-2013) – *Investiment f'sajd sostenibbli.*

N.B. The Department of Contracts and Project Leaders (or prospective Project Leaders) are urged to collaborate together to ensure that European Fisheries Fund and programming period are featured when inserting the above text.

12. Technical Assistance

12.1 – Overview

1. Technical Assistance (TA) supports and accompanies the programme implementation in accordance with Article 46 of the EFF Regulation. The TA supports actions related to preparation, management, monitoring, evaluation, control, information and publicity, and audit of the OP.
2. Priority of the OP provides for TA for the needs arising under EFF. The TA is managed by the MA.

12.2 – General Objectives of the TA

The general objective of the TA is to provide technical assistance for the effective implementation of Regulation 1198/2006.

12.3 – Roles and Responsibilities in the utilisation of the TA

Head of the MA

The MA's Head shall have the overall responsibility for the TA budget within the OP. The Head shall approve, in principle, all the initiatives to be funded through TA.

TA Management

The MA appoints an officer within the EFF Unit to carry out the day-to-day management of the EFF TA. The said officer works under the supervision of the Head of the OP, and acts as the overall coordinator of the Technical Assistance budget line.

The Applicant

Eligible Applicants for TA are those stakeholders involved in the management, implementation and control of the OP.

The Applicant should fill in the request for approval for TA Funding and must ensure that the relevant TA form is filled in correctly and that all the necessary documentation is provided. The application form should be signed by the Applicant's Head of Department/Unit.

The Applicant is responsible for the procurement process and for the drafting of the tendering documents/call for specifications to proceed with the procurement of the item requested, once approved.

12.4 – Implementation Process

1. The Applicant drafts a TA request, through Form A - Request for Approval, which should be accompanied by supporting documents outlining the necessity and the rationale of the request; quantities; cost estimates; procurement procedure to be undertaken in line with value of request. The TA request is submitted to the respective officer coordinating TA within the MA.

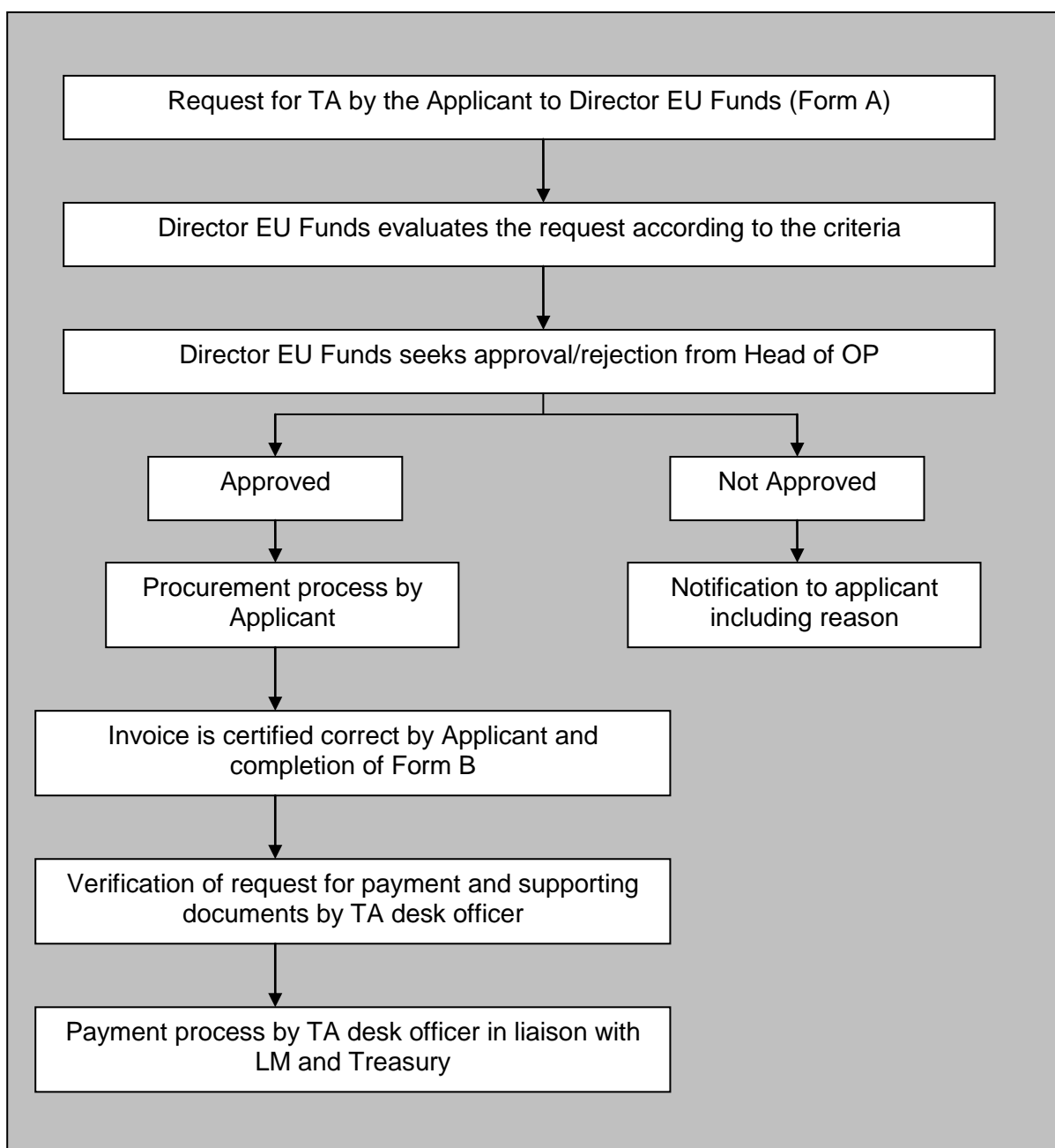
2. The officer coordinating TA within the MA carries out an evaluation of the request in line with the relevant criteria and seeks the approval/rejection from the Head of the EFF MA.
3. The officer coordinating TA within the MA informs the Applicant whether the request has been approved or otherwise.
4. If approved, the Applicant undertakes the procurement process in line with Public Procurement Regulations.

12.5 – Payment Process

MA as beneficiary of TA

1. The officer coordinating TA within the MA certifies the invoices for the TA related expenditure undertaken by the EFF Unit with the Funds and Programmes Division, upon delivery. After the invoices are certified correct, the Applicant is obliged to complete Form B - Request for Payment/Reimbursement. All relevant documentation is forwarded to the officer coordinating TA within the MA.
2. The officer coordinating TA within the MA confirms Form B, processes the payments through the Database and forwards the necessary documentation to the LM. LM submits documents to Treasury for continuation of the payment process.

Figure.5 Implementation/Payment Process (where the MA is applying for TA)⁷²



⁷² By TA Desk officer it is meant the Officer responsible for TA within the MA.

13. Delegation of Authority

13.1 Delegation of Authority

1. The Beneficiary organisation is responsible for the whole implementation of the project.
2. The Project Leader represents the Beneficiary on all matters related to the project.
3. In cases where the Beneficiary opts for external project management, the Beneficiary must explain to the MA the internal checks and balances introduced within the Beneficiary organisation to ensure that the Beneficiary does retain full control and decision making rights on the project. At no time shall the Beneficiary be represented by external project management for any meetings concerning the project.
4. In order to ensure that the Beneficiary retains full control of the project, it is advisable to nominate a contact person, in addition to the PL.
5. In cases where tight deadlines are involved, e.g. the verification and certification processes, the PL may delegate authority to the contact person or other officials at the appropriate level. The delegation of authority should only relate to specific events such as when the project leader is:
 - Abroad
 - On Sick Leave
 - On Vacation Leave
 - In the case of Aid Schemes, the Project Leader of the IB may delegate authority to selected persons to perform specific tasks for a definite period of time.
6. In the case of Aid Schemes (or any other cases approved by the MA), the IB (or Beneficiary) Project Leader may assign an open delegation of authority to a designated person/s within the Project Leader's office to:
 - i. certify an invoice/RR as correct and sign it;
 - ii. insert and confirm invoice/RR details in the Database,
 - iii. create and sign an ISC and/or
 - iv. upload a scanned copy of the reimbursement request, invoice, proof of payment, and any other necessary supporting documentation on the Database. In such circumstances, it is the responsibility of the project leader and the Beneficiary to ensure that such delegation of authority is adequately documented, covers a definite time period and is supervised. Only one person shall perform all actions outlined in (i) to (iv) above. Multiple signatures are not permitted.
7. In circumstances where the PL delegates duties to officers within the Beneficiary organisation, the PL must complete the necessary delegation of authority form authorising the officer/s concerned to carry out specific tasks on its behalf.
8. It should be noted that while the function can be delegated, the responsibility cannot.
9. The template below must be completed and signed by both parties.
10. The provisions of this section also apply to the Line Ministry function. The DPI may delegate authority to another officer within the Directorate to certify invoices on her/his behalf. A specific or general delegation may be applied, but the ultimate responsibility remains with the DPI.

DELEGATION OF AUTHORITY FORM

To whom it may concern

This is to notify that **(name of person being authorised)**, who holds the position of **(position of the person being authorised)**, within **(name of Beneficiary organisation/Line Ministry)**, is hereby authorised to act and sign on behalf of **(name of person delegating authority)** within **(name of Beneficiary/Line Ministry)** on:

1. all matters, or
2. on the following specific matters:

pertaining to the EU co-financed project **(name of project)** while the latter is away from office on duty travel overseas, on vacation or sick leave/ from **(insert date)** to **(insert date)**.

Delegated by:

Name in block letters

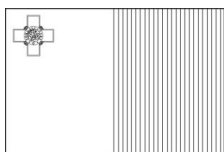
Signature

Accepted by:

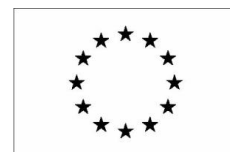
Name in block letters

Signature

Date



Fisheries Operational Programme 2007-2013
Project part-financed by the European Union
European Fisheries Fund (EFF)
Co-financing rate: XX% EU Funds; XX% National Funds



Investing in sustainable fisheries

13.2 Termination and Change of Project Leader

Should there be a change in the PL, the current PL and the newly appointed one should draft a letter informing the MA that the current PL will be terminating his/her project leadership. The letter should specify the name and designation of the officer who will be taking over the project leadership and the date of the effective handover.

The letter must be signed by both outgoing and newly appointed PLs and endorsed by the Permanent Secretary / legal representative of the Organisation⁷³. In the case of public sector projects, the respective LM shall ensure that the above procedure has been undertaken in time and that an effective handing over has been given to the new PL to ensure the smooth continuation of the project.

Beneficiaries are to ensure that the post of the Project Leader remains occupied **until the end of the document retention period in 2020**. Beneficiaries would be required to report to the MA, CA and AA (amongst others) even after termination of the project, mainly in the context of the Closure of the Programming period (2017) and possible *ad hoc* audits by European institutions or Maltese Authorities.

⁷³ This procedure also applies for PLs who will be retiring from their post within the Beneficiary organisation.

(Final Beneficiary/Organisation Letterhead)

Director General
Funds and Programmes Division
Ministry for European Affairs and Implementation of the Electoral Manifesto

Through Permanent Secretary/legal representative of the organisation

(date)

Re: Change in Project Leader for (insert project reference number and title of project)

Dear Ms/Mr **(surname of Director)**,

With reference to the above mentioned project, we would like to notify that **(name of new project leader)**, who holds the position of **(function/title/position)** within the Beneficiary organisation, has accepted to take the responsibility on all matters related to the EU co-financed project **(insert reference no. and title of project)** as Project Leader, replacing **(insert name of outgoing project leader)**. This change will come into effect as on **(date of transfer of responsibilities)**. The Beneficiary also declares that the outgoing Project Leader has handed over to the best of his/her knowledge all the documentation and information related to the project to the new Project Leader who has accepted and acknowledges such fact.

