FINANCING MEMORANDUM

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "THE COMMUNITY"

on the one part, and

The Government of the Republic of Malta, hereinafter referred to as "THE RECIPIENT"

on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement of 25 April 2001 between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number: MT-01-01 to MT 01-07
Title: 2001 National Programme for Malta
Duration: Until 1/10/2003

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 7.5 MEUR hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 1/10/2003 subject to the provisions of his Memorandum. All contracts must be signed by this date. Any balance of funds of the EC GRANT which have not been contracted by this date shall be cancelled. The deadline for disbursement of THE EC GRANT is 1/10/2004. All disbursements must be completed by the deadline for disbursement. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the disbursement period, should this be requested in due time and properly justified by THE RECIPIENT. This Memorandum shall expire at the expiry of the disbursement period of the EC
GRANT. All the funds which have not been disbursed shall be returned to the Commission.

ARTICLE 4 - ADDRESSES

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE'S number and title, shall be addressed to the following:

for THE COMMUNITY:

Commission of the European Communities
Directorate General Enlargement
Malta Team
rue de la loi 200
B - 1049 Brussels
Tel. (+32.2) 296.87.24
Fax (+32.2) 299.02.54

for THE RECIPIENT:

Permanent Delegation of the Republic of Malta to the European Union
rue Belliard 65
B - 1040 Brussels
Tel. (+32.2) 343.01.95
Fax (+32.2) 343.01.06

ARTICLE 5 - NUMBER OF ORIGINALS

This Memorandum is drawn up in duplicate in the English language.

ARTICLE 6 - ENTRY INTO FORCE

This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Memorandum.

Done at Brussels.
Date: 2001.07.07

for THE RECIPIENT
S.E. M. Victor Camilleri

for THE COMMUNITY
Commissioner Günter Verheugen

Encl.:  
A. Annex A of the Framework Agreement  
B. Annex B of the Framework Agreement  
C. Special Provisions (Annex C)  
D. Visibility/Publicity (Annex D)
ANNEX A OF THE FRAMEWORK AGREEMENT
General Conditions relating to Financing Memoranda

In these General Conditions, the term “Recipient” shall mean the Government of the Republic of Malta.

TITLE I
FINANCING OF MEASURES

Article 1 - COMMITMENT OF THE COMMUNITY

The financial commitment of the Community “EC Grant”, the amount of which is laid down in the Financing Memoranda, shall determine the limit within which expenditure will be covered by duly approved contracts (forming a “Measure”).

In the case of the participation to Community Programmes and Agencies, the Commission contribution will be committed and disbursed according to the agreements signed with the Republic of Malta on their participation in the said Programmes and Agencies.

Any expenditure over and above the EC Grant shall be borne by the Recipient.

Article 2 - AVAILABILITY OF THE EC GRANT

Where the execution of a Measure depends on financial commitments from the Recipient’s own resources or from other sources, the EC Grant shall become available at such time as the financial commitments of the Recipient and/or the other sources of funds, as set out in the Financing Memoranda, have themselves become available. The Recipient shall provide due evidence of the availability of these resources.

TITLE II
IMPLEMENTATION

Article 3 - GENERAL PRINCIPLE

The management of the Community assistance programmes shall be decentralised to the Recipient on the basis of systems and procedures which comply with the provisions of Title IX of the Financial Regulation applicable to the general budget of the European Communities relating to external aid, in accordance with Council Regulation (EC) No 555/2000¹ and with the provisions of the latest version of the Decentralised Implementation System (D.I.S.) Manual, notified to the Recipient.

¹ OJ L68, 16/03/2000.
Article 4 - EXTENDED DECENTRALISATION

If the conditions specified in Annex B are met, and as foreseen in Article 7.4 of the Council Regulation (EC) N° 555/2000, the Commission may decide on a case-by-case basis to extend the decentralisation and set up an Extended Decentralisation Implementation System (EDIS) for the programmes with Malta by waiving all ex-ante controls. The main objective of extended decentralisation is to familiarise the Recipient with the joint responsibility principles that underpin the implementation of the Structural Funds by Member States. Extended decentralised implementation will be subject to ex-post control by the Commission.

Article 5 - GENERAL PRIVILEGES

Personnel taking part in Community financed Measures and members of their immediate family may be accorded no less favourable benefits, privileges and exemptions than those usually accorded to other expatriates employed in the Republic of Malta under any other bilateral or multinational agreement or arrangements for economic assistance and technical co-operation programmes. The provisions of this Article do not confer diplomatic status on personnel taking part in the Community financed Measures.

TITLE III
PROCUREMENT AND EXECUTION OF CONTRACTS

Article 6 - GENERAL PRINCIPLE

The Recipient shall follow the procurement and contracting rules set out in the Practical Guide to EC external aid contract procedures.

Article 7 - EXTENDED DECENTRALISATION

Detailed conditions applicable to EDIS are set out in Annex B to this Agreement.

Article 8 - ELIGIBILITY

Tendering procedures for works, supply and service contracts shall be open on equal terms to all natural and legal persons of the countries referred to in Art. 7 of Regulation (EC) N° 555/2000.

Article 9 - ORIGIN OF SUPPLIES

The supplies required for the performance of works, supply and service contracts must originate, as defined by the provisions laid down in Articles 22 to 26 of Regulation (EC) N° 2913/92, in the countries allowed to participate pursuant to Article 8.
Article 10 - DISBURSEMENT

Contracts are eligible for payment from the EC grant only if they are concluded before the expiry date fixed for contracting in the Financing Memorandum. The last payment for such contracts must be effected no later than the expiry date fixed for disbursements in the Financing Memorandum. Extensions of this period should be exceptional and must be approved by the Commission.

Within the limit set on the EC Grant, requests for funds shall be presented to the Commission by the Recipient in accordance with the schedule set out in the Financing Memorandum. Documentary evidence relating to payments made in respect with the Measure shall be made available in support of the request for funds where the Commission so requires.

However, certain contracts covered by the Measure may provide for direct payment by the Commission to the contractors. Each contract shall lay down the rate and the time of such payments, together with the documentary evidence to be produced.

Article 11 - CURRENCY

Contracts financed from the EC Grant and the related tenders shall be expressed in Euro unless otherwise agreed with the Commission on a case-by-case basis, while payments to contractors shall be made either in Euro or in the currency of the Republic of Malta to a maximum of the Euro-value stipulated in the contract.

Exchange rate losses shall not be financed out of the EC Grant.

