COMMISSION DECISION

C/2005/2852 of 29/07/2005

on the financial contribution of Transition Facility for strengthening institutional capacity to the Republic of Malta
(Only the English text is authentic)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession 2003, in particular Article 34 thereof,

Whereas:

(1) Article 34 of the Act of Accession provides the possibility of granting a temporary financial assistance, the Transition Facility to the new Member States to address the continued need for strengthening institutional capacity in certain areas through actions which cannot be financed by the Structural Funds.

(2) The actions funded by this Decision in the areas of internal market, administrative and control structures in agriculture, and environment and administrative capacity are eligible for funding according to Article 34(2) of the Act of Accession. In addition, several needs have been identified in the Commission’s comprehensive monitoring report, which are not covered by the Structural Funds. The actions funded by this Decision in relation to those needs, in the areas of social policy and employment, as well as administrative capacity, are therefore also eligible for funding under Article 34(2) of the Act of Accession.

(3) Pursuant to Article 34(4) of the Act of Accession, the Transition Facility is implemented in accordance with Article 53(1)(b) of Council Regulation (EC) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

(4) An Implementing Agency should be designated complying with the criteria set out in Article 164 of the Financial Regulation and having adequate staff resources. The Commission has satisfied itself in the context of preparation for conferral of management of aid provided under pre-accession aid, as well as through a number of other checks, that those criteria are fulfilled by the Department of Contracts in the Ministry of Finance of the Republic of Malta.

(5) The measures provided for by this Decision are in accordance with the opinion of the Committee on Aid for Economic Restructuring in certain countries in Central and Eastern Europe, rendered on 7/7/2005.
HAS ADOPTED THIS DECISION:

Article 1

The Commission approves a financial contribution of €5,900,000 as Transition Facility to the Republic of Malta, to finance projects set out in point 4 of the Annex.

Article 2

1. This Decision shall be implemented on a decentralised basis, in accordance with the Memorandum of Understanding on the Implementation of the Transition Facility, signed with the Republic of Malta on 22/07/2004.

2. The Department of Contracts in the Ministry of Finance of the Republic of Malta shall be Implementing Agency for the Programme.

Article 3

1. Contracts covered by the financial contribution shall be signed no later than 15 December 2007.

2. The deadline for execution of contracts shall be 15 December 2008.

Article 4

This Decision is addressed to the Republic of Malta.

Done at Brussels,

For the Commission

Olli Rehn
Member of the Commission
1. IDENTIFICATION

Beneficiary: THE REPUBLIC OF MALTA

Programme: Transition Facility National Programme 2005

CRIS-Number: 2005/017-511

Year: 2005

Cost: The total value of the actions to be financed from the Transition Facility € 5,900,000.

Implementing Authority: Maltese Ministry of Finance

Expiry Date: Contracting: 15 December 2007

Execution of contracts: 15 December 2008

Sector Code: (according to DAC-list)

Objective 1: Social Services 16310

Objective 2: Justice Freedom and Security 15030

Objective 3: Agriculture 31110

Objective 4: Environment 41010

Objective 5: Administrative capacity 15040

Budget Line: 22-03-01

Commission Task Managers: Mr Gavriel Avigdor

DG Enlargement.
2. SUMMARY

For the period 2004-2006, a Transition Facility has been created by Art 34 of the Act of Accession to fund certain Institution Building actions in the new Member States.

The present Financing Proposal represents the 2005 Transition Facility National Programme for the Republic of Malta.

It proposes to use Transition Facility funds to support institution building through twinning, twinning light, technical assistance, and investments to provide the necessary equipment in order to implement the *acquis*.

Under this programme, the Transition Facility support will cover: Strengthening the Administrative Capacity of the National Labour Inspectorate; Reinforcement of Malta’s drug National Contact Point; Integration of National Systems in accordance with the Schengen *acquis*; Support to the IACS Unit for the implementation of the CAP reform; Management of specific Waste Streams (Construction and Demolition and certain Non-inert waste); Institution Building Facility.

3. STRATEGY

Programming priorities

Although the most urgent needs as regards *acquis* implementation have been addressed before Accession, the Transition Facility provides further support in order to consolidate the functioning of administrative structures on par with those of other Member States.

The 2003 Commission Comprehensive Monitoring Report for the Republic of Malta and the continuous monitoring process by the Commission of the Maltese preparation for accession constitute the main sources of information for identification of institutional weaknesses that the Transition Facility could assist in addressing.