Delegated by:

(name of outgoing PL)

Signature

Accepted by:

(name of new PL)

Signature

14. Retention of Documents

14.1 General Remarks

All documentation related to projects shall be kept available for control and audit purposes in accordance with Article 87(1) of the EFF Regulation. This applies to all organisations benefiting/or involved in the management of European Fisheries Funds for 2007-2013.

All documents related to the projects shall be kept available for control and audit purposes up to three years after closure of the Programme in accordance with Article 87(1) of the EFF Regulation.

14.2 Records to be Retained

1. In line with Article 45 of (EC) 498/2007, all the documents related to the project and expenditure shall be made available during audit missions. The Beneficiaries must ensure that the following are available:
 - Documents relating to specific expenditure incurred and declared and payments made under the assistance and required for a sufficient audit trail including documents constituting proof of actual delivery of works/goods/services co-financed through the EU grant;
 - Reports and documents relating to checks carried out through:
 - the verification of expenditure;
 - the certification of expenditure and;
 - reports on audits carried out by the Audit Authority (IAID).
2. As indicated in the retention of documents table below, Beneficiaries and other stakeholders would be required to maintain documents in their original format while others would be required to keep copies of these originals. Copies of the original documents must be kept on commonly accepted data carriers, by a competent officer, which include:
 - Photocopies of original documents;
 - Microfiches of original documents;
 - Electronic versions of original documents on optical data carriers (such as CD-Rom, hard disk or magnetic disk);
 - Documents existing in electronic version only.
3. It is the sole responsibility of the Beneficiary organisation to ensure easy and quick access to project documentation also after the project closes. This is particularly the case when project management is contracted either outside the organisations or to persons with contracts which may terminate at the end of the project.
4. Where originals are required and these cannot be kept in files, copies of original documents must be certified as true copies of originals. The person certifying such copies is the person to be held responsible for the documents being copied. In the case of the Beneficiary organisation, documents should be signed by the Project Leader (or delegate) and, in the case of the Line Ministry, by the DPI/DCS (or delegate).

14.3 Records to Be Uploaded to the Database

1. This section provides guidance on the documents to be uploaded by the MA, Intermediate Bodies (IBs), Beneficiaries and Treasury to the Database.
2. This section is NOT intended to reduce the scope of the retention of documents outlined in this Chapter. It is only intended to ensure consistency and availability of information in the conduct of first-level desk-based controls, provide clear guidance to eliminate unnecessary duplication of work, reduce administrative burdens and mitigate the impact on Database hardware capacity. Beneficiaries and stakeholders are reminded that all the obligations relating to retention of documents as stipulated in Article 45 of (EC) 498/2007 (and subsequent amendments), the Grant Agreement and Manual of Procedures shall remain valid and effective.
3. **Data Protection:** In all cases, including a request for quotations, invoices, payslips and commercial and/or employment contracts, it is the responsibility of the Beneficiary/Stakeholder uploading the information/document to the Database to ensure that the Data Protection Act (ACT XXVI of 2001 and subsequent amendments) is being observed and that individuals/enterprises are informed that the data concerned will be accessible to national and EU stakeholders (or their delegated bodies) for payment, control and audit purposes.
4. Documents are to be uploaded only in Portable Document Format (PDF). Assistance on how to upload the documents to the database can be sought at the tutorials section of the PPCD web site: <http://www.ppcd.gov.mt/tutorials>.

14.4 Delegation of Authority

The person responsible to certify true copies of original must establish a procedure where in his/her absence such person will designate the signatory authority to an official within the office. For further information please refer to Chapter 13 – Delegation of Authority.

14.5 Entities Carrying Out Checks

Refer to Chapter 8 of this Manual of Procedures.

14.5.1 Retention of Documents for Procurement

1. For retention of documents in relation to procurement, the information has been classified according to the thresholds as stipulated by the Public Contracts Regulations. The procedure that will be considered valid is that procedure that is legally binding at the time when the procurement process for the tender was initiated. A procurement procedure must be finalised under the same procedure with which the procurement was initiated.
2. In the case of projects implemented by public equivalent, economic operators or non-governmental organisations, the Beneficiary must follow the spirit of public procurement regulations and apply the procedures required within the thresholds stipulated within the public procurement regulations.

14.6 Filing System for Project Related Documentation

1. Departmental files must be kept in line with Department's procedures. The colour of the departmental file is the same as used by the organisation in its day-to-day business. The instructions on this file are the same as those used for other departmental files for the organisation.
2. Each standard project file should be divided into the sections identified below (with separators) and should strictly follow the same order, with Section 1 being the one on top and Section 10 being at the very end:
 - Original Application Form, Letter of Grant & Addenda to the Letter of Grant (where applicable);
 - Important Correspondence (e.g. agreement to changes to the project prior to the drafting of an addendum to the Grant Agreement);
 - Payment Process (copies of invoices, ISCs and Receipts);
 - Verification Process;
 - Procurement (e.g. publication of tender, appointment of evaluation committee, evaluation report);
 - Monitoring (including indicators);
 - Spot Check Reports;
 - Irregularities Reports;
 - Publicity Records;
 - Inventory (where applicable);
 - Training records.
3. The documents included under each of the above mentioned sections should be filed in date order, with the most recent documents on top.
4. As stated above, the standard project file (ring file) does not exempt organisations from using their usual filing systems for day-to-day correspondence. The standard project file system is merely to facilitate access to the most important original documents during audits and for EFF funding purposes only. Copies and day-to-day correspondence should be kept in normal filing systems of the organisations – always in separate files for the project.

14.7 Retention of Documents Table

For completeness sake, Table 6 below indicates documents that need to be retained by the various stakeholders involved in the implementation of EFF funded projects. This will give the Beneficiary a complete picture of the requirements attached to the retention of documents process.

Table.6 Retention of Documents

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
For Projects not financed under an Aid Scheme 1. Application Form										

Application Form	Original		Copy		Copy					
Feasibility Studies, CBA (where applicable), EIA and other related studies (where applicable)	Original		Copy		Copy					
Grant Agreement	Original	Copy	Original		Original	Copy		Copy		
Addenda to the Grant Agreement (where applicable)	Original	Copy	Original		Original	Copy		Copy		
Official correspondence an agreed changes to projects ⁷⁴	Original/ Copy	Copy	Original/ Copy		Original/ Copy	Copy		Copy		
2. General Correspondence										
Any correspondence related to the project ⁷⁵	Original/ Copy	Original/ Copy	Original/ Copy		Original/ Copy	Original/ Copy	Original/ Copy	Original/ Copy	Original/ Copy	Original/ Copy

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
Delegation of Authority ⁷⁶	Original/ Copy	Original/ Copy	Original/ Copy		Original/ Copy	Original/ Copy	Original/ Copy	Original/ Copy	Original/ Copy	Original/ Copy

⁷⁴ Such letter of change of project leadership, delegation of authority, letter of extension to projects. The retention of these documents depends on the body sending the information. The sender must retain a copy of the letter/documents sent while the recipient must keep the original. Generally changes to a project are handled by the MA, Beneficiary and the relevant Line Ministry.

⁷⁵ The retention of these document depends on the body sending the information. The sender must retain a copy of the letter/documents sent while the recipient must keep the originals

⁷⁶ It is highly recommended that each office/body identified above, should have the Delegation of Authority Template duly filled in and signed. Each office should retain the original document and forward copies of the document to all offices identified above.

Financial Estimates (forecast)	Copy	Copy	Copy		Copy		Original	Copy		
Project Management Costs (detailed time sheets in the case of employment contract)			Original		Copy			Copy		
3. Payment Process										
Invoices related to all project expenditure			Copy		Copy			Original		
Invoice Status Certificate			Copy		Copy			Original		
Purchase Order (issued by the Accounting Officer)					Copy			Original		
Funds Transfer Document (BOP/B)								Copy	Original	
Debit Advice (presented by Treasury)								Copy	Original	
Bank Draft (BOP/21)								Copy	Original	
Letter of Adjustment (prepared by Treasury) (where applicable)								Copy	Original	

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
Debit Advice (prepared by Central Bank)								Original	Copy	
Summary of Debit Advices (prepared by Treasury)			Copy		Copy			Original		

Receipts			Original ⁷⁷		Copy			Certified True Copy ⁷⁸ / Original ⁷⁹		
4. Verification Process										
SoE by Project	Copy	Original	Copy	Copy	Copy					
Signed declaration attached to SoE by Project	Copy	Original	Copy	Copy	Copy					
SoE by Measure	Copy	Original								
Signed declaration attached to SoE by Priority Axis	Copy	Original								
5. Certification Process										
SoE by Fund	Copy	Original								
Request for Payment to the European Commission ⁸⁰		Copy								
Certificate ⁸¹		Copy								

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
Reports on checks carried out by the CA during the certification process		Original								

⁷⁷ The Beneficiary retains the original receipt (whether fiscal or not). The Beneficiary should also ascertain that a contractor issues a receipt within 3 to 5 days of receiving payments. The receipt is evidence of payment.

⁷⁸ The Beneficiary must send a Certified True Copy of a receipt to Treasury as soon as the Beneficiary receives the original receipt from the contractor.

⁷⁹ In the case of Aid Schemes, the Treasury requires the original receipt in order to process payment to the Beneficiary of the Aid Scheme.

⁸⁰ The Original document is sent to the European Commission.

⁸¹ The Original document is sent to the European Commission

Reports on checks carried out by the MA during the verification process	Original	Copy								
On-the-spot check reports	Original ⁸²	Copy	Copy		Copy					
6. Procurement (Public Procurement Regulations)										
6.1. Procurement which does not exceed €2,500										
a. Quotations			Original		Copy					
Adverts publicising the call for quotations (Government Gazette, website, etc.)			Original		Copy					
b. Direct from open market:										
Justification taking into account the amount involved, the urgency attached to the procurement and restrictions of choice and availability			Copy		Original					
Approval from the Head of Department			Original		Copy					
LPO/Agreement (where applicable)			Original		Copy					

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
6.2. Procurement which exceeds €2,500 but does not exceed €6,000										

⁸² In the case of spot checks carried out by the MA on the Beneficiary of project

a. Tenders (required documents are identified under section Tenders below €47,000)			Original		Copy					
Adverts publicising the call for tenders (Government Gazette, newspapers, website, etc.)			Original		Copy					
b. Quotations			Original		Copy					
Written approval by Minister or delegate			Original		Copy					
c. Direct from open market:										
Justification taking into account the amount involved, the urgency attached to the procurement and restrictions of choice and availability			Original		Copy					
Written approval by Minister or delegate			Original		Copy					
LPO/Agreement (where applicable in the case of quotations) ⁸³			Original		Copy					

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
6.3. Schedule 2⁸⁴ - Tenders that do not exceed the €47,000 threshold										

⁸³ In the case of quotations and direct orders from the open market. In the case of tenders, please refer to section on tenders below €47,000 threshold

⁸⁴ In the case of a restricted procedure, consent of the Director of Contracts must be retained. The original request for consent must be retained by the DoC while the original consent issued by the DoC must be retained by the Beneficiary.