For payments in the currency of the Republic of Malta, the conversion rate between Euro and national currency shall be the exchange rate published by the European Central Bank on the last but one working day at the Commission in the month preceding the month during which the expenditure was recorded.

For amounts fixed by the clearance of accounts and conformity clearance decisions, the conversion rate between Euro and national currency shall be the exchange rate published by the European Central Bank on the last but one working day at the Commission in the month preceding the month during which the decision was taken.

Article 12 - ESTABLISHMENT AND RIGHT OF RESIDENCE

Natural and legal persons participating in tendering procedures and works, supply or service contracts shall be granted equal and provisional right of establishment and residence in the Republic of Malta where this is justified by the nature of the contract. This right shall remain valid for one month after the contractor is selected.

Contractors and natural persons and members of their family whose services are required for the contract shall enjoy similar rights for the duration of the contract up to one month following the final acceptance of work performed under the contract.
Article 13 - TAX AND CUSTOMS ARRANGEMENTS

1. No taxes, duties, or other charges having an equivalent effect shall be charged to the Community’s financial contribution.

2. The Recipient shall apply to contracts financed by the Community tax and customs arrangements no less favourable than those applied to the most-favoured State or most-favored international organisation.

3. Imports under supply contracts concluded by the Maltese authorities and financed out of the EC Grant shall be allowed to enter the Republic of Malta without being subject to customs duties, import duties, taxes or fiscal charges having equivalent effect.

   The Recipient shall ensure that the imports concerned will be released from the point of entry for delivery to the contractor as required by the provisions of the contract and for immediate use as required for the normal implementation of the contract, without regard to any delays or disputes over the settlement of the above-mentioned duties, taxes or charges.

4. Contracts for supplies or services provided by Maltese or external firms, financed out of the EC Grant, shall not be subject in the Republic of Malta to value added tax, documentary stamp, registration duties or fiscal charges having equivalent effect, whether such charges exist or are to be instituted.

5. Natural and legal persons, including expatriate staff, from the Member States of the European Union executing technical co-operation contracts financed out of the EC Grant shall be exempted from business and income tax in the Republic of Malta.

6. Personal and household effects imported for personal use by natural persons (and members of their immediate families), other than those recruited locally, engaged in carrying out tasks defined in technical co-operation contracts shall be exempt from customs duties, import duties, taxes and other fiscal charges having equivalent effect, the said personal and household effects being either re-exported or disposed of in the state in accordance with the regulations in force in the state of the Recipient after termination of the contract.

7. Natural and legal persons importing professional equipment shall, for the purpose of a contract financed out of the EC grant, if they so request, benefit from the system of temporary admission as defined by the national legislation of the Republic of Malta in respect of the said equipment.

Article 14 - IMPORT AND FOREIGN EXCHANGE ARRANGEMENTS

1. The Recipient shall undertake to authorise the import or acquisition of foreign exchange required for implementation of a Measure. It shall also undertake to apply its national rules on foreign exchange on a non-discriminatory basis to the countries authorised to participate pursuant to Article 9.
2. The Recipient shall grant the permits necessary to repatriate funds received in respect of Measures, in accordance with the foreign exchange control regulations in force in the Republic of Malta.

**Article 15 - INTELLECTUAL PROPERTY**

If studies are financed under this Financing Memorandum, the Commission and the Recipient shall be entitled to use the data contained in such studies and to publish it or pass it on to third parties.

All reports and data such as maps, diagrams, drawings, specifications, plans, statistics, calculations and supporting records or materials acquired, compiled or prepared by consultants in the performance of contracts financed with the EC Grant shall be confidential and shall be the property of the Recipient. The Commission shall have access to all these reports and data.

**Article 16 - DISPUTES BETWEEN THE RECIPIENT AND A CONTRACTOR**

The Recipient shall undertake to reach agreement with the Commission before a final position is taken on any request from the contractor for compensation not covered by the contract. If no agreement can be reached, the Commission shall not be liable for any amounts granted unilaterally including those granted by the Recipient.

**TITLE IV**

**GENERAL AND FINAL PROVISIONS**

**Article 17 - PUBLICITY**

Measures shall be implemented in such a way to ensure maximum publicity for the Community’s involvement at all times. Actions of communication and information shall be determined in close collaboration with the EC Delegation in the Republic of Malta.

Special attention shall be devoted to implementing these provisions at events, and in all public or official written material connected with Measures. Objects, equipment and documentation connected with a Measure shall carry the Community flag with the text in the language of the Recipient. The symbols identifying the Community shall be of the same size and appearance as any symbols identifying the Recipient, should the latter be present.

**Article 18 - FOLLOW-UP OF MEASURES**

In following the execution of the Measure, the Commission may request any explanation and, where necessary, may agree with the Recipient on a new orientation for the Measure which is deemed to be better adapted to the objectives in view.
The Recipient shall make reports to the Commission following the time-schedule laid down in the Financing Memorandum, throughout the period of execution of the Measure and after completion thereof.

The Commission will in the light of the reports and where appropriate of the ex-post evaluation, proceed to the official closure of the Measure and will inform the Recipient of the date of official closure of the Measure.

Article 19 - INSPECTION AND AUDITS

1. The Commission shall have the right to send its own agents or authorised representatives to undertake any technical, accounting or financial assignments it may consider necessary to monitor the implementation of a Measure.

2. Notwithstanding the controls made by the recipient, the Commission and the European Court of Auditors, in the accomplishment of their responsibilities under the Treaties establishing the European Communities, shall have the right to undertake technical or financial audits on the spot and on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of a Measure.

3. With a view to ensuring an efficient protection of the financial interests of the Community, in conformity with the Regulation (EC/Euratom) N° 2988/95, the Commission may also undertake on the spot checks and controls as foreseen by the Regulation (EC/Euratom) N° 2185/96.

4. The Recipient shall be notified when agents appointed by the Commission or the European Court of Auditors are sent to the site of a Measure.

5. To this end the Recipient:
   - shall undertake to provide any information or documents requested and to take any measures to facilitate the work of persons undertaking such audits or inspections;
   - shall keep full accurate and systematic records of the files and accounts required to identify the work, supplies or services financed under this Financing Memorandum and the supporting documents relating to local expenditure in accordance with best accounting practice;
   - shall assist the Commission and the European Court of Auditors, in the accomplishment of their responsibilities under the Treaties establishing the European Community, in auditing the Measure's accounts, if necessary, on the spot;
   - shall ensure that the Commission's representatives can inspect any accounting or other documents relating to a Measure and shall assist the European Court of Auditors in monitoring the use made of the EC Grant.