Following accession, priority sectors and actions were identified in consultation both with national authorities, Commission services and other bilateral donors on the basis of the relevant follow up actions from pre-accession monitoring as well as other needs for reinforcing institution building where shortfalls are still perceived.

Project selection and lessons learned

On the basis of the priorities outlined in the above-mentioned documents, and in line with the principle of ownership, the Maltese authorities submitted a number of project proposals for institution building. These projects have been discussed in detail with the relevant Commission Services.

The final selection of projects for this Commission Decision was based on the overall quality of the individual proposals, taking into account *inter alia* the strategic framework of the
projects, their expected impact, and the implementation arrangements. In designing the 2005 Transition Facility programme, careful account has also been taken of the results of projects programmed in the context of the Pre-Accession Programmes in previous years. Lessons learnt are usually drawn on a case by case basis, building upon relevant experience in the implementation of previous projects in a specific area. Relevant information in that respect is provided in each project fiche. Provision of necessary background documentation supporting project proposals (sectoral strategies, feasibility studies, economic and cost-benefit analysis, etc.) is emphasised during the programming process.

Coordination with other EU assistance instruments, including Structural and Cohesion Funds

Attention was also paid to avoiding overlaps with other EU assistance instruments, in particular the Structural and Cohesion Funds. Maximum synergies between all sources of financing were considered.

The implementing body retains the responsibility for reviewing all measures under the SPD, the Reference Framework Document (for Cohesion Fund) and RDP on one hand and the projects funded under this Transition Facility programme on the other to ensure consistency and compatibility and removing the risk of overlap.

4. OBJECTIVES AND DESCRIPTION

The 2005 Transition Facility programme for the Republic of Malta focuses on five broad objectives covering most urgent needs to efficiently implement the acquis.

Objective 1 Social policies and employment

Project 2005/017-511.01.01 – Strengthening the Administrative Capacity of the National Labour Inspectorate

The project aims at further strengthening of the administrative capacity of the National Labour Inspectorate for implementing the EU legislation in the field of occupational health and safety and labour legislation.

The project is directed toward the two bodies that constitute the National Labour Inspectorate: the Occupational Health and Safety Authority (OHSA) for occupational health and safety, and at the Department of Industrial and Employment Relations (DIER) for employment and industrial relations.

Transition Facility funds will be used to:

- Provide specialised training to OHSA personnel on occupational health and safety

- Develop the administrative capacity of the DIER to implement the requirements of the relevant EU legislation, and

- Improve DIER’s IT system for data collection and reporting, in order to comply with the acquis requirements.

The project will be implemented through two twinning light schemes and a service contract for IT services.
Project 2005/017-511.01.02 – Reinforcement of the Drugs National Focal Point in Malta

The project aims at reinforcing the capacity within Malta to manage treatment programme related to drug consumption in the country. In particular, the project will improve the capacity for data collection for reporting in line with requirements EU acquis and for policy formulation. The project is targeted to the National Commission on the Abuse of Drugs, Alcohol and other Dependencies, which perform the function of the National Focal Point for the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA).

Support will be provided for:

- Carry out a review of organisational structures (Gap analysis)
- Train relevant staff in drugs indicators and statistical procedures
- Development of a total quality management system
- Develop a drug treatment registry information system

The project will be implemented through Twinning Light and a service contract for the development of the required software.

Objective 2 Justice Freedom and Security

Project 2005/017-511.02.01 - Integration of National Systems in accordance with the Schengen acquis

The project will support the Republic of Malta for ensuring further support for the implementation of the Schengen acquis. This support will be provided through the Transition Facility as the country is not eligible for support under the Schengen Facility.

The project builds on previous assistance which was provided for implementation of Schengen acquis and to support the establishment of the SIRENE office.

The project aims at further developing ICT infrastructure and interconnectivity within all the operational units. It also aims at fully integrating the relevant national information systems, which are currently in use or being developed, with Schengen Information System (SIS II).

Through this project support will be provided to:

- Develop the SIRENE services and the integration of local IT systems with SIS II
- Procurement of IT equipment to implement the National SIS system.

The project will be implemented through Technical Assistance and supply of IT equipment and services.