Tender Document			Original		Copy					
Adverts where tenders are made public (e.g. newspapers, websites, Government Gazette)			Original							
Requests for clarifications and published replies			Original/ Copy							
Official letter of appointment of the Evaluation Committee			Copy ⁸⁵		Copy					
Bids submitted by bidders			Original							
Tender opening report indicating the number of bids received within the deadline of submission			Original		Copy					
Evaluation Report			Original		Copy					
Publication of selection results			Original		Copy					
Contract/Letter of award (and any other document required by law)	Copy		Original/ Copy ⁸⁶		Copy					
Letter to non successful bidders			Copy		Copy					
Recourse to Court and defence procedures			Original/ Copies							

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
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6.4. Schedule 2 – Tenders above the €47,000 threshold

⁸⁵ Original sent to members of the Evaluation Committee

⁸⁶ In the case of a letter of award, the original is sent to the contractor and the Beneficiary keeps a copy. In the case of a contract, the Beneficiary and the contractor keep an original signed copy each.

Commitment Form ⁸⁷	Copy		Copy		Copy	Original	Copy			
a. Tender Document			Copy		Copy	Original				
Letter/E-mail recommending the members of the Evaluation Committee			Copy		Copy	Original				
Letter/E-mail approving (or otherwise) the members recommended for the Evaluation Committee			Copy		Original	Copy				
Adverts where tenders are made public (e.g. Government Gazette, Newspapers, website, etc.)			Copy			Original				
Contract Notice Advert in the Official Journal (if tender value exceeds the stipulated threshold)			Copy			Original				
Requests for clarifications and published replies			Copy			Original/ Copy				
Bids submitted by bidders						Original				
Tender opening report (indicating the number of bids received within the stipulated deadline)			Copy		Copy	Original				
Evaluation report			Copy		Copy	Original				

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
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⁸⁷ Not applicable for projects implemented by Non-Governmental Organisations or Public equivalent.

Minutes of the General Contracts Committee approving (or otherwise) the recommendation of the Evaluation Report						Original				
Publication of the results of the adjudication						Original				
Publication of the Contract Award Notice in the Official Journal (where applicable)			Copy		Copy	Original				
Notification award letter			Copy		Copy	Copy				
Letter to non-successful applicants			Copy		Copy	Copy				
Contract	Copy		Original		Copy	Original		Copy		
Appeals and/or Recourse to Court and Defence procedures			Copy		Copy	Original				
Tendering process checklist ⁸⁸	Copy					Original				
Control sheet						Original				
Addenda to the contract (where applicable)	Copy		Original		Copy	Original				
b. Request for Direct Order			Copy		Copy	Copy	Original ⁸⁹			

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
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⁸⁸ The tendering process checklist is attached to each tender file for each tender administered by the DoC. Once the checklist is complete, the DoC will send a copy to the MA

⁸⁹ If the direct order exceeds the EU thresholds, the Budget Office will require the acceptance/clearance of the DoC before granting the direct order. Generally, the matter will be referred to the GCC for approval for a negotiated procedure with an economic operator.

Approval of Direct Order			Original		Copy	Copy	Copy			
Contract	Copy		Original		Copy	Original	Copy	Copy		
Addenda to the contract (where applicable)	Copy		Original		Copy	Original	Copy	Copy		
6.5. Tenders above stipulated EU thresholds										
Prior Indicative Notice			Copy/ Original ⁹⁰		Copy	Copy/ Original ⁹¹				
7. Monitoring										
Photographs to evidence project implementation (where applicable)	Original/ Copy	Copy								
Project Progress Report	Original		Copy		Copy					
Project Closure Report IA	Original		Copy		Copy					
Project Closure Report IB	Original									
8. Irregularities										
EFF Irregularity Report ⁹²	Original	Copy	Copy		Copy	Copy		Copy		
9. Assets/Equipment										
Inventory			Original		Copy					

Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
10. Publicity Records										

⁹⁰ A copy is retained by the Beneficiary. The original is kept in case of a direct order.

⁹¹ A copy is retained by the DoC. The original is kept in case of a direct order.

⁹² A copy is retained by the Beneficiary, Line Ministry, DoC and Treasury, where applicable only, depending where and/or by whom the irregularity was committed

Copies of all publicity used (adverts, press releases, photos of billboards on site, photos of publicity events, leaflets, posters, CDs and DvDs)	Copy		Original		Copy					
Evidence of using EU and Malta flag notify the beneficiaries and general public of the EFF contribution	Copy		Original		Copy					
11. Aid Schemes implemented by the IB⁹³										
Call for projects				Original						
Application form and relevant annexes				Original						
Acknowledgement Letters				Copy						
Information on the selection of target beneficiaries ⁹⁴				Original						
Grant Agreement				Original						
Letter of non successful applicants (stating reasons)				Copy						

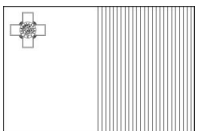
Documentation	MA	CA	Beneficiary	IB	LM	DoC	Budget Office	Treasury	CBM	SAMB
---------------	----	----	-------------	----	----	-----	---------------	----------	-----	------

⁹³ The IB will issue detailed guidance notes to the Beneficiaries of aid Schemes. The IB will also indicate the documentation to be retained by the Beneficiary.

⁹⁴ In the case of schemes, the IB is also expected to retain the *Assessment of the application by the desk officer* and the *Evaluation Grid by the Selection Committee with marks for each project*.

Addendum amending the Grant Agreement (where applicable)				Original						
Relevant evidence on publicity				Copy						
Inventory (where applicable)				Copy						
Evidence of project selection process				Original						
Ranking sheets				Original						
Minutes of Project Selection Committee				Original						
Claims report				Original						

Annexes



Fisheries Operational Programme 2007-2013
Project part-financed by the European Union
European Fisheries Fund (EFF)
Co-financing rate: 75% EU Funds; 25% National Funds
Investing in sustainable fisheries



Annex I – TRS9/Financial Identification Form

Form **TR/S-9**
(January 2008)
Treasury Division
EU Funds Management Unit



Supply/Service Provider Financial Identification Number and Certification

Please remember to complete in **BLOCK LETTERS** and endorse declaration in **Part III** below before submitting to the EU Funds Management Unit

Part I

Print or type
Details of Business

Business Name as Registered with VAT Dept.	
Trading Name <i>(if applicable)</i>	
Address	
Town/City	Post Code
Country	VAT Reg. Number
Contact Person	
Telephone Number	Fax Number
e-mail Address <i>(generic)</i>	

Part II

Print or type
Details of Account Holder
See Specific Instructions on page 2

Bank Account Holder	
Bank Name	
Branch Address	
Town/City and Post Code	
Country	
International Bank Account Number (IBAN) <i>(compulsary)</i>	
Bank Identifier Code (BIC)	

Part III

I the undersigned declare that all information filled herein and conferred to you is to the best of my knowledge and belief true, correct and complete. I understand and am fully aware that falsification of any information may jeopardize the validity of the payment issued thereon. I further declare that I have read and understood the details given on page 2 of this form, and unless otherwise directed, the above information may be used for future EU related payments.

**SIGN
HERE**

Signature of account holder ▶ Date ▶
[compulsory]

**FOR OFFICE USE
ONLY**

▶
Signature of Treasury's Representative
Date

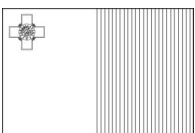
▶
Signature of Contracting Authority/FB* *(as applicable)*
Date
** Final Beneficiary*

	<p>Fisheries Operational Programme 2007-2013 Project part-financed by the European Union European Fisheries Fund (EFF) Co-financing rate: 75% EU Funds; 25% National Funds <i>Investing in sustainable fisheries</i></p>	
--	--	--

Annex II – Verification Checklist

The following are the items checked during the Verification of Expenditure:

- Invoice details
- Invoice Status Certificate
- Signatures of Project Leader or as duly authorised in a Delegation of Authority
- Relevant Documents uploaded on the Database
- Procurement details and documents
- Eligibility of costs incurred
- Certified Amounts
- On-the-spot checks done on the project



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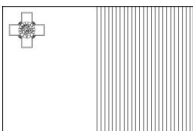
Annex III – On the Spot check report templates

European Fisheries Fund Irregularity Report

For MA use: EFFIR (A)

European Fisheries Fund 2007-2013 IRREGULARITY REPORT

1.0 GENERAL INFORMATION	
Member State	Malta
Programming Period	2007-2013
Objective	Convergence
Operational Programme	Fisheries Operational Programme
Fund	European Fisheries Fund
Priority Axis	
Measure	
Title of the Project / Aid Scheme	
Beneficiary	
Case No.	
Date of first information leading to suspicion of irregularity	
Source of first information on the irregularity	
Date when irregularity was detected	
Organisation that detected the irregularity	
Role of organisation that detected the irregularity (select from drop-down)	Managing Authority
Total Project allocation <i>in case of aid schemes, this has to be the allocation for the beneficiary involved in the irregularity</i>	



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Public Eligible			Private / Other Contributions (if applicable)	Non-eligible (if applicable)
EU	MT	Total		

2.0 DESCRIPTION OF THE IRREGULARITY

2.1 Irregular amount
(Public share only)

2.2 Indicate regulation/decision/procedure that has suffered the infringement

Community Regulation	National Provisions	Manual of Procedures	Governance	Other
----------------------	---------------------	----------------------	------------	-------

2.3 Nature of expenditure
e.g. purchase of equipment, employment, training costs

2.4 Provide a brief description of the practices employed in committing the irregularity

2.5 Provide a brief description on how the irregularity was quantified

2.6 Type of Irregularity
(only one can be ticked)

- Overpayment
- Non-eligible expenditure
- Incorrect supporting documents
- Insufficient / Absence of supporting documents
- Public Procurement irregularity
- Administrative error
- Human error
- Systemic error
- Other (please specify)
- 2.7 Qualification of the irregularity
(in the sense of Reg. 2988/95)
 - i. Irregularity

- 2.8 Irregularity detected during
- ii. Suspicion of Fraud
 - iii. Established Fraud (Only by Court Decision)
 - Checks undertaken by stakeholders (including the Beneficiary itself) during implementation (e.g. the payment process)
 - Management verifications carried out by the MA / IB [EC1198/2006, Art.59(b)]
 - Management verifications (physical on-the-spot check) by the MA / IB [EC1198/2006, Art.59(b)]
 - Checks carried out during the certification process by the CA
 - Audits carried out by the Audit Authority
 - Audits carried out by other audit bodies
 - Other

2.9 Stage at which Irregularity took place

e.g. procurement, payment process

2.10 Date at which, or period during which, the irregularity was committed

From

Until

Date

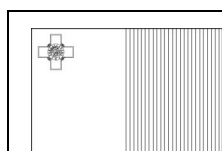
3.0 NATURAL AND/OR LEGAL PERSONS INVOLVED IN COMMITTING THE IRREGULARITY <i>(Repeat sections as appropriate)</i>	
Natural Person	
Name	

Address	
Tel. no.	
E-mail address	
Role of the organisation wherein the person functions <i>e.g. Beneficiary, Intermediary Body</i>	
Position held/Function	

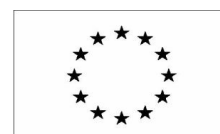
Legal Person	
Name	
Legal Status	

4.0 FINANCIAL DETAILS OF IRREGULARITY				
4.1 See Annex 1				
4.2 Is further expenditure being suspended?	Yes	<input type="checkbox"/>	Amount and why?	
	No	<input type="checkbox"/>	Why?	
	NA	<input type="checkbox"/>	Why?	
4.3 State how the recovery of funds will be/has been done	The Beneficiary is to reimburse the irregular amount of €xxxx (inc. VAT) to Treasury by making a transfer of funds to the Accountant General.			
E-mail address				
Registered Office				
Tel. no.				