6. The Commission, or its authorised representatives, may also carry out an ex-post evaluation and a final audit of Measures. The ex-post evaluation will assess the
achievement of the objectives/targets of Measures as well as the impact on the sector concerned. In case the objectives / targets have not been achieved, the Commission reserves the possibility to recover part or whole of the funds.

The final audit will review the financial data of a Measure, evaluate uncontracted and/or undisbursed funds, provide an independent opinion on the legality, eligibility, reliability and consistency of contracts and disbursements as well as on their compliance with the provisions of this Framework Agreement and the relevant Financing Memorandum. On this basis the audit will establish, after consultation with the recipient, the balance of funds which shall be reimbursed to the Commission.

The Commission shall, on the basis of the audit conclusions, take a formal Decision called a “Conformity Clearance Decision” on the expenditure to be excluded from Community financing and reimbursed.

7. The amount to be recovered in accordance with the conformity clearance Decision, shall be communicated to the Recipient who shall ensure that the amount is credited to the Commission in Euro within two months of notification of the decision. The Commission may however, on a case by case basis, decide that any amount to be credited to it shall be offset against payments due to be made by the Commission to the Recipient under any Community assistance Measure.

8. The amount recovered in accordance with the conformity clearance Decision shall not be reallocated to the Measure.

9. Where the timelimits fixed in the conformity clearance Decision are not respected, any outstanding amount shall generate interest at a rate equal to the Euribor rate for three month deposits published by the European Central Bank plus 1.5 % points. That rate shall be the monthly average of the month in which the decision referred to in these articles was notified.

Article 20 - CLOSURE OF MEASURES

The Commission will decide on a case by case basis when to close a Measure and discharge the Recipient from its financial responsibilities on the basis of the results of the audits carried out.

Article 21 - CONSULTATION – DISPUTES

1. Any matter relating to the implementation or interpretation of this Financing Memorandum shall give rise to consultation between the Recipient and the Commission. This procedure may, if necessary, lead to this Financing Memorandum being amended.

2. Where there is a failure to carry out an obligation set out in the Financing Memorandum and these General Conditions, which has not been the subject of remedial measures taken in due time, the Commission may suspend the financing of the Measure, after consultation with the Recipient.
3. The Recipient may decide to withdraw wholly or partially from a Measure with the Commission's approval.

4. Any decision taken by the Commission to suspend financing or by the Recipient to withdraw totally or partially from a Measure shall be notified to all interested parties in writing.

*Article 22 - NOTIFICATION - ADDRESSES*

Any communication or agreement between the Community and the Recipient shall be recorded in writing, giving the number and title of the Measure. This shall be sent by letter to the authorised addressee at the latter's address. In emergencies, communications by fax or e-mail shall be allowed, provided they are immediately confirmed by letter. The addresses are set out in this Financing Memorandum.
ANNEX B OF THE FRAMEWORK AGREEMENT

Special conditions applicable to Extended Decentralisation (EDIS)

Article 1 - CONDITIONS

If, during the course of implementation of a Measure, the following conditions are met, the Commission may decide on a case-by-case basis to grant the Recipient, following its request, extended decentralisation (i.e. waive Commission ex-ante approval on tenders and contracts and perform ex-post control instead).

1. THE CONDITIONS SET OUT IN THE ANNEX TO COUNCIL REGULATION (EC) N° 555/2000 FOR WAIVING THE EX-ANTE APPROVAL OF THE COMMISSION OF MEASURE SELECTION, TENDERING AND CONTRACTING BY THE RECIPIENT ARE AS FOLLOWS:

1.1. Minimum criteria and conditions for decentralising management to Implementing Agencies in applicant countries to be fulfilled:

1.1.1. Minimum criteria for assessing the ability of Implementing Agencies in applicant countries to manage aid. The following criteria shall be applied by the Commission in assessing which Implementing Agencies in partner countries are able to manage aid on a decentralised basis:

(1) there should be a well-defined system for managing the funds with full internal rules of procedure, clear institutional and personal responsibilities;

(2) the principle of separation of powers must be respected so that there is no risk of conflict of interest in procurement and payment;

(3) adequate personnel must be available and assigned to the task. They must have suitable auditing skills and experience, language skills and be fully trained in implementing Community programmes.

1.1.2. Minimum conditions for decentralising management to Implementing Agencies in applicant countries. Decentralisation to applicant countries with ex post control by the Commission may be considered for an Implementing Agency where the following conditions are met:

(1) demonstration of effective internal controls including an independent audit function and an effective accounting and financial reporting system which meets internationally accepted audit standards;

(2) a recent financial and operational audit showing effective and timely management of Community assistance or national measures of similar nature;

(3) a reliable national financial control system over the Implementing Agency;
Annex B

(4) procurement rules which are endorsed by the Commission as meeting requirements of Title IX of the Financial Regulation applicable to the general budget of the European Communities;

(5) Commitment by the National Authorising Officer to bear the full financial responsibility and liability for the funds.

1.2. Respect of specific provisions concerning, inter alia, invitations to tender, scrutiny and evaluation of tenders, the award of contracts and the implementation of Community public procurement directives (See Article 3 Procurement, hereafter).

1.3. This approach shall not prejudice the right of the Commission and the European Court of Auditors to check the expenditure.

2. The Recipient must formally accept full financial responsibility for the use of the EC Grant.

Article 2 - INDEPENDENT AUDIT BODY

As part of EDIS, a functionally Independent Audit Body (IAB) should confirm in an annual report that reliable financial control systems exist within the relevant implementation structures as well as effective accounting and financial reporting systems, which meet internationally accepted audit standards.

The Independent Audit Body is responsible for the audit of all relevant implementation structures including the National Fund. In particular it will audit the annual accounts of the NF and IA(s)/CFCU and ensure that annual reports are sent to the Commission on implementation of Community assistance programmes.

Article 3 - PROCUREMENT

In the case of extended decentralisation (EDIS), the procurement rules prescribed by the Practical Guide to EC external aid contract procedures apply. National procurement rules may be used provided the conditions listed in Council Regulation (EC) N° 555/2000 are met subject to approval by the Commission.

Article 4 - COMMISSION ASSESSMENT

In order to grant EDIS to the Recipient, on the basis of the conditions listed in Article 1, the Commission will perform an assessment of the capacity of the Recipient to assume the tasks and responsibilities of EDIS.