The project is conditional upon the setting up of a training structure addressing Schengen issues within the Academy of the Malta Police Force and the identification of the personnel to be deployed on Schengen issues.

Objective 3 Agriculture
Project 2005/017-511.03.01 - Support to the IACS Unit for the implementation of the CAP reform

Building on previous assistance, in particular the results of the 2004 twinning light project in this area, this project aims at supporting the Maltese administration to reorganise its structures, systems and way of operation in order to achieve compliance with the new Regulations reforming the Common Agricultural Policy (CAP). The project in particular aims at the provision of expertise for the implementation of the remaining 10 elements of cross-compliance and for any modification of structures required by the reform, support to the Integrated Administration and Control System (IACS) Department for the adaptation to this reform and enhancement of the relevant software.

Transition Facility support will be provided to:

- Implement any changes to the organisational structure of the Paying Agency or any of its delegated services, and their procedures and manuals, required for compliance with Reformed CAP, in particular those elements of cross-compliance still to be implemented. In addition, to provide assistance to Maltese officials in the initial phases of implementing the new schemes

- Enhance the existing IACS and, where necessary, Paying Agency software in order to implement CAP reform effectively, in particular cross-compliance

- Provide support for all check-phases of execution and accounting for payments financed by the EAGGF (Guarantee Section) with special emphasis on the single farm payment, particularly, through the training of relevant Maltese officials

- Deliver training to Ministry for Rural Affairs and the Environment (MRAE) staff on the application of the CAP reform in Malta, in particular with regard to those parts of cross-compliance not yet implemented

- Devise information campaigns for CAP beneficiaries regarding the application of new requirements for the aid schemes, their eligibility and obligations in compliance with the CAP reform

- Draft the necessary legislation

The project will be implemented through Twinning for the institution building part (including the software analysis and specification) and technical assistance for the actual software development.

The project is conditional upon the successful completion of the preparatory twinning light project on CAP reform; its recommendations would have to be taken into account in the preparation of the twinning contract. Also the delivery of the service contract software is conditional on a feasibility study. Any additional cost that may results from the recommendations of the twinning light and/or from the feasibility study will be borne by the national budget.

Objective 4 Environment

Project 2005/017-511.04.01 - Management of specific Waste Streams (Construction and Demolition and certain Non-inert waste)
The project aims at supporting the administrative capacity to implement the National Waste Management Strategy (2001) and the subsequent updates in conformity with EU requirements.

Assistance will be provided to:

- Formulate a strategy for the long-term possibilities of reuse/recycling of construction and demolition waste

- Compile appropriate environmental and technical standards for the recycling and disposal of inert waste in accordance with EU standards and best practices

- Develop financial and other instruments to encourage reuse/recycling of construction and demolition waste; formulate a communication strategy to disseminate information to the public and relevant entities

- Assist relevant bodies in preparing the relevant studies and documentation for each recycling possibility, including the financial, economic and environmental implications

- Provide training in recycling/reuse of construction and demolition waste and in financial instruments to encourage recycling

- Design and develop two communications strategies regarding the implementation of the new waste facility for the residual waste

This project will be implemented through a Twinning scheme.

**Objective 5 Administrative capacity**

**Project 2005/017-511.05.01 – Institution Building Facility**

The project includes components aimed at reinforcing capacities of the Fisheries administration for implementing legislation on producers’ organisations, of the Malta Transport Authority to exercise its control functions in the area of road transport safety, and of the Department of Contracts in relation with public procurement.

These components will be implemented through Twinning light, technical assistance and procurement of road transport control equipment and IT equipment for public procurement.

This project include an unallocated institution building envelope that will be implemented through around 10 projects in acquis fields where needs still exist such as, inter alia, internal market, competition, justice and home affairs, agriculture, social policy and employment, energy, transport, environment, etc.

The projects might cover, as appropriate, implementation and enforcement of the Acquis, and reinforcement of administrative capacity in the relevant fields.

The projects will be implemented on the basis of project fiches prepared by the relevant ministries and approved by the Commission.

Projects will be implemented through Twinning Light or technical assistance as appropriate.
5. BUDGET

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Co-financing for Institution Building projects is provided by the beneficiary bearing certain infrastructure and operational implementation costs, through financing the human and other resources, required for effective and efficient absorption of Transition Facility assistance.

Investments must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible public expenditure.

6. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government of the Republic 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 Transition Facility.

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