5.0 FOLLOW-UP (Refer also to Annex 1)	
5.1 Briefly describe what follow-up actions are required and who is responsible	<p>1. MA to deduct the irregular amount of €xxxxx from [invoice numbers] through an adjustment in the Database;</p> <p>2. The Beneficiary shall reimburse the amount of €xxxxx (see Annex 1) to Treasury;</p>



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	<p>3. The LM shall ensure that the Beneficiary reimburses the wrongly paid amount;</p> <p>4. The Treasury shall ensure that the amount reimbursed is correct; and</p> <p>5. The CA shall ensure that the adjustment (ADJ) effected by the MA in step 1 above features in the respective SOE by Project, the SOE by Priority, the SOE by Fund and the SOE by Fund Project.</p>
<p>5.2 Deadline for all follow-up actions to be settled including recovery of funds</p>	<p>For items 1 to 4 in section 5.1: [date] For item 5: to be determined by the CA</p>

6.0 RECURRENCE	
<p>6.1 Briefly describe the actions and/or measures taken to prevent the recurrence of similar irregularities</p>	

7.0 OTHER	
<p>7.1 Insert any additional observations/comments</p>	

Report submitted by:

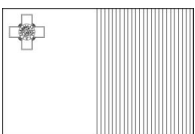

NAME IN BLOCK LETTERS

NAME OF ORGANISATION/DEPARTMENT

DESIGNATION

SIGNATURE

DATE

	<p>Fisheries Operational Programme 2007-2013 Project part-financed by the European Union European Fisheries Fund (EFF) Co-financing rate: 75% EU Funds; 25% National Funds <i>Investing in sustainable fisheries</i></p>	
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DIRECTOR PROGRAMME IMPLEMENTATION⁹⁵

NAME OF ORGANISATION/DEPARTMENT

DATE

SIGNATURE

Report received by:

NAME IN BLOCK LETTERS

NAME OF ORGANISATION/DEPARTMENT

DESIGNATION

SIGNATURE

DATE

STAMP

⁹⁵ Signature of DPI required only if Irregularity Report is being raised by a Public Beneficiary

Annex IV

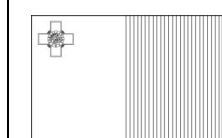
EFF 2007 – 2013 Programme - Documentary On-the-Spot Checks

This template should be filled in by the MA when carrying out administrative verifications at the Beneficiary

OTS Reference:

1. GENERAL INFORMATION

Date	
Member State	Malta
Programming Period	2007-2013
Fund	European Fisheries Fund
Priority Axis	
Measure	
Project Number	
Title of the Project	
Beneficiary	
Project Leader	
Person Representing the Project Leader: <i>(if the latter is not available)</i>	
Line Ministry representative <i>(where applicable)</i>	
Place of meeting	
Officers present during the on-the-spot check	



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FINAL BENEFICIARY DETAILS		
2.1	Name:	
2.2	Address:	
2.3	Telephone no.:	
2.4	Mobile no.:	
2.5	Grant Agreement Ref. no.:	
2.6	Company contact person:	

1.1 Project cost**1.1.1 Original Total Cost of the Project (as per Grant Agreement/Commission Decision)**

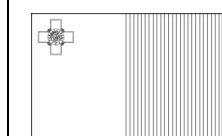
	Community Amount (€)	National Public Amount (€)	Other (Private or Non-Public Equivalent)	Net Cost	Vat		Other Ineligible Costs	Funding Gap	Total
					Eligible	Non-Eligible			

1.1.2 If any changes were proposed in the addenda, enter the revised cost of the project: (add rows as appropriate)

Addendum No.	Community Amount (€)	National Public Amount (€)	Other (Private or Non-Public Equivalent)	Net Cost	Vat		Other Ineligible Costs	Funding Gap	Total
					Eligible	Non-Eligible			
				0.00					0.00

1.2 Project Documentation

Is project documentation in file?	Yes	No	N/A
Application Form submitted by Beneficiary to MA (during call) (copy)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supporting Documentation (copy) e.g. Business Plan, CBA, Feasibility Study or any other relevant study	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
List the Studies that were attached to the application form or as subsequently requested by the PSC as a condition for approval.			
Letter of Approval by PSC / Grant Agreement / Commission Decision (original)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Addenda to the Grant Agreement / Commission Decision (original)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indicate number of addendum/addenda done on this Grant Agreement/Commission Decision and date of last signature on each addendum			
Correspondence related to Grant Agreement/Addenda (clarification letters, approval letter, request for addendum and approval)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEPA Permit (where applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (e.g. Delegation of Authority)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			



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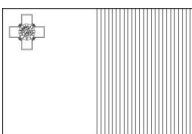

2. DELIVERABLES				
2.1 Studies (financed through the Project Funds)	Tick here if section is <u>Not Applicable</u> to project			<input type="checkbox"/>
	Yes	No	N/A	
Were any studies conducted in relation to the project (following approval)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
If yes, are they in file? (original)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>If yes, please list them below:</i>				
Comments:				

2.2 Fixed assets (e.g. Equipment, furniture)	Tick here if section is <u>Not Applicable</u> to project			<input type="checkbox"/>
	Yes	No	N/A	
Were any fixed assets purchased under this project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
If yes, please specify what fixed assets have been purchased				

2.3 If any of the fixed assets purchased under this project are being checked during this OTS ⁵ , list them here		Tick here if section is <u>Not Applicable</u> to project		<input type="checkbox"/>
Item Description	QTY	Serial No. / ID (where applicable)	Is item operating on site?	

2.4 Equipment-related Training	Tick here if section is <u>Not Applicable</u> to project			<input type="checkbox"/>
	Yes	No	N/A	
Attendance Sheets (for both trainer and trainees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Documents used for training (e.g. presentation, handouts, etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Photographs showing that the training took place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Copy of certificates (where applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

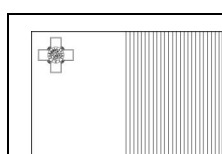
⁵ Attach photos of items that are physically checked

	Fisheries Operational Programme 2007-2013 Project part-financed by the European Union European Fisheries Fund (EFF) Co-financing rate: 75% EU Funds; 25% National Funds <i>Investing in sustainable fisheries</i>	
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2.5 Inventory - Refer to inventory template if applicable	Tick here if section is Not Applicable to project			<input type="checkbox"/>
	Yes	No	N/A	
Has the Beneficiary filled in and updated the inventory template for all the fixed assets procured under this project and which are being co-financed by the EU?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Did the Beneficiary send a copy of the Inventory to the Managing Authority? <i>(In case of economic operators the inventory has to be centrally recorded and proof of this has to be presented by the PL during the on-the-spot check to the officer conducting the check.)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Was the inventory acknowledged by the DCS of the respective Line Ministry <i>(or as relevant in the case of economic operators)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Comments:				

2.6 Second Hand Equipment	Tick here if section is Not Applicable to project			<input type="checkbox"/>
	Yes	No	N/A	
Approval by the MA for the procurement of second-hand equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Declaration by the supplier stating:				
▪ the origin of the equipment (original)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Proof that the equipment does not exceed market value or cost of similar new equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

2.7 Revenue Generation	Tick here if section is Not Applicable to project			<input type="checkbox"/>
	Yes	No	N/A	
Is the project expected to generate revenue after completion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
If yes was this envisaged in the Grant Agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are there any changes to financial projections as outlined in CBA/Financial Feasibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Specify the source of revenue				
Entrance Fee				<input type="checkbox"/>
Sale of land/ rent / buildings				<input type="checkbox"/>
Users for the use of infrastructure				<input type="checkbox"/>
Payment for services				<input type="checkbox"/>
Other				<input type="checkbox"/>

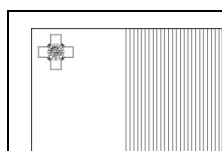


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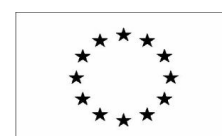


3. FINANCIAL IMPLEMENTATION PROGRESS (refer to Annex 1)						
3.1 Statement of Expenditure						
In the table below please list the Statements of Expenditure (SOE) raised to date with relevant amounts (Public Eligible) (add rows as appropriate)						
A	B	C	D	E	Are signed copies of each SOE by Project (Project Level) and SOE by Fund (Project Level) available in the project file?	
SOE by Date	SOE by Fund No.	Community Amount (€)	National Public Amount (€)	Total Public Eligible Amount (€)	Yes	No
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
Comments:						

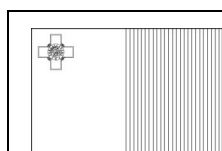
3.2 Disbursement						
	Net	VAT		Public Eligible Amount	Private Share (where applicable)	Total
		Eligible	Not Eligible			
Please indicate the amount of money paid by Treasury to date [Insert date]						



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5. EMPLOYMENT					
5.1 Engagement through Employment Full-Time Part-Time			Tick here if section is Not Applicable to project		<input type="checkbox"/>
Call made through:	Register of Persons Seeking Employment (Section A)	<input type="checkbox"/>	Date of Publication of Call		
	Open Call for Employment (Section B)	<input type="checkbox"/>	Deadline for submission of applications		
	Call for Contract of Service (Section C)	<input type="checkbox"/>			
Call Reference	Position	Invoices which relate to this call: (add rows as appropriate)			
Applicant/s Selected	Duration of contract	Salary/Rate per hour			
		No. of Hours/Week			
	Yes	No	N/A	Comments	
A. Register of Persons Seeking Employment (ETC register)		Tick here if section is Not Applicable to this procurement			<input type="checkbox"/>
Vacancy Form signed by Permanent Secretary incl. position, requirements (qualifications, skills, experience)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Vacancy Approval (RRAG)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Part 1/ 2/ 3 list of eligible candidates (where applicable)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B. Open Call for Employment		Tick here if section is Not Applicable to this procurement			<input type="checkbox"/>
ETC Permit No. (where applicable)			<input type="checkbox"/>		
Call for applications (advert i.e. govt. gazette, newspapers, websites): position, eligibility criteria (qualifications, skills, experience) and any supporting documentation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
C. Call of Service		Tick here if section is Not Applicable to this procurement			<input type="checkbox"/>
Call for applications (advert i.e. govt. gazette, newspapers, websites): position, eligibility criteria (qualifications, skills, experience) and any supporting documentation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
D. Section to be filled for all types of employment procedures		Tick here if section is Not Applicable to this procurement			<input type="checkbox"/>
All submitted application/s, CVs, certificates and other requested documentation (where applicable)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
State the number of applications received within the stipulated deadline:					



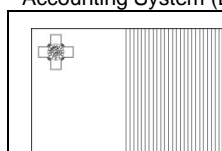
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Short-listing of applicants giving reasons for rejection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Copy of Interview letters sent to short-listed applicants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>State the number of applicants shortlisted:</i>				
Were all applicants shortlisted eligible for the position?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Copy of letters sent to those applicants who were not shortlisted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>State the number of applicants who were not shortlisted:</i>				
Letter of appointment/ approval of Selection Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Conflict of Interest Declaration of Selection Board members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Selection Criteria and/or sub-criteria	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Selection Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Copy of Letter of appointment to successful candidate/s	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Copy of Letter to non-successful short listed candidate/s	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Contract of employment/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is appropriate reference given to the protection of personal data in documents such as tender documents and contracts, in accordance with the Data Protection Act of 2001 (and subsequent amendments)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

6. ACCOUNTING			
6.1 Government Entities (not Departments and Agencies) ⁶ , Economic Operators	Tick here if section is <u>Not Applicable</u> to project		<input type="checkbox"/>
	Yes	No	Comments
For the accounting of all transactions related to the project, state whether a Separate accounting system <input type="checkbox"/> and/or an adequate accounting code <input type="checkbox"/> is/are being used for this project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If neither of the above are being used, state reason why			
Annual auditor's certificate to the financial statements for each financial year for the full duration of the project, and for the year following the last reimbursement received by the beneficiary are in file (indicate year where applicable)	Year/s:		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			

⁶ Government Entities as defined in the Public Administration Act, 2008. This circular does not apply to Government Departments and Government Agencies listed in the Second and Fourth Schedule of the Act, whose transactions are recorded in the Departmental Accounting System (DAS).