This assessment will be based on a Checklist previously communicated to the Recipient, and in which all the issues to be assessed by the Commission in the context of EDIS will be addressed. This Checklist will include a detailed questionnaire for the Recipient.

On the basis of the written answers to the questionnaire and the statement of readiness, supported by an audit trail mapping out the overall management and control system,
addressed by the recipient to the Commission, the Commission will make a preliminary assessment.

The final assessment will be made following an assessment mission to the Republic of Malta, resulting in an assessment report.

Based on this report, the Commission will decide on granting EDIS to the Recipient.

**Article 5 - COMMISSION CONTROLS**

Notwithstanding the controls and audits undertaken in conformity with Article 19 of Annex A, Commission controls will be exercised on an interim evaluation and ex post basis through verification of accounts and operational evaluations. Any non-compliance with established rules - individual irregularity or systematic errors - will result in financial corrections (recovery and/or withdrawal of financing) in accordance with provisions of Article 19 of Annex A.

**Article 6 - MONITORING AND EVALUATION**

The monitoring and evaluation systems should be able to provide reliable operational details of the implementation of the EU funded assistance. Monitoring Reports should be issued by the Implementing Authorities. Interim Evaluation reports, which review the performance and the design of the assistance, should be performed by independent external evaluators. The Monitoring and the Interim Evaluation Reports will be submitted to appropriate monitoring committees to be set up for these purposes and to the Commission Services. Ex-post Evaluations, which describe the impact of the assistance, should be performed by independent external evaluators and submitted to the Commission Services.
ANNEX C

SPECIAL CONDITIONS
National Pre-Accession Programme 2001 for Malta

1. OBJECTIVES, DESCRIPTION AND CONDITIONALITY

The November 2000 Report of the Commission on the progress made by Malta towards accession stressed the need to reinforce the administrative and institutional capacity to implement the “acquis” in a number of sectors. The current financing proposal aims at addressing the most important needs identified. It is composed of sectoral components and general components:

◊ the **sectoral components** are related to Occupational Health & Safety, Justice & Home Affairs (Asylum and borders’ control), Regional Policy, standardisation (New & Global Approach), Customs & Tax (phase II) and Education programmes. A critical level of funding has been assured in each sector, allowing a significant impact of the pre-accession funds;

◊ the **general components** are related to the strengthening of the administrative capacity of the Maltese administration through administrative co-operation and short-term twinnings, a communication plan and the monitoring & assessment of the pre-accession activities.

Institution building will be composed of twinning, technical assistance and participation in Community programmes and other funding for institution building.

Twinning is envisaged in the areas of Occupational Health and Safety; Borders control and Asylum and Regional Policy. "Light twinnings" are envisaged in other areas where needs may arise in the near future.

Technical assistance is envisaged in the area of tax and customs (continuation of 2000 program).

All investment projects which, according to the rules stipulated in Directive 85/337/CEE, as amended by Directive 97/11, require an Environmental Impact Assessment, should be the subject of an Environmental Impact Assessment. If the directive has not yet been fully transposed, the procedure should be similar to that established by the above-mentioned directive.

All investment projects shall be carried out in compliance with the relevant Community environmental legislation. The Project Fiches will contain specific clauses on compliance with the relevant EU-legislation in the field of the environment according to the type of activity carried out under each investment project.

- **Objective 1** Reinforce Malta’s administrative capacity to implement Occupational Health & Safety legislation

  *Project MT-01-01*
In order to establish the capability for effective implementation of Occupational Health & Safety (OHS), Institutions need to be developed to enable the new Occupational Health & Safety Authority (OHSA) to operate effectively and efficiently. Also, the Social Partners need to be helped to play an effective role in promoting OHS.

With regard to the OHSA, the main activities of the project will be:

− to design an overall strategy including in particular an inspection strategy based on risk assessment and an information strategy targeted at the main actors;
− to design a management information system in the OHSA;
− to train the inspectors of the OHSA so that they are fully able to undertake their new obligations;
− to reinforce the capacity of the OHSA with respect to major ill health risks (such as asbestos, exposure to noise or radiation sources) through training and appropriate monitoring equipment;
− to reinforce through training the capacity of the OHSA with respect to implementing the new legislation on temporary and mobile construction sites.

With regard to the social partners, the main activities will be:

− to train and inform Supervisors and Worker Representatives on new schemes being developed;
− to train and inform employers’ OHS experts on new schemes being developed.

This project will be implemented via a Twinning involving assistance from the labour inspectorate of an EU Member State and the presence of a long-term pre-accession advisor (PAA). The latter will be involved in all the elements of the project but will be supported as necessary by other EU technical advisors (TA).

**Conditionalities**

*The project is conditional upon the establishing of the Occupational Health & Safety Authority through the coming into force of the Occupational Health & Safety Authority Act 2000. It is also conditional on continuing Government support for the OHSA.*

**Objective 2  Reinforce Malta’s administrative capacity with respect to Regional Policy**

*Project MT-01-02*

The 2000 Regular Report mentioned that Malta must, as a matter of great priority, start to prepare itself for the programming, monitoring and evaluation of the Structural Funds. The necessary institutional framework for the participation of Malta in the EU structural policy is being prepared. The present project aims to assist the Maltese Government in strengthening the institutional framework and administrative capacity in order to effectively co-ordinate, manage and implement the Structural and Cohesion Funds.

It will be based on twinning assistance from an EU Member State. In addition to giving advice with respect to the attainment of the overall objective of this project, the twinning assistance will focus on the following:

− assistance and general training for the Maltese national administration to improve the knowledge of structural and cohesion funds rules / procedures / practicalities;
− assistance (including assistance for the establishment of an adequate IT system) for the establishment of a co-ordination structure at national level dealing with all aspects of structural fund operations. This Regional Policy Directorate is supposed to work in close co-operation with all Ministries and Partners involved;
− specific training on programming techniques, implementation, monitoring, evaluation and control methods;
− specific training in project development (also with respect to pre-accession funds);
− assistance for the drafting and finalising of an operational programme under objective 1 conditions based on the National Development Plan;
− preparation of line Ministries (particularly the Ministry for Social Policy, the Ministry for Agriculture and Fisheries and the Ministry for Economic Services) for the day-to-day management of the different funds. Other key players such as the Ministry of Finance, the Internal Audit Directorate and the National Audit Office will also be included in such actions (which could include also study visits);
− general training (in terms of workshops and seminars) for the social partners and representatives of local government.

