1. IDENTIFICATION

Beneficiary: THE REPUBLIC OF MALTA

Programme: Transition Facility National Programme 2006

CRIS-Number: 2006 / 018-184

Year: 2006

Cost: The total value of the actions to be financed from the Transition Facility €3,315,000.

Implementing Authority: Maltese Ministry of Finance

Expiry Date: Contracting: 15 December 2008

Execution of contracts: 15 December 2009

Sector Code: (according to DAC-list)

Objective 1: Internal Market 33110

Objective 2: Environment 41010

Objective 3: Administrative capacity 15140

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 2006 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: Malta Customs Programme for Modernisation of IT Systems; Institution Building in the Environment Sector; 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 Estonian 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 2006 Transition Facility programme, careful account has also been taken of the results of projects programmed in the context of the Pre-accession and Transition Facility 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
Careful attention has been paid to co-ordinating with previous and ongoing assistance to build on the results achieved and to promote synergy effects with other Community financial instruments. The programme includes projects which should not overlap with any action that is financed by other EU financial assistance programmes such as the Structural and Cohesion Funds and the Schengen Facility, or with any actions previously financed by Phare or by other donors.

The implementing body retains the responsibility for the coordination of the projects funded under this Transition Facility programme with activities financed through existing or planned EU or other international funding, in particular Structural and Cohesion funds, Schengen Facility, etc., in order to ensure consistency, compatibility and removing the risk of unnecessary duplication and overlaps.

4. OBJECTIVES AND DESCRIPTION

The 2006 Transition Facility programme for the Republic of Malta focuses on three broad objectives covering most urgent needs to efficiently implement the acquis.

Objective 1 Internal Market

Project 2006/18184.01.01 – Malta Customs Programme for Modernisation of IT Systems

In order to reinforce the operational capacity of the customs services in Malta, the project aims to support the implementation of the Business Change Management Plan under the EU Reform and Modernisation Programme for Customs and Taxation.

Transition Facility Assistance will be provided to:

- Make the necessary technical changes to the present Declaration Processing System modules to take account of the new electronic Single Administrative Document requirements as set out in the *acquis*;
- Develop an electronic Summary Declaration application for goods entering or leaving the EU, as required by the *acquis*;
- Develop an electronic Export Control System, which will track export consignments moving between EU Member States prior to exiting to a third country;
- Design and build the new version of the SEED V.0 database which will be linked to, and exchange information with, a central EU database. This will replace the present stand-alone system and will be a part of the new Excise Movement Control System (EMCS) initiative.
- Design and develop a Surveillance System for data exchange with the central EU surveillance database.

The project will be implemented through technical assistance for the provision of expertise and IT services.

Objective 2 Environment

Project 2006/18184.02.01 – Institution Building in the Environment Sector
The project aims to strengthen the administrative capacity of the Malta Environment and Planning Authority (MEPA) to achieve full implementation of the Acquis in the fields of waste management regulation, provision of public access to environmental information, public participation in environmental decision making and access to justice in environmental matters.

Transition Facility Assistance will be provided to:

- Carry out a detailed assessment of implementation of the relevant legal instruments related to access to information, public participation and access to justice also containing a review of administrative systems involved, identification of priority requirements and recommendations for improvement
- Set up Inter-agency administrative systems
- Develop guidelines and information published in electronic format
- Prepare materials for public agencies and stakeholders (including industry)
- Carry out training events and a national workshop

The project will be implemented through a Twinning scheme.

**Objective 3 Administrative capacity**

**Project 2006/18184.03.01 – Institution Building Facility**

The project includes sectoral components aimed at statistics, food safety, the free movement of health care professionals, implementation of the REACH Directive and Motor Vehicles Type Approval.

These components will be implemented through Twinning light and technical assistance for the statistics component.

In addition, this project includes an unallocated institution building envelope that will be implemented through Twinning light or technical assistance projects, as appropriate, 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, reinforcement of administrative capacity in the relevant fields, and support for the sound management of EU pre-accession and Transition facility Programmes, including inter alia any possible additional needs in terms of independent evaluation of the performance of EU funded projects.

Project proposals shall be submitted to the Commission for approval.

Projects will be implemented through Twinning Light or technical assistance as appropriate.
In addition, in order to contribute to sound management of EU support programmes, the project will also provide support for independent evaluation of the performance of EU funded projects.

**Programme Conditionality**

The Maltese Authorities will ensure that co-financing in accordance with the details included in the project fiches will be available in time. Unless otherwise specified in the project fiche, co-financing for services and supply contracts should be joint co-financing and the ratio between the Transition Facility and the national amount has to be applied to the final contract price.

5. **BUDGET**

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<tr>
<th>Objective</th>
<th>Transition Facility Funding</th>
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<td>Investment</td>
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<td><strong>Objective 1:</strong> INTERNAL MARKET</td>
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<td>Project 2006/18184.01.01</td>
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<td>Malta Customs Programme for Modernisation of IT Systems</td>
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<td><strong>Objective 2:</strong> ENVIRONMENT</td>
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<td>Project 2006/18184.02.01</td>
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<td>Institution Building in the Environment Sector</td>
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<td><strong>Objective 3:</strong> ADMINISTRATIVE CAPACITY</td>
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<td>Project 2006/18184.03.01</td>
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<tr>
<td>Institution Building Facility (Including unallocated institution building envelope - €654,300)</td>
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<td><strong>TOTAL</strong></td>
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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\(^1\) 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.

\(^1\) subject to Rule N°7 of Commission Regulation 1685/2000.