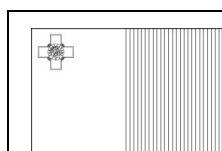
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7. HORIZONTAL PRIORITIES				
7.1 Environmental Sustainability and Sustainable Development				
	Yes	No	N/A	Comments
Beneficiary is implementing its commitments in terms of environment sustainability as outlined in the project application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Specify what the project has achieved so far in relation to its contribution to environment sustainability.				
Comments:				
Beneficiary is implementing its commitments on sustainable development as indicated in the project application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Explain how the project is contributing to the Policy of sustainability development.				
Comments:				

7.3 Equal Opportunities				
	Yes	No	N/A	Comments
Project is in line with Community Policy on Equal Opportunities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Beneficiary is implementing its commitments related to equal opportunities as outlined in the project application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Specify what the project has achieved in relation to its contribution to Equal Opportunities.				

7.4 State Aid				
	Yes	No	N/A	Comments
Correspondence with State Aid Monitoring Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Project being implemented in line with SAMB instructions (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Has the project changed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
If project changed, notification to SAMB and subsequent clearance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

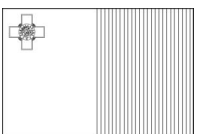



Fisheries Operational Programme 2007-2013
 Project part-financed by the European Union
 European Fisheries Fund (EFF)
 Co-financing rate: 75% EU Funds; 25% National Funds
Investing in sustainable fisheries



8. PUBLICITY AND INFORMATION ⁷				
	Yes	No	N/A	Comments
Billboard on Site	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Signs/plaques on site	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Poster/s on site	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Stickers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Official Launch Event	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Press Release/s/write ups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Media adverts (Television/Radio)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Printed Media Adverts (Newspapers, Magazines)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other informative material such as leaflets and brochures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Online or Email publicity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other/s (<i>Please specify</i>)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Comments:				

⁷ Attach photos of items physically checked

	<p>Fisheries Operational Programme 2007-2013 Project part-financed by the European Union European Fisheries Fund (EFF) Co-financing rate: 75% EU Funds; 25% National Funds <i>Investing in sustainable fisheries</i></p>	
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9. CONCLUSIONS
9.1 General remarks on the overall implementation of the project and updates on the follow up actions requested in previous OTS checks.
9.2 List any follow-up actions required and the date by which these should be undertaken as well as who is to check that action has been taken as instructed. Indicate if a follow-up visit is necessary and by when this visit should take place
9.3 Indicate/list any suspicion of irregularities or actual detection of irregularities
9.4 Recommendations and remarks on general improvement which may be required in the implementation and management of the project.
9.5 List of Annexes (as relevant) (Any photos and/or documents gathered during the on-the-spot check)

10. ENDORSEMENT OF ON-THE-SPOT CHECK REPORT

Officers Conducting Check:

Name in Block Letters	Signature
Designation	Date

Name in Block Letters	Signature
Designation	Date

Conclusions and Recommendations endorsed by:

Name in Block Letters	Signature
Designation	Date

Beneficiary:

Name in Block Letters	Signature
Designation	Date

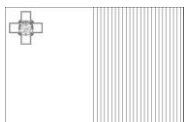
Template for On-the-Spot Checks by the MA on the IB

This template should be filled in by the MA when carrying out on-the-spot check on INTERMEDIATE BODIES

This template is based on the "Self Assessment Tool for Managing Authorities" issued by DG REGIO (COCOF 09/0005/00-EN) in January 2009.

1. GENERAL INFORMATION

Date	
Member State	Malta
Programming Period	2007 – 2013
Objective	For the present Programming Period Malta is covered by the new "convergence" objective under the Structural Funds.
Operational Programme	EFF OP 2007-2013
Fund	European Fisheries Fund (EFF)
Priority Axis	
Measure	
Project Number	
Title of the Scheme	



Fisheries Operational Programme 2007 – 2013
European Fisheries Fund (EFF)

Investing in sustainable fisheries



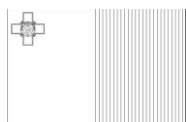
Call Number	
Intermediate Body	EU Affairs Directorate, MRRA
Head of IB	
Person Representing the Head of the IB: <i>(if the latter is not available)</i>	
Line Ministry representative	N/A
Place of meeting	
Officers present during the spot check	

KEY REQUIREMENT 1

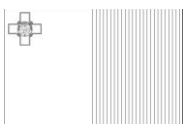
Clear definition, allocation and separation of functions.

	Yes	No	N/A	
1. Is the allocation of functions clearly defined by an organisation chart or other means within the intermediate body?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is there appropriate separation of functions within the intermediate body?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Does the programme have a formal written agreement setting out any tasks that are delegated by the managing authority to the intermediate body (i.e. Covenant)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Are the functions within the IB adequately defined? Indicate the number of posts designated to fulfil these functions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Do you consider that the number of posts allocated to the intermediate body is sufficient to fulfil the tasks allocated to it? Why?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Is there an up-to-date manual of procedures applicable for the intermediate body?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Are staff qualified and formally trained to ensure familiarity with procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Effective monitoring of implementation of the tasks delegated to the intermediate bodies.



	Yes	No	N/A	
8. Does the Managing Authority regularly receive the information agreed upon from the intermediate bodies on work carried out via regular post or e-mail?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. Does the Managing Authority provide feedback through, for instance, regular meetings with the Intermediate Bodies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. Does the Managing Authority have access to the database used by the Intermediate Bodies to verify information on co-financed projects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

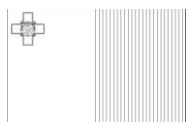


KEY REQUIREMENT 2**Publication of calls**

	Yes	No	N/A	
11. Have the calls for application been published on a website or any other new media (internet, email, CD's, etc)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12. Have the calls for application been advertised on public media (television, radio, etc)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13. Have the calls for application been advertised in print media (magazine, newspaper, etc) or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
14. Have the calls for application been published in accordance with the conditions and objectives of the EFF OP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15. Did the published calls for application contain a clear description of the selection procedure to be used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16. Did the published calls for application contain a clear description of the rights and obligations of the beneficiaries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17. Has reasonable time between publication and closure date of the procedure been respected?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

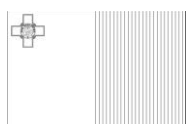
Recording of applications

	Yes	No	N/A	
18. Have all applications received been registered on receipt?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19. Has evidence of receipt been delivered to each applicant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20. Has the application letter been registered and been assigned a sequential number?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If yes, specify number:
21. Does the Intermediate Body keep records of the approval/rejection status of each application?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



Evaluation of applications				
	Yes	No	N/A	
22. Have the criteria/scorings used for the evaluation been in accordance with those approved by the Monitoring Committee and mentioned in the calls?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
23. Have the results of the evaluations been documented?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
24. Has the substance of the applications been evaluated according to the approved criteria?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
25. Has the financial capacity of the applicants to fulfil the responsibilities regarding the provision of funding been evaluated according to the approved criteria?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
26. Has the administrative capacity of the applicants to fulfil the responsibilities regarding the provision of funding been evaluated according to the approved criteria?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
27. Has the operational capacity of the applicants to fulfil the responsibilities regarding the provision of funding been evaluated according to the approved criteria?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
28. If the applicant will be procuring a service/product from a third party has he/she provided three (3) quotations? (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
29. Does the procedure ensure an objective evaluation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Decisions on acceptance or rejection of applications				
	Yes	No	N/A	
30. Has the decision on the acceptance or rejection of applicants/projects been taken by an appropriately designated person/body (e.g. Projects Selection Committee)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
31. Have the decisions taken on the acceptance or rejection of applications/projects been communicated in due time and in writing to the applicants?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
32. Have the reasons for acceptance or rejection of applications clearly been set out?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
33. Is an appeal procedure in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



34. If yes, has it been communicated to the applicants?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
35. In case of an appeal, has the decision been published?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
36. Are modifications to projects allowed, recorded and subject to formal approval procedure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Beneficiaries have access to the necessary information and receive an appropriate level of guidance.

	Yes	No	N/A	
37. Is there a strategy laid down in a written and approved document?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

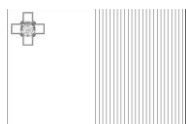
KEY REQUIREMENT 3

Means used for giving the appropriate level of guidance

	Yes	No	N/A	
38. Are leaflets, booklets, manuals used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
39. Have seminars, workshops been organised?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
40. Have other means been used such as web sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
41. Is sufficient diffusion to potential applicants ensured?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Effective communication to beneficiaries of their rights and obligations:

	Yes	No	N/A	
42. Have the national eligibility and Community rules for the programme been given to the beneficiary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
43. Have the eligibility rules for the aid scheme been given to the beneficiary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
44. Have the specific conditions concerning the products or services to be delivered under the operation been clarified to the beneficiary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



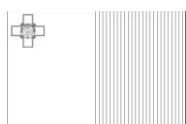
45. Has the approved financing plan been communicated to the beneficiary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
46. Have the start and end date for the execution been agreed on and communicated to the beneficiary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
47. Have the requirements concerning separate accounting or adequate accounting codes been clarified to the beneficiary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
48. Has the information to be kept and communicated been clarified to the beneficiary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
49. Are the information and publicity obligations clearly expressed and communicated to the beneficiaries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Effective communication with general public:

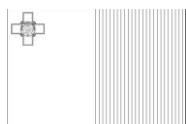
	Yes	No	N/A	
50. Have the required visual identity aids been used (EU Flag, Malta Flag, Reference to 'European Fisheries Fund' and fisheries slogan)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Please specify:
51. Have the required signage been used (Billboards, signs/plaques, display stands, forms)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Please specify:

KEY REQUIREMENT 4**The existence of written procedures and comprehensive checklists in order to detect any material misstatements**

	Yes	No	N/A	
52. Does the Manual of Procedures include specific provisions for the execution of management verifications and is it up to date?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
53. Do Notes to Beneficiaries include specific provisions for the execution of management verifications and is it up to date?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
54. Is training organised to ensure that the IB staff has the required competence with respect to management verifications?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



Are the following points examined during verifications by the IB?				
	Yes	No	N/A	
55. the correctness of the application for reimbursement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
56. that expenditure relates to the eligible period,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
57. compliance with the approved project,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
58. compliance with the approved financing rate (where applicable),	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
59. compliance with the aid scheme, national and Community eligibility rules,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
60. Is the project in line with Community Policy on State Aid?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
61. Was the state aid communicated to the SAMB as required by National Legislation LN 210/2004?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
62. Do the proposed measures take into consideration environmental legislation in particular:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
63. Scrappage schemes – <i>Is disposal of waste catered for?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
64. Modernisation – <i>Are there any provisions to ensure that there are no increases in the ability to catch fish?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
65. Projects including physical construction – <i>Are these covered by MEPA permits?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
66. compliance with environmental sustainability commitments,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
67. Is the project in line with Community Policy on Equal Opportunities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
68. Does the call / evaluation process discriminate on the basis of gender, sexual orientation, religion, race or physical ability?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
69. compliance with the principles of EC and national public procurement rules,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



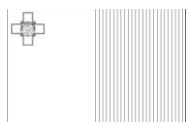
70. the respect of EC and national rules on publicity,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
71. that the operation has not been subject to double financing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
72. the reality of the project, including physical progress of the product/service and compliance with the terms and the conditions of the grant agreement,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
73. the adequacy of supporting documents and of the existence of an adequate audit trail,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
74. Are there standard checklists used which are covering all of the above mentioned points?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
75. Are the administrative verifications regarding the expenditure in a particular statement completed before certification?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
76. Are all applications for reimbursement submitted by beneficiaries subject to administrative verifications?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
77. Does the administrative verification include an examination of both the claim itself and the relevant supporting documentation attached?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Is documented evidence kept of:

	Yes	No	N/A	
78. the administrative verifications and the on-the-spot verifications, including the work done and the results obtained,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
79. The follow-up of the findings detected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
80. How does the IB ensure that the operation does not, within five years from its completion, undergo a substantial modification?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Does the IB ensure that the FB retain the following documents?