Conditionalities

The implementation follows a pre-defined sequence commencing with the setting up and the recruitment of the necessary staff for the Regional Policy Directorate.

• Objective 3 Reinforce Malta’s administrative capacity with respect to Border Management and Asylum

Project MT-01-03

This project is composed of two components related respectively to Asylum and Border Management.

Borders management component

In view of the complex issues involved by the protection of the external borders, the Maltese Ministry for Home Affairs set up a Project Team, under the Chairmanship of the Assistant Commissioner of Police responsible for immigration affairs to oversee compliance with all the provisions of the Schengen acquis. The aim of this project is to assist the Project Team to reach its objectives, through a twinning project.

The assistance is related to border management and controls and to Malta's preparation to the Schengen Information System including related issues on N.SIS and SIRENE.

The specific tasks could be:
− advice and assist on the drawing up of a national strategy on the two subjects;
− assistance on the setting up of the necessary institutional structures and related organisations, including N.SIS and SIRENE Office;
− advice and assistance on related training strategies and delivery of the training;
− assistance in preparation of business plans, projects, tendering documents, etc.;
− advice on the feasibility for Malta to adopt applications already in use in Member States that can interface with local systems and assist Malta accordingly;
− advice on the role and responsibilities of Maltese Embassies and Consular Offices with respect to the Schengen Agreement and the application of Council Regulation 1683/95 concerning the use of uniform format for visas;
− advice and assist on other related issues, if considered important to the overall objectives.

These tasks could be further clarified or amplified once the assisting country or countries are identified.

Asylum component

Following the enactment of a new Refugees Act was in July 2000, a Refugee Commission and a Refugee Appeals Board were set-up. Thus Malta will eventually bear the responsibility of refugee determination – and not, as at present, the UNHCR office in Rome.

This project would cover the following activities:

− expert assistance to advice and assist the Maltese to get acquainted with the different problems involved and how to tackle them, especially concerning: asylum Procedures in general; Appeals Board Procedures; resettlement Procedures; the Dublin Convention on Asylum – interpretation and application problems; others as required (e.g. interpreting services, legal aid, advice on specific countries or troubled areas or other specific issues);
− an intensive specialised training strategy, custom-made to suit the particular requirements of officials who come into contact with asylum-seekers and refugees and are involved in the whole process;
− purchase and installation of equipment to facilitate the identification of asylum seekers, to store information and build a strong base of information on countries of origin, to participate in network exchanges with EU databases, and to improve control and surveillance activities at border.

The project, with its two components, will be implemented through a twinning. The pre-accession advisor (PAA) will oversee the implementation of the two components so as to optimise the use of the resources -whether it concerns training or equipment- and to avoid overlaps between them. He will be supported as necessary by other EU technical advisors (TA).

Conditionalities

With regard to borders' control, Pre-accession funding will be conditional upon the Government’s commitment to continue the implementation of the Schengen acquis and upon the provision of co-financing from the Maltese sources.

With regard to Asylum, the activities cannot commence prior to the identification and recruitment of staff at the Refugee Commission.

• Objective 4 Support the integration of Malta in the Internal Market through capacity building at the Malta Standards Authority (MSA) and in related departments

Project MT-01-04

It is a comprehensive capacity building project aiming at setting up in the Malta Standards Authority and in related departments all the pillars of the “New and Global Approach”. It follows and complements the reinforcement of market surveillance directorate in the 2000 program.

The activities will cover different organisational Units of MSA and can be summarised as follows:
− to set up an efficient data management system in MSA;
− to set up the organisation structure of the Standardisation directorate so as to establish an operational base that would be capable of supporting all the functions of a national standardisation body;
− to create and operate a notification point within MSA as per directive 98/34/EC as modified;
− to reinforce MSA directorates on Consumer and Industrial Goods and on Foodstuff so that they can provide the necessary legal and technical advice to the government and to the economic operators;
− to set up and reinforce the Accreditation directorate so as to establish an operational base that would be capable of supporting all the functions of a national accreditation body;
− to set up and reinforce the Metrology directorate so as to establish an operational base that would be capable of supporting all the functions of a national metrology institute.

**Conditionalities**

The Malta Standards Authority must assume adequate staff for the completion of the activities aforementioned.

- **Objective 5** Support the integration of Malta in the Internal Market through the Customs and Taxation adaptations

*Project MT-01-05*

Customs and Tax Adaptation - Phase II

Modernisation and Upgrading of the Operational Capacity of the Customs and Tax Departments (Phase II).

The project is based upon the Business Change Management Plan (BCMP) relating to the EU Reform and Modernisation Programme for Tax & Customs Administrations finalised in January 2000, under the guidance of DG TAXUD. It covers a number of operational and administrative areas relating to Legislation, Organisation and management, Information technology, Infrastructure and equipment, Ethics and Communication in the fields of Customs and Taxation.

The project constitutes Phase II of the implementation of the BCMP. Phase I is financed with funds committed from budget 2000.

Under General Activities, Phase II includes the continuation of:

- the communication plan;
- the training and ongoing support plan;
- the interfacing with EU systems.

Under Customs, Phase II activities include the continuation of:

- the technical support to Central Intelligence Unit;
- the preparation of infrastructure of transit system;
- the development of an Integrated Customs Information System (ASYCUDA + +);
- the development of an appropriate statistical system (Intrastat) - commencement and completion.

Under Tax, PHASE II activities include:
the improvement of the compliance through education campaigns;
the set up of a Central liaison office;
the continuation of the development of systematic approach to enforcement &
collection;
the continuation of the improvement of the operation of the debt collection structure;
the continuation of the improvement of the tax payer record & account management.

**Conditionalities**

*The Maltese government will ensure sufficient and adequate staffing in its
beneficiary institutions, and in particular in the Pre-Accession Unit that has just
been set up.*

- **Objective 6**  
  **General reinforcement of the administrative capacity of the Maltese administration and of the pre-accession strategy**
  
  *Project MT-01-06*

  This project is composed of several sub-projects that can be grouped in two main
components:

  - general activities related to the strengthening of the administrative capacity of the
    Maltese administration, in particular of the Ministry of Agriculture and of the Ministry
    for Economic Services, through administrative co-operation and short-term twinnings,
  - general activities related to the strengthening of the pre-accession strategy through a
    communication plan and the monitoring & assessment of the pre-accession activities.

  **Administrative co-operation and short-term twinnings**

  It will cover the following activities:

  - administrative co-operation in the field of statistics through seminars and exchanges
    with other candidate countries and EUROSTAT, in order to help Malta implement the
    acquis in this area;
  - provision for assistance to be delivered through short-term twinnings, in particular to
    the Ministries of Economy and Agriculture;
  - in addition a provision is made for administrative co-operation in various sectors, in
    particular through experts visits, seminars and workshops. This could include
    technical support for the introduction of fully decentralised management (EDIS) as
    provided for in Regulation N° 555/200 and will also cover participation of Maltese
    experts in Phare Multi-Country Programmes for which specific additional funding
    from Malta (and Cyprus) is required.

  **Strengthening of the pre-accession strategy**

  - Overall Commission Communication Strategy: implementation of a first set of actions
    shall be started, amongst the priority identified for Malta in this area;
  - monitoring and assessment: launch of the general activity programme elaborated at
    the level of DG Enlargement;

  **Conditionalities**

  *The Maltese Government will ensure sufficient and adequate staffing in the Maltese
beneficiary institutions.*

- **Objective 7**  
  **Support Malta's participation in the Education programmes**
The Leonardo da Vinci, Socrates and Youth programmes represent a great part of the Community acquis in the fields of training, education and youth. Participation in these programmes allow citizens and national administrations of candidate countries and Member States to develop co-operation and exchange networks and should speed up integration of these countries into a Europe of knowledge and support their preparation for accession to the European Union. Full participation benefits both these countries and the EU. It supports economic development in them.

Malta has confirmed its willingness to participate in the second phase of Leonardo da Vinci, and the second phase of Socrates as from 2000, and in the Youth programme from 2001. As the participation of Malta in Community programmes is not provided in its Association Agreement, the conditions and modalities of its participation are defined in a specific agreement with the Community.  

To participate in these programmes, Malta will have to pay each year a financial contribution, which is established in the said agreement. On the basis of the pre-accession strategy for Malta and Cyprus adopted by the Council, Malta expressed its wish to use part of the pre-accession funds allocated in 2001 as a complement to its national budget part to finance its contribution as entry ticket in 2002. The contribution from the pre-accession funds, as well as the total cost of the contribution are detailed in the following table.

<table>
<thead>
<tr>
<th></th>
<th>EU Support</th>
<th>National contribution</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leonardo II</td>
<td>425,000</td>
<td>57,000</td>
<td>482,000</td>
</tr>
<tr>
<td>Socrates II</td>
<td>425,000</td>
<td>233,000</td>
<td>658,000</td>
</tr>
<tr>
<td>Youth</td>
<td>350,000</td>
<td>55,000</td>
<td>405,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,200,000</strong></td>
<td><strong>345,000</strong></td>
<td><strong>1,545,000</strong></td>
</tr>
</tbody>
</table>

2. **BUDGET**

The following table specifies the EU contribution to the programme:

<table>
<thead>
<tr>
<th>Project</th>
<th>Budget (Meuro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of Occupational Health &amp; Safety EU legislation</td>
<td>0.700</td>
</tr>
<tr>
<td>Capacity building for the implementation of Regional Policy</td>
<td>0.500</td>
</tr>
<tr>
<td>Capacity building in the fields of Asylum and Borders' Management</td>
<td>1.350</td>
</tr>
<tr>
<td>Capacity Building at the Malta Standards Authority and in related departments / New &amp; Global Approach</td>
<td>1.350</td>
</tr>
<tr>
<td>Customs &amp; Tax administrations change (PHASE 2)</td>
<td>1.310</td>
</tr>
</tbody>
</table>

---

General administrative co-operation and support to the pre-accession strategy including:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operation in the statistical field</td>
<td>0.200</td>
</tr>
<tr>
<td>Twinnings light</td>
<td>0.350</td>
</tr>
<tr>
<td>Other administrative co-operation mainly in various sectors (visits, seminars, workshops)</td>
<td>0.140</td>
</tr>
<tr>
<td>Monitoring &amp; Assessment</td>
<td>0.200</td>
</tr>
<tr>
<td>Communication Strategy</td>
<td>0.200</td>
</tr>
</tbody>
</table>

Support Malta's participation in EU education programmes: 1.200

TOTAL: 7.500

The Maltese contribution to these projects is estimated at 2.305 MEuro.

3. IMPLEMENTATION ARRANGEMENTS

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) procedures. The National Aid Co-ordinator (NAC) will have overall responsibility for programming, monitoring and implementation of pre-accession programmes.

The National Fund (NF) in the Ministry of Finance, headed by the National Authorising Officer (NAO), will supervise the financial management of the Programme, and will be responsible for reporting to the European Commission. The National Authorising Officer shall have overall responsibility for financial management of the pre-accession funds. He shall ensure that the Phare DIS rules, regulations and procedures pertaining to procurement, reporting and financial management, as well as Community state aid rules, are respected and that a proper reporting and project information system is functioning. The National Authorising Officer shall have the full overall accountability for the pre-accession funds of a programme until the closure of the programme.

The Department of contracts and the Treasury Department, both in the Ministry of Finance of Malta, will be responsible respectively for the tendering/contracting and payments.

Appropriate financial control shall be carried out by the competent National Control Authority with respect to the implementation of the programme.

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding to be signed between the Commission and the government of Malta prior to the implementation of the programme. Funds will be transferred following requests from the NAO.

A distinction should be made between the payments concerning the participation in community programmes and the payments concerning the other sub-programmes.

a) Community programmes

\[3\] Taking into consideration the rules set down in the annex of Council Regulation 1266/99.

\[4\] However, only 1 bank account will be opened at the National Fund.
As regards Community programmes, a single advance will be made to the National Fund to cover the full amount of the EU part of the financial contribution to the cost of participation in Community programmes. This advance will be made, following signature of the Financing Memorandum and upon request from the National Fund. This advance is separate from the advances made for the rest of the programme. The National Fund will be responsible for transferring the funds back to the Commission, following the call for funds of the Commission’s Directorate General responsible for the programmes concerned and within the deadlines requested.

b) Other sub-programmes

A payment of up to 20% of the funds to be managed locally\(^5\) will be transferred to the NF following signature of the Financing Memorandum and an agreement between the NF on one hand and the Department of contracts and the Treasury on the other hand. The provisions of the MoU on the NF must also be met. Furthermore, the NAO must submit a description of the system put in place, highlighting the flow of information between the NF and the Department of contracts/Treasury/Implementing authorities (IAUs) and the manner in which the payment function will be carried out.