	Yes	No	N/A	
81. Copy of the submitted application form	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
82. Acknowledgment of the application form issued from the project leader	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
83. Copy of invoices and fiscal receipts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



84. The grant agreement signed between the fishing vessel owner and Wholesale Markets and Fishing Fleet Facilities Directorate (and any addenda if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
85. Copies of three quotations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
86. In case of quotations or invoices/receipts from third countries, applicant must provide an official translation in English or Maltese	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

By the end of the programming period the IB should have conducted 100% of the administrative checks on the final beneficiaries. What % of checks related to the scheme has the IB conducted on the spot checks to date?

_____ %

KEY REQUIREMENT 5

The accounting records for operations should be kept at the appropriate management level and should provide detailed information on expenditure actually incurred in each co-financed operation by beneficiary. The accounting system enables both the beneficiaries and the other bodies involved to be identified together with the justification for the payment.

	Yes	No	N/A	
Are the accounting records held at an appropriate level?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Database (Article 14 – accounting records definition in EC 1828/2006)
Do the accounting records provide detailed information on expenditure actually incurred in each co-financed operation by beneficiary, allowing both the beneficiary and the other bodies involved to be identified?				

	Yes	No	N/A	
At IB level?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Are each of the following documents held at an appropriate level?⁸

	Yes	No	N/A	
87. Technical specifications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
88. Financial plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
89. Grant application forms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

⁸ This section is to be completed after a sample check on the documentation of a number of Beneficiaries is carried out. This is documented in Annex 1 of this report.



90. Evaluation of grant applications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
91. Selection of grantees' reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
92. Grant approval letters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
93. Tender documentation (e.g. tender notices, evaluation reports, contracts)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
94. Reports on inspections of the projects or services provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
95. Progress and monitoring sheets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

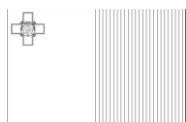
Does the Intermediate Body verify/assure itself that the accounting systems maintained at Beneficiary level allow for the correct allocation of costs in cases where:

	Yes	No	N/A	
96. (i) the expenditure relates only partly to a co-financed operation (e.g. through the use of separate accounting codes) and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
97. (ii) due to the type of expenditure, it is only partly eligible (e.g. overhead allocation, land purchases)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Procedures should be in place to ensure that all documents required to ensure an adequate audit trail are held in accordance with the requirements of Article 87 of Regulation 1198/2006; i.e. regarding availability of documents.

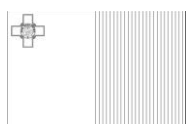
	Yes	No	N/A	
98. Are there documented procedures specifying that all supporting documentation regarding expenditure and audits on the operational programme are kept available for the Commission and the ECA for a period of 3 years following the closure (or partial closure) of the OP ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
99. Are the documents held in original form or in versions certified to be in conformity with originals on commonly accepted data carriers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

KEY REQUIREMENT 6



The existence of computerised systems capable of providing reliable and relevant information.				
	Yes	No	N/A	
100. Are there reliable accounting systems in computerised form?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
101. Are there reliable monitoring systems in computerised form?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
102. Do the systems ensure reliable financial reporting?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Are there procedures in place to ensure maintenance of the systems, data protection and data integrity?				
	Yes	No	N/A	
103. Are Data kept secure from interference or physical damage and regularly backed up?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
104. Do information security policies, procedures, standards and guidelines exist?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
105. Is there an IT officer appointed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
106. Is there a policy to grant, revoke, monitor the access rights of employees to information systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
107. Are passwords allocated and regularly updated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
108. Is there a procedure to verify the reliability of data input?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
109. Do the systems provide all the information required by Annex III of Reg 1828/2006?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
110. Does the IT system provide records for amounts withdrawn, recovered and to be recovered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
111. Do the Certifying Authority and the Audit Authority have access to the IT systems maintained by the Managing Authority?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
112. Does the MA use exclusively as far as financial information is concerned, the IT systems for preparing its annual report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
113. Has the IT system been subject of an independent IT audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



KEY REQUIREMENT 7

The objective is to ensure that for the systemic errors detected by the audit authority the necessary preventive and corrective actions are taken. A systemic error is, for example, an error that entails a risk for other operations under the operational programme.

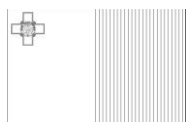
	Yes	No	N/A	
114. Are reports containing systemic errors transmitted on a timely basis to relevant authorities? (eg. MA, CA and Treasury)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
115. Is the review of the results of the audit documented?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Procedures should be in place to ensure implementation of preventive and corrective action in case of systemic errors.

	Yes	No	N/A	
116. Are there clear procedures to ensure appropriate follow up of recommendations/actions to be taken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
117. Are corrective actions taken within the established deadlines?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
118. Is appropriate guidance (internal communication, training, etc) provided to auditees in order to prevent the recurrence of the systemic errors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

2. CONCLUSIONS

2.1 General remarks on the systems adopted by the IB



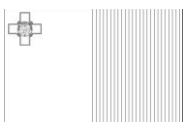
Fisheries Operational Programme 2007 – 2013
European Fisheries Fund (EFF)

Investing in sustainable fisheries



2.2 List any follow-up actions required and the date by which these should be undertaken as well as who is to check that action has been taken as instructed. Indicate if a follow-up visit is necessary and by when this visit should take place.

Officer Conducting Check:



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Name in Block Letters	Signature
Designation	Date

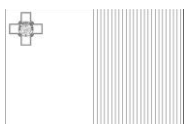
Name in Block Letters	Signature
Designation	Date

Name in Block Letters	Signature
Designation	Date

Name in Block Letters	Signature
Designation	Date

Endorsed by:	
Name in Block Letters	Signature
Designation	Date

Project Leader:	
Name in Block Letters	Signature
Designation	Date



Annex V - Follow-Up On the spot check report

Follow-Up On-the-spot Check Report (on Final Beneficiaries)

For MA use: EFFFUR

FOLLOW-UP ON-THE-SPOT CHECK REPORT (ON FB)

1. GENERAL INFORMATION

Date:	
Member State:	Malta
Programming Period:	2007 - 2013
Operational Programme	
Priority Axis:	
Measure:	
Title of Project and project ref. no.:	
On-the-spot Check Report ref. no.:	
Final Beneficiary:	
Project Leader:	
Person Representing the Project Leader: ⁹⁹	
Line Ministry Representative:	
Place of meeting:	
Officers present during the spot check:	

2. LIST OF ISSUES

2.1 List all issues that were earmarked as requiring follow-up action when the on-the-spot check was undertaken and indicate whether the required action has taken place and put in any comments if required.

⁹⁹ If the latter is not available

	Agreed date for action to be undertaken	Indicate who was responsible to undertake the agreed follow-up action	Yes	No	Remarks
Issue no.1					
Issue no.2					
Issue no.3					

2.2 Concluding remarks:

Officer conducting checks:

Name in Block Letters _____
Signature

Designation _____
Date

Project Leader:

Name in Block Letters _____
Signature

Designation _____
Date

Annex VI: Guidelines for issuing valid invoices and receipts¹⁰⁰

1. What is an invoice?

- i. A non-negotiable commercial instrument issued by a seller to a buyer;
- ii. A legal document which can be used as evidence of an incurred debt.

Yet an invoice is only enforceable and legal if substantiating evidence proves that goods actually exist or the service was actually rendered and that it has been paid for. (There might also be the case where contract payment terms permit an advance payment to the contractor. Such a payment is also legally enforceable but must also be substantiated by a fiscal receipt or a document of equivalent probative value, such as a document evidenced by a bank transfer effected by an enterprise into the Bank Account of the supplier.)

2. Obligation to issue invoices according to VAT Legislation

Every person registered for VAT which supplies, meaning selling, to another VAT registered person has to issue an invoice to the buyer within 31 days, the earliest of:

- i. The date when the items bought have been delivered (in case of services, when the actual service has been provided)
- ii. And the date when payment have been received from the buyer

3. Requirements of the contents of an invoice:

An invoice needs to have the following:

- (a) The issue date
- (b) The invoice number (which has to be unique)
- (c) Name, address and VAT number of the seller
- (d) Name, Address and VAT number of the buyer
- (e) Sales Category (example: "Sales Invoice")
- (f) Description indicating
 - Quantity and nature of the object (example: 50 bags of cement) for purchase/sale of products
 - Nature of the Service provided (example: services provided by an architect – testing and measurement of a rubble wall) for the provision of services
- (g) Date of provision of service/delivery of products
- (h) Net Value of the products bought/sold i.e. the value WITHOUT the VAT (example: 50 bags of black cement – value per item €10 – total €500)
- (i) The total vat amount (€500 at the rate of VAT 18% = €90). The VAT Rate has to be included at all times.

¹⁰⁰ Issued by the Certifying Authority, May 2009

(j) The total sum of subject/services bought or sold (total value without VAT + VAT amount).

Invoices which are, cancelled in full or in part, corrected or tampered will not be considered as valid documents.

Below is a specimen filled invoice. (One may note that invoices may vary according to the electronic system adopted by the firm selling.)

The details mentioned in (a) to (j) above are clearly identified in the specimen:

CORRECTLY ISSUED SPECIMEN INVOICE

XYZ CO. LTD.
123, TRIQ IL-KBIRA
VALLETTA VLT22 – MALTA
TEL : 1234 5678 FAX : 8765 4321 E-MAIL : xyz@isp.com
WEBSITE: www.xyz.isp.com
VAT REG. No. 9999 – 9999

Account: AB123
GIANNI BORG
1234, TRIQ IX-XEMX
VALLETTA
MALTA
VAT Reg. No. 8888-8888

Tel: 21XX XXXX

Page: 1
Date: 15/06/2007
 Time: 11:30
 Salesman: JOS
Sale Type: 03/Retail
Delivery Date: 15/06/07

Issued by: CS

INVOICE No: 00023

No	Item	Code	Description	Pk Sz	Qty	Price	Disc.	Amount (€)
1	5100		Black cement	25 kgs	20	3.00	0	60.00
2	3610		25mm bolts and nuts	1x50	3	4.50	0	13.50
3	7432		Wire netting 3m wide	50m roll	6	6.50	0	39.00
Net Total								112.50
VAT: @ 18%								20.25
Total Due								132.75

5. Invoice issued by a retailer

Invoices to be issued by small commercial shops, such as ironmongers and similar enterprises) has to include the following:

1. Invoice number
2. Date
3. Name, address and VAT number of the seller
4. Buyer's VAT Number
5. Description of objects bought
6. Quantities of each item bought
7. Invoice total WITHOUT VAT
8. VAT amount identified separately
9. The total sum of the invoice, i.e. TOTAL without VAT + VAT

The same 9 clauses apply if the invoice is handwritten.