Four Replenishments will be made of up to 20% of the funds to be managed locally\(^5\) or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 10% of the budget\(^5\) has been disbursed by the Treasury. The second replenishment may be requested when 30% of the total budget\(^5\) in force has been disbursed. The trigger point for the third replenishment is 50%, and for the final fourth instalment when 70% is disbursed\(^5\). Save for express prior authorisation from the Commission HQs, no replenishment request may be made if the aggregate of the funds deposited in the NF and the Treasury exceeds 10% of the total budget in force of the commitment. Exceptionally the NAO may request an advance payment of more than 20% in accordance with the procedures laid down in the aforesaid Memorandum of Understanding.

IAUs will be responsible for sub-programmes as follows:

<table>
<thead>
<tr>
<th>Implementing Authorities</th>
<th>Project title</th>
<th>Project number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Social Affairs</td>
<td>Implementation of Occupational Health &amp; Safety EU legislation</td>
<td>MT-01-01</td>
</tr>
<tr>
<td>Office of the Prime Minister</td>
<td>Capacity building for the implementation of Regional Policy</td>
<td>MT-01-02</td>
</tr>
<tr>
<td>Ministry of Home Affairs</td>
<td>Capacity building in the fields of Asylum and Borders' Management</td>
<td>MT-01-03</td>
</tr>
<tr>
<td>Ministry of Economy</td>
<td>Capacity Building at the Malta Standards Authority and in related departments / New &amp; Global Approach</td>
<td>MT-01-04</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>Customs &amp; Tax administrations change (PHASE 2)</td>
<td>MT-01-05</td>
</tr>
<tr>
<td>Ministry of Economy</td>
<td>General administrative co-operation and support to the pre-accession strategy</td>
<td>MT-01-06</td>
</tr>
</tbody>
</table>

\(^5\) Excluding the amount foreseen for the community programmes.
A separate bank account, denominated in euro will be opened and managed by the NF in a separate accounting system in the Central Bank. In principle, all bank accounts will be interest bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme. The same procedures will apply to any funds transferred to the Treasury.

The NAO and the Director of contracts will ensure that all contracts are being prepared in accordance with the procedures set out in the “Practical guide to EC external aid contract procedures”.

For any project delivered partly or wholly by twinning, a draft twinning covenant shall be presented to the Commission Delegation for approval within four months of notification of selection of the twinning partner. If no draft covenant is presented within this period, the Commission may re-circulate the project to Member States for selection of a new twinning partner, tender the project for commercial technical assistance, or cancel the project.

The amounts earmarked for twinning projects will cover the eligible costs (as set down in the DIS instructions) for implementing the work plan agreed between the Member State and the Applicant Country. The eligible costs may include costs incurred by the selected Member State during the preparation of the twinning covenant in the period between signature of the financing memorandum and the final notification of the financing approval of the covenant.

All contracts must be concluded by 1 October 2003. All disbursements must be made by 1 October 2004.

Any funds not used by the expiry date of the programme will be recovered by the Commission.

For those contracts with funds retained for a warranty period extending beyond the end of the disbursement period of the programme, the overall total of funds related to those contracts, as calculated by the NAO and established by the Commission, will be paid to the Treasury before the official closure of the programme. The Treasury assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses. The Treasury further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Interests accrued on the funds deposited will be paid to the Commission after final payment to the contractors. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

4. **MONITORING AND ASSESSMENT**

A Joint Monitoring Committee (JMC) will be established. It will include the NAO, the NAC and the Commission. The JMC will meet at least once a year to review all funded projects in order to assess their progress towards meeting the objectives set out in Financing Memoranda and the Accession Partnership. The JMC may recommend a change of priorities and/or the re-allocation of the pre-accession funds.
Annex C

The JMC will be assisted by a Monitoring Sub-Committees (MSC) whose composition and functioning will be determined by the Commission together with the relevant Maltese authorities. The JMC will review in detail the progress of each project, on the basis of regular Monitoring and Assessment reports produced with the assistance of external consultant (in accordance with the provisions of the DIS Manual). It will put forward recommendations on aspects of management and design, ensuring these are effected.

5. ANTI-FRAUD-MEASURES, AUDIT AND EVALUATION

All financing memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Candidate Country concerned and on-the-spot checks.

In order to ensure efficient protection of the financial interests of the Community, the Commission can conduct check-ups and inspections on site in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96 dated from November 11, 1996, concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

The procedures foreseen in Art. 15 para 3 of Commission Regulation No. 2222/2000 dated from June 7, 2000, on the communication in case of irregularities and the putting in place of a system to administrate the information in this field shall apply.

The accounts and operations of the National Fund, and, where applicable, the CFCU and all relevant Implementing Authorities may be checked at the Commission’s discretion by an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the General Conditions relating to the Financing Memorandum attached to the Framework Agreement.

The Commission services shall ensure that an ex-post evaluation is carried out after completion of the Programme.

6. VISIBILITY/PUBLICITY

The appropriate Programme Authorising Officer will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This will be done in close liaison with the Commission Delegation. Further details are at the Annex `Visibility/Publicity.

7. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government of Malta, the Commission may review the programme with a view, at the Commission's discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the programme.

It is the intention of the Commission to extend decentralisation fully to candidate countries as soon as possible, in order to familiarise them with the joint responsibility principles that underpin the implementation of the Structural Funds.

The possibility of extended decentralisation is foreseen in Regulation N° 555/2000, which stipulates in Article 7, §4:
“The Commission may decide, on the basis of a case-by-case analysis of national and sectorial programme/project management capacity, financial control procedures, and structures regarding public finance, to waive the ex-ante approval requirement referred to in §3 and confer on implementing agencies in applicant countries management of aid on a decentralised basis. Such a waiver shall be subject to:

a) the minimum criteria for assessing the ability of implementing agencies in applicant countries to manage aid an minimum conditions applicable to such agencies set out in the annex to this regulation;

b) and specific provisions concerning, inter alia, invitations to tender, scrutiny and evaluation of tenders, the award of contracts, and the implementation of community public procurement directives which shall be laid down in financing agreements with each beneficiary country.”

Prior to the implementation of the projects, the Commission together with the competent Maltese authorities will review the structures and procedures set up by the Maltese government for the extended decentralised implementation of the programme. If the structures and procedures meet the criteria referred to in Regulation No 555/2000, the Commission may decide to waive all ex-ante approvals.

In any case, the 2001 programme will be implemented under the responsibility of DG Enlargement.
INFORMATION AND PUBLICITY FOR THE MALTA & CYPRUS PRE-ACCESSION PROGRAMMES OF THE EUROPEAN COMMUNITIES

1. Objective and scope

Information and publicity measures concerning assistance from the European Community Malta & Cyprus pre-accession Programmes are intended to increase public awareness and transparency of EU action and to create a consistent image of the measures concerned in all applicant countries. Information and publicity shall concern measures receiving a contribution from the Malta & Cyprus pre-accession Programmes.

2. General principles

The appropriate Programme Authorising Officer in charge of the implementation of Financing Memoranda, and other forms of assistance shall be responsible for publicity on the spot. Publicity shall be carried out in co-operation with the EC Delegations, which shall be informed of measures taken for this purpose.

The competent national and regional authorities shall take all the appropriate administrative steps to ensure the effective application of these arrangements and to collaborate with the EC Delegations on the spot.

The information and publicity measures described below are based on the provisions of the regulations and decisions applicable to the Structural Funds. They are:


Information and publicity measures must comply with the provisions of the above mentioned regulation and decision. A manual on compliance is available to national, regional and local authorities from the EC Delegation in the country concerned.

3. Information and publicity concerning Malta & Cyprus pre-accession programmes

Information and publicity shall be the subject of a coherent set of measures defined by the competent national, regional and local authorities in collaboration with the EC Delegations for the duration of the Financing Memorandum and shall concern both programmes and other forms of assistance.

The costs of information and publicity relating to individual projects shall be met from the budget for those projects.

When Malta & Cyprus pre-accession programmes are implemented, the measures set out at (a) and (b) below shall apply:

(a) The competent authorities of the applicant countries shall publish the content of programmes and other forms of assistance in the most appropriate form. They shall ensure that such documents are appropriately disseminated and shall hold them available for
interested parties. They shall ensure the consistent presentation throughout the territory of the applicant country of information and publicity material produced.

(b) Information and publicity measures on the spot shall include the following:

(i) In the case of infrastructure investments with a cost exceeding EUR 1 million:

- billboards erected on the sites, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

- permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

(ii) In the case of productive investments, measures to develop local potential and all other measures receiving financial assistance from Malta & Cyprus pre-accession programmes:

- measures to make potential beneficiaries and the general public aware of Malta & Cyprus pre-accession programmes’ assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.

- measures targeting applicants for public aids part-financed by Malta & Cyprus pre-accession programmes through an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the Malta & Cyprus pre-accession Programmes in accordance with the provisions outlined above.

4. Visibility of EU assistance in business circles and among potential beneficiaries and the general public

4.1 Business circles

Business circles must be involved as closely as possible with the assistance which concerns them most directly.

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to potential beneficiaries, particularly SMEs. These should include an indication of the administrative procedures to be followed.

4.2 Other potential beneficiaries

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to all persons who benefit or could benefit from measures concerning training, employment or the development of human resources. To this end, they shall secure the co-operation of vocational training bodies involved in employment, business and groups of business, training centres and non-governmental organisations.

Forms

Forms issued by national, regional or local authorities concerning the announcement of, application for and grant of assistance intended for final beneficiaries or any other person eligible for such assistance shall indicate that the EU, and specifically the Malta & Cyprus pre-
accession Programmes, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the Malta & Cyprus pre-accession Programmes. If such documents bear the national or regional emblem, they shall also bear the EU logo of the same size.

4.3 The general public

The media

The competent authorities shall inform the media in the most appropriate manner about actions co-financed by the EU, and Malta & Cyprus pre-accession programmes in particular. Such participation shall be fairly reflected in this information.

To this end, the launch of operations (once they have been adopted by the Commission) and important phases in their implementation shall be the subject of information measures, particularly in respect of regional media (press, radio and television). Appropriate collaboration must be ensured with the EC Delegation in the applicant country.

The principles laid down in the two preceding paragraphs shall apply to advertisements such as press releases or publicity communiqués.

Information events

The organisers of information events such as conferences, seminars, fairs and exhibitions in connection with the implementation of operations part-financed by the Malta & Cyprus pre-accession Programmes shall undertake to make explicit the participation of the EU. The opportunity could be taken of displaying the European flags in meeting rooms and the EU logo upon documents depending on the circumstances. The EC Delegation in the applicant country shall assist, as necessary, in the preparation and implementation of such events.

Information material

Publications (such as brochures and pamphlets) about programmes or similar measures financed or co-financed by Malta & Cyprus pre-accession programmes should, on the title page, contain a clear indication of the EU participation as well as the EU logo where the national or regional emblem is used.

Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.

Such publications shall refer to the national and regional bodies responsible for informing interested parties.

The above-mentioned principles shall also apply to audio-visual material.

5. Special arrangements concerning billboards, commemorative plaques and posters

In order to ensure the visibility of measures part-financed by the Malta & Cyprus pre-accession Programmes, applicant countries shall ensure that the following information and publicity measures are complied with:

Billboards

Billboards providing information on EU participation in the financing of the investment should be erected on the sites of all projects in which EU participation amounts to EUR 1 million or
more. Even where the competent national or regional authorities do not erect a billboard announcing their own involvement in financing the EU assistance must nevertheless be announced on a special billboard. Billboards must be of a size which is appreciable to the scale of operation (taking into account the amount of co-financing from the EU) and should be prepared according to the instructions contained in the technical manual obtainable from EC Delegations, referred to above.

Billboards shall be removed not earlier than six months after completion of the work and replaced, wherever possible, by a commemorative plaque in accordance with the specifications outlined in the technical manual referred to above.

**Commemorative plaques**

Permanent commemorative plaques should be placed at sites accessible to the general public (congress centres, airports, stations, etc.). In addition to the EU logo, such plaques must mention the EU part-financing together with a mention of the Malta & Cyprus pre-accession Programmes.

Where a national, regional or local authority or another final beneficiary decides to erect a billboard, place a commemorative plaque, display a poster or take any other step to provide information about projects with a cost of less than EUR 1 million, the EU participation must also be indicated.

6. **Final provisions**

The national, regional or local authorities concerned may, in any event, carry out additional measures if they deem this appropriate. They shall consult the EC Delegation and inform it of the initiatives they take so that the Delegation may participate appropriately in their realisation.

In order to facilitate the implementation of these provisions, the Commission, through its Delegations on the spot, shall provide technical assistance in the form of guidance on design requirements, where necessary. A manual will be prepared in the relevant national language, which will contain detailed design guidelines in electronic form and this will be available upon request.