There are some cases where the document includes the words shown below:

CASH SALE/ INVOICE/ RECEIPT

In this case the retailer would have to select accordingly in the following manner : if for example the document is an invoice, the terms CASH SALE and RECEIPT would have to be cancelled out as shown below:

CASH SALE/ INVOICE/ RECEIPT

For invoices issued by retailers a fiscal receipt has to be issued, either through the cash register or via the fiscal receipt book issued by the VAT Department.

Under the EFF 2007 – 2013 Programme the policy for fiscal receipts is the following. Fiscal receipts issued by a cash register cannot be considered as a substitute to the invoice itself, even if the seller includes the VAT number of the buyer on the same fiscal receipt. The reason for this is that most of the times such receipts do not identify the item/s and quantities being bought. For this reason an Invoice/ Cash Sale document needs to be provided to the respective authorities for claiming payments.

In the next page, we have included a specimen handwritten invoice which satisfies the requirements under the EFF 2007 – 2013 Programme mentioned above.

Moreover no tampering is allowed on these documents (i.e. cancellation, correction etc). For Cash Register receipts we recommend that a photocopy is taken of this document as this would ease the scanning process on SFDB. Eventually these documents have to be presented as proof of the actual expenditure.



XYZ IRONMONGERY
Suppliers of Paint – Hoses & Fittings
All hardware items



1506, Triq il-Qamar
Valletta

Tel. No. 2111 1111 / 2222 2222

VAT No. 7777 – 7777

MR. GUZEPPI BORG


VAT No. 8888-8888

DATE : 11/06/07

INVOICE / CASH SALE / RECEIPT No. 12345

Date	Description	€	c
11/06/07	4 packets bolts and nuts 10 mm	7	50
	12 pcs pipes 5 inch plastic	18	00
	6 ball valves	15	00
/			
	Paid by cheque BOV 0230		
Sub Total		40	50
VAT @ 18%		7	29
Total		47	79

SPECIMEN FISCAL RECEIPT

VAT Reg. No : MT77777777		Receipt No : 002156		No: E 3 060 364	
XYZ IRONMONGERY 1506, Triq il-Qamar Valletta				 VAT DEPARTMENT Ta' Paris Road, Birkirkara BKR 13	
				Receipt in terms of Section 55, of VAT Act, 1998.	
Description of Goods / Provided			Amount (inclusive of VAT)		
As per Invoice 12345			47	79	

Receipt Date: 11/06/07

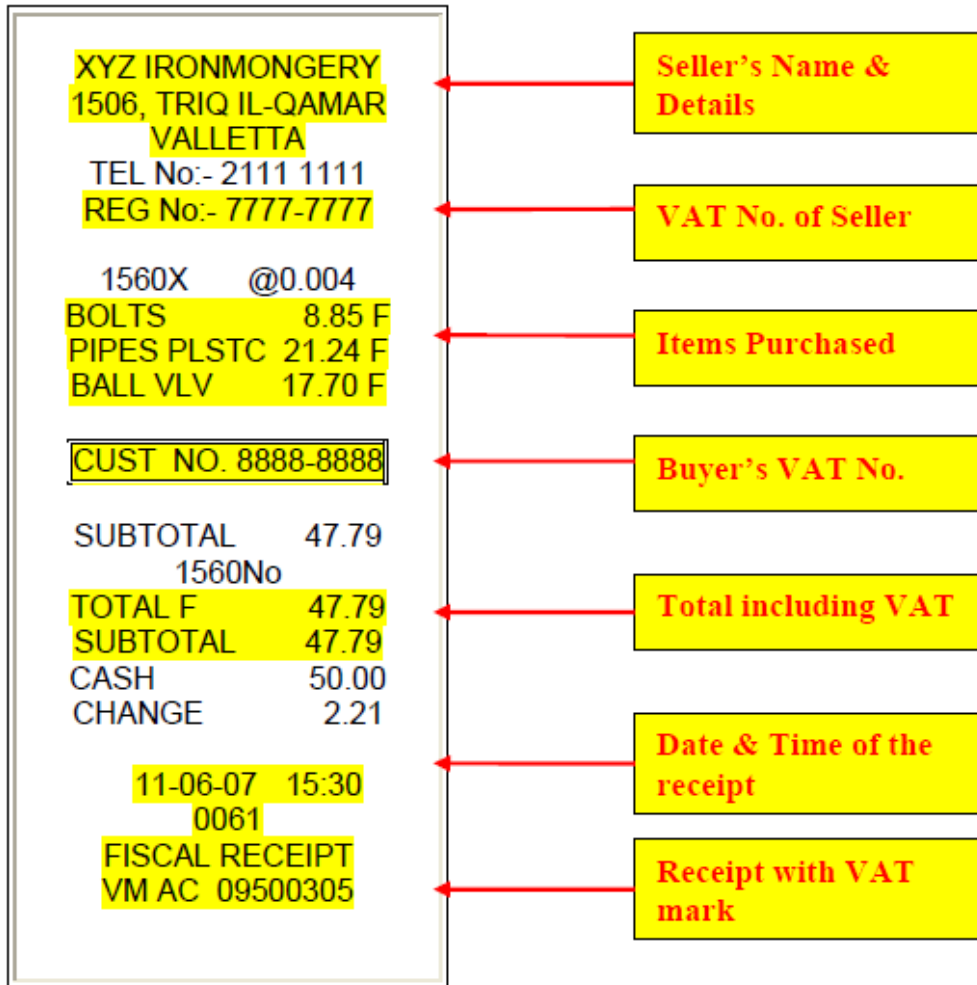
CUSTOMER'S COPY

Customer Name & ID Number when required:

Guzepi Borg

8888 8888

SPECIMEN FISCAL RECEIPT ISSUED FROM A CASH REGISTER



SPECIMEN SYSTEM GENERATED INVOICE AND FISCAL RECEIPT ISSUED IN ONE DOCUMENT

CLIENT COPY

XYZ CO. LTD.
123, TRIQ IL-KBIRA
VALLETTA VLT22 – MALTA
 TEL: 1234 5678 FAX: 8765 4321 E-MAIL: xyz@isp.com
 WEBSITE: www.xyz.isp.com
 VAT REG. NO. MT9999-9999

INVOICE No. 00023

Account: AB123
 GIANNI BORG
 1234, TRIQ IX_XEMX
 VALLETTA
 MALTA
 VAT Reg. No. 8888-8888

Page: 1
 Date: 15/06/07
 Time: 11:30
 Salesman: JOS
 Sale Type: 03/RETAIL
 Delivery Date: 15/06/07

Tel: 21XX XXXX

No	Item	Code	Description	Pk. Sz.	Qty	Price	Dsc	Amount
1	5100		Black Cement	25kgs	20	3.00	0	60.00
2	3610		25mm Bolts and nuts	1x50	3	4.50	0	13.50
3	7432		Wire netting 3m wide	50m roll	6	6.50	0	39.00
Net Total								112.50
VAT: @ 18%								20.25
Total due								<u>132.75</u>

P.O. No: 200505014
 Delivered to Gianni Borg

This is a fiscal receipt issued in terms of the VAT Act exemption No Ex 1234 A-SUPPLY BY SALE E. & O.E.

VAT Summary	rate	Gross Sale	Discount	Net Sale	VAT Calc.
F	18.00%	132.75	0.00	112.50	20.25
S	18.00%	0.00	0.00	0.00	0.00

Received payment in full: *Joseph Camilleri* (Signature)
 Salesman: JOS
 Date: 15/06/07

Part of document which can be considered as a receipt

Annex VII: Administrative Verifications (*Desk-based Checks*)

These items are checks during administrative desk-based verifications, mainly carried ahead or during the Statement of Expenditure time-windows:

- Administrative verifications (documentary *on-the-spot*) check reports on the project
- Invoice / reimbursement request details, correctness, compliance and eligibility, duly certified by the Project Leader
- Invoice Status Certificate details and approvals
- Relevant Documents uploaded on the Database (as set out in Chapter 11)

Annex VIII: Request for Re-Imbursement Templates

RRF01 - Request for Reimbursement form – GOVERNMENTAL ORGANISATIONS (NOT SALARIES)

Dear Project Leader,

Re: Reimbursement Request – Governmental Organisations

Attached to this letter please find the form to be used when claiming reimbursement for payments made by an entity for eligible activities under an approved project. When filling in, please delete the words in italics and insert the information according to the instructions provided.

The form should be issued and signed by the Financial Controller or Accountant of the organisation, addressed to the Project Leader as appropriate.

Before certification, the Project Leader shall then carry out all necessary checks to confirm the validity and eligibility of the claim.

The reimbursement request form, corresponding invoices and proofs of payment are to be uploaded in the *Invoices* section of the Database. All documents are to be forwarded to the Line Ministry and Treasury for payment.

We thank you for your cooperation.

Regards,

The Managing Authority

REIMBURSEMENT REQUEST FOR GOVERNMENTAL ORGANISATIONS
[Letterhead of the organisation]

Ref No.: [Project number/Component No./Claim No.]

e.g. 1: FXXX/1/3, where F = EFF, meaning the third claim under component 1 of the Grant Agreement (e.g. Works) of project EFFXXX

[Date]

[Name of Project Leader]

[Project Number and Name of Project]

[Insert Address]

Reimbursement to [name of Organisation]

List of invoices with this claim:

Invoice Number	Contract Ref.	Description of activity/invoice	Invoice Value			Proof of payment ref. ¹⁰¹
			Net €	VAT €	Gross €	
		Totals				

Total amount due for reimbursement: **€(insert total eligible amount).**

Original invoices and corresponding proofs of payment are attached.

You are kindly requested to proceed with the requested reimbursement to [name of Organisation].

Proceeds are to be credited to the bank account specified in the Financial Identification Form already submitted to the Treasury Division.

[Name of Financial Controller / Accountant/ Treasurer]

Financial Controller / Accountant / Treasurer

Signature

Certified Correct by: _____ - Project Leader

Signature: _____

Date: _____

¹⁰¹ Where the invoice is not a tax invoice, a fiscal receipt shall be submitted. Other proofs of payment include official cheque images (not photocopies) from bank, bank statements, bank transfer advice slips, Central Bank of Malta debit advice slips and acknowledgement of receipt of payment from contractor (only for tax invoices)

RRF02 - Request for Reimbursement form – GOVERNMENTAL DEPARTMENTS (NOT SALARIES)

Dear Project Leader

Re: Reimbursement Request form – Governmental Organisations

Attached to this letter please find the form to be used when claiming reimbursement for payments made by a governmental department for eligible activities under an approved project. When filling in, please delete the words in italics and insert the information according to the instructions provided.

The form should be issued and signed by the Director Corporate Services of the Ministry, addressed to the Project Leader as appropriate.

Before certification, the Project Leader shall then carry out all necessary checks to confirm the validity and eligibility of the claim.

The reimbursement request form, corresponding invoices and proofs of payment are to be uploaded in the *Invoices* section of the Database. All documents are to be forwarded to the Line Ministry and Treasury for payment.

We thank you for your cooperation.

Regards,

The Managing Authority

REIMBURSEMENT REQUEST FOR GOVERNMENTAL DEPARTMENTS
[Letterhead of the organisation]

Ref No.: [Project number/Component No./Claim No.]

e.g. 1: FXXX/1/3, where F = EFF, meaning the third claim under component 1 of the Grant Agreement (e.g. Works) of project EFFXXX

[Date]

[Name of Project Leader]

[Project Number and Name of Project]

[Insert Address]

Reimbursement to [name of Organisation]

List of invoices with this claim:

Invoice Number	Contract Ref.	Description of activity/invoice	Invoice Value			Proof of payment ref. ¹⁰²
			Net €	VAT €	Gross €	
		Totals				

Total amount due for reimbursement: € (*insert total eligible amount*).

Original invoices and corresponding proofs of payment are attached.

You are kindly requested to proceed with the requested reimbursement to (*name of Ministry*) Recurrent Vote (*DAS Vote no, Item no*).

[Name]

Director Corporate Services

Signature

Certified Correct by: _____ - Project Leader

Signature: _____

Date: _____

¹⁰² Where the invoice is not a tax invoice, a fiscal receipt shall be submitted. Other proofs of payment include official cheque images (not photocopies) from bank, bank statements, bank transfer advice slips, Central Bank of Malta debit advice slips and acknowledgement of receipt of payment from contractor (only for tax invoices).

**RRF03 - Request for Reimbursement form – NON-GOVERNMENTAL ORGANISATIONS
(NOT SALARIES)**

Dear Project Leader,

Re: Reimbursement Request form – Non-Governmental Organisations

Attached to this letter please find the form to be used when claiming reimbursement for payments made by voluntary organisations for eligible activities under an approved project. When filling in, please delete the words in italics and insert the information according to the instructions provided.

The form should be issued and signed by the Financial Controller/Accountant/Treasurer of the organisation, addressed to the Project Leader as appropriate.

Before certification, the Project Leader shall then carry out all necessary checks to confirm the validity and eligibility of the claim.

The reimbursement request form, corresponding invoices and proofs of payment are to be uploaded in the *Invoices* section of the Database. All documents are to be forwarded to the Line Ministry and Treasury for payment.

We thank you for your cooperation.

Regards,

The Managing Authority

REIMBURSEMENT REQUEST FOR NON-GOVERNMENTAL ORGANISATIONS

[Letterhead of the organisation]

Ref No.: [Project number/Component No./Claim No.]

e.g. 1: FXXX/1/3, where F = EFF, meaning the third claim under component 1 of the Grant Agreement (e.g. Works) of project EFFXXX

[Date]

[Name of Project Leader]

[Project Number and Name of Project]

[Insert Address]

Reimbursement to [name of Organisation]

List of invoices with this claim:

Invoice Number	Contract Ref.	Description of activity/invoice	Invoice Value			Proof of payment ref. ¹⁰³
			Net €	VAT €	Gross €	
		Totals – 100%				
		Totals – XX% Public				

Total amount due for reimbursement: **€(insert eligible public amount).**

Original invoices and corresponding proofs of payment are attached.

You are kindly requested to proceed with the reimbursement to [name of Organisation]. Proceeds are to be credited to the bank account specified in the Financial Identification Form already submitted to the Treasury Division.

[Name of Financial Controller / Accountant/ Treasurer]

Financial Controller / Accountant / Treasurer

Signature

Certified Correct by: _____ - Project Leader

Signature: _____

Date: _____

¹⁰³ Where the invoice is not a tax invoice, a fiscal receipt shall be submitted. Other proofs of payment include official cheque images (not photocopies) from bank, bank statements, bank transfer advice slips, Central Bank of Malta debit advice slips and acknowledgement of receipt of payment from contractor (only for tax invoices).

RRF04 - Request for Reimbursement form – GOVERNMENT DEPARTMENTS (SALARIES)

Dear Project Leader,

Re: Reimbursement Request form – SALARIES

Attached to this letter please find the form to be used when claiming reimbursements for salaries paid to a project manager, supervisor, trainers or any other person employed specifically for the implementation of the project.

When filling in, please delete the words in italics and insert the information according to the instructions provided.

Please fill in the Reimbursement of Salaries table carefully. When the claim for reimbursement is made for salaries paid over a period of time these should be listed separately, with total amounts inserted at the bottom of the table. The annexed table contains a worked example as guidance. Please note the following:

- The basic salary should be inclusive of Income Tax and Social Security paid by the individual;
- The total claim should only be inclusive of the eligible costs;
- The social security paid by the employer can only be reimbursed if the social security attached to the salary being claimed has been paid.

The claim for reimbursement form should be issued and signed by the Financial Controller, Accountant or the Director Corporate Services of the Organisation/Department and should be addressed to the Project Leader.

Before certification, the Project Leader shall carry out all necessary checks to confirm the validity and eligibility of the claim.

It is important to note that the following documents are to be uploaded in the Structural Funds Database:

- The employment contract (uploaded once, at *Contract* level);
- The Reimbursement Request form, duly signed and certified (at *Invoice* level);
- Corresponding payslips to the Reimbursement Request form (at *Invoice* level);
- Signed declaration of payment of the Employer's Social Security Contribution by the financial controller/accountant/treasurer/DCS (at *Invoice* level).

On the other hand, the following documents are to be physically forwarded to the Line Ministry and Treasury for payment:

- Payslips
- FS5 (or DAS Transfer Schedule of Payment in the case of governmental departments)¹⁰⁴;
- Receipt issued by Inland Revenue acknowledging payment of amounts in FS5; and
- Signed declaration of payment of the Employer's Social Security Contribution by the financial controller/accountant/treasurer/DCS

Thank you for your cooperation.

Regards,

The Managing Authority

¹⁰⁴ Both NOT uploaded in Database.

CLAIM FOR REIMBURSEMENT OF SALARIES ANNEX**Reimbursement of Salaries of Ref No. E.g. EFFXXX/JB/003**

Pay Period	Basic Salary ¹	Allowances/Overtime		Statutory Bonus ⁴	Deductions ⁵	Gross this Period	SSC Employer ⁶	Total Eligible Expenditure
		Eligible ²	Non-Eligible ³					
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f=a+b+c+d-e</i>	<i>g</i>	<i>f+g-c</i>
1ST	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
2ND						€ 0.00		€ 0.00
3RD						€ 0.00		

Explanation/List of non-eligible expenditure, where applicable:

¹ Basic Salary inclusive of income tax & social security contribution

² Only Allowances which are approved and found to be eligible by the Managing Authority can be included in the table.

³ Non-eligible allowances are to be explained separately in the allocated area under the table and not included in the total eligible expenditure.

⁴ The Statutory Bonus (for days worked on project) is considered an eligible cost

⁵ Any Deductions must not be included in the total eligible expenditure.

**RRF5 - Request for Reimbursement form – CROSS-REFERENCING STAFF COSTS
(for contracts co-funded through different projects)**

Dear Project Leader,

Re: Reimbursement Request form – STAFF COSTS

Attached to this letter please find the form to be used when claiming reimbursements for staff costs paid to a project manager, supervisor, trainers or any other person as approved by the Managing Authority.

When filling in, please delete the words in italics and insert the information according to the instructions provided.

Please fill in the Staff costs calculator and Reimbursement Request for Cross-Referenced projects table carefully. When the Reimbursement Request is made for staff costs paid in different periods of time these should be listed separately. The annexed Reimbursement Request for Cross-Referenced projects table contains a worked example as guidance.

For the Staff Costs calculator please note the following:

- The basic salary should be inclusive of Income Tax and Social Security paid by the individual;
- The social security paid by the employer can only be reimbursed if the social security attached to the salary being claimed has been paid.

The Reimbursement Request form should be issued and signed by the Financial Controller, Accountant or the Director Corporate Services of the Organisation/Department and should be addressed to the Project Leader.

Before certification, the Project Leader shall carry out all necessary checks to confirm the validity and eligibility of the claim.

It is important to note that the following documents are to be uploaded in the Structural Funds Database:

- The employment contract (uploaded once ,at Contract level);
- The Reimbursement Request form, duly signed and certified (at Invoice level);
- Staff Costs Calculator (at Invoice level);
- Corresponding payslips to the Reimbursement Request form (at Invoice level);
- Signed declaration of payment of the Employer's Social Security Contribution by the financial controller/accountant/treasurer/DCS (at *Invoice* level).

On the other hand, the following documents are to be physically forwarded to the Line Ministry and Treasury for payment:

- Reimbursement Request and corresponding Payslips
- Staff Costs Calculator;
- FS5 (or DAS Transfer Schedule of Payment (TSP) in the case of governmental departments)¹⁰⁵;
- Receipt issued by Inland Revenue acknowledging payment of amounts in FS5; and
- Signed declaration of payment of the Employer's Social Security Contribution by the financial controller/accountant/treasurer/DCS

Thank you for your cooperation.

Regards,

The Managing Authority

¹⁰⁵ Both NOT uploaded in Database.

REIMBURSEMENT REQUEST OF SALARIES
[Original Letterhead of the organisation]

Ref No.: [Project No/employee's initials/Claim number]

e.g. 1: FXXX/JB/3, where F = EFF, meaning the third claim for Joe Borg under project EFFXXX

[Date]

[Name of Project Leader]

[Project Number and Name of Project]

[Insert Address]

Refund of Staff Costs in respect of [name of employee] **employed with** [name of entity]

The total amount of € [sum requested] was paid by the entity covering the pay period(s) [insert period] to the above mentioned employee for [insert type of work carried out e.g. Project Administration] in relation to the EFF Project. Annexed to this request please find the breakdown of any cross-referenced amounts being claimed in the same period (*delete if not applicable*).

The corresponding staff costs calculator and the following supporting documents are being attached:

No.	Payslip ref.	Pay period	Corresponding FS5 / TSP reference	Inland Revenue Receipt No.	Covered by declaration? (Yes / No)
1	Joe Borg	1 st Apr – 30 th Apr	Attached		Yes
2					
3					

(Delete as applicable).

[Governmental Departments]

You are kindly requested to proceed with the request for reimbursement of the expenditure incurred to (name of Ministry) Recurrent Vote (DAS Vote no, Item no).

[Other organisations]

You are kindly requested to proceed with the request for reimbursement of 100% / 85% [delete as applicable] of the expenditure incurred to [name of Organisation]. Proceeds are to be credited to the bank account specified in the Financial Identification Form already submitted to the Treasury Division.

[Signature of Financial Controller / Accountant/ Director Corporate Services if a Government Department]

[Name of Financial Controller / Accountant/ Director Corporate Services if a Government Department] Financial Controller / Accountant / Director Corporate Services [Select appropriate designation]

Certified Correct by: _____ - Project Leader

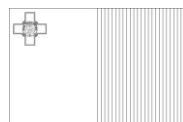
Signature: _____

Date: _____

REIMBURSEMENT REQUEST FOR CROSS-REFERENCED PROJECTS
(DELETE IF NOT APPLICABLE)

Reimbursement of Staff Cost of Ref No. *EFF XXX/JB/001*

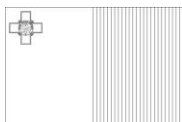
Pay period being claimed	Details on the Project being claimed in this Reimbursement Request (as per attached Staff Costs Calculator)			Details on the Cross-Referenced Project/s claimed in other Reimbursement Requests for the same pay period					Total Number of Hours Worked On All Projects (HRS)	Total Eligible Staff Costs Claimed on All Projects (Eur)
	Number of Hours Worked	Hourly Rate (Eur)	Total Eligible Staff Costs Claimed (Eur)	Claim Reference	Project Number	Number of Hours Worked	Hourly Rate (Eur)	Total Eligible Staff Costs Claimed (Eur)		
<i>1st Apr – 30th Apr</i>	72	10	720	<i>EFF XXX/JB/001</i>	<i>EFF XXX</i>	88	10	880	160	1600



Fisheries Operational Programme 2007 – 2013
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Fisheries Operational Programme 2007 – 2013
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