EEA Financial Mechanism 2014-2021

Norwegian Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs

Hereinafter referred to as the “Donors”

and

The The Funds and Programmes Division (FPD), Office of the Prime Minister - European Funds, Equality, Reforms and Social Dialogue (OPM-EES),

hereinafter referred to as the “National Focal Point”,

representing Malta,

hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”

for the financing of the Programme “Local Development and Poverty Reduction”

hereinafter referred to as the “Programme”

Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Donors and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA and the Norwegian Financial Mechanisms 2014-2021 to the Programme.

Article 1.2
Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the EEA and Norwegian Financial Mechanisms 2014-2021:

(a) the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Agreement") and Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021 (hereinafter referred to as "Protocol 38c";

(b) the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 and the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulations") issued by the Financial Mechanism Committee in accordance with Article 10(5) of Protocol 38c and by the Norwegian Ministry of Foreign Affairs in accordance with Article 10(5) of the Agreement;

(c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 and the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "MoUs"), entered into between the Donors and the Beneficiary State; and

(d) any guidelines adopted by the Donors in accordance with the Regulations.

2. In case of an inconsistency between this programme agreement and the Regulations, the Regulations shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

Article 1.3
Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulations, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the annexes shall prevail, provided that these provisions are compatible with the Regulations.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the preparation of the programme are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

Chapter 2
The Programme

Article 2.1
Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the principles of implementation as set out in the Regulation.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of

corruption or misuse of resources related to this programme agreement.

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA and Norwegian Financial Mechanisms 2014-2021 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

(a) comply with its obligations stipulated in the Regulations and this programme agreement;

(b) ensure that the Certifying Authority, the Audit Authority, the Irregularities Authority and the Programme Operator properly perform the tasks assigned to them in the Regulations, this programme agreement and the programme implementation agreement;

(c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

(d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

(e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The Donors shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3
Objective and outcomes of the Programme

1. This programme agreement sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in this programme agreement.

2. The Programme is supported by grants from both the EEA and the Norwegian Financial Mechanism. Nevertheless, this programme agreement may contain provisions applicable only to the support from the EEA Financial Mechanism and/or provisions applicable only to the support from the Norwegian Financial Mechanism.

3. The financial plan annexed to this programme agreement shall:

(a) contain a breakdown between the Programme's budget headings;

(b) contain a breakdown between the support from the EEA Financial Mechanism and the Norwegian Financial Mechanism;

(c) indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in this programme agreement.

Article 2.5
Special conditions and programme specific rules

1. This programme agreement shall list any conditions set by the Donors with reference to paragraph 2 of Article 6.3 of the Regulations. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this programme agreement.

Article 2.6
Programme implementation agreement

With reference to Article 6.8 of the Regulations and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the Donors of such signing.

Article 2.7
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme

report in accordance with Chapter 9 and Articles 6.11 and 6.12 of the Regulations as well as statistical reporting in accordance with guidelines adopted by the Donors.

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 11.1, 11.2, 11.3 and 11.4 of the Regulations shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the Donors.

2. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this programme agreement.

3. Expenditures incurred in breach of this article are not eligible.

4. Should there be a doubt as to whether the proposed modifications require approval by the Donors, the National Focal Point shall consult the Donors before such modifications take effect.

5. Requests for modifications shall be submitted and assessed in accordance with Article 6.9 of the Regulations.

Article 2.10
Communication

1. All communication to the Donors regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the Donors towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.11
Contact information

1. The contact information of the Programme Operator is as specified in this programme agreement.

2. The contact information for the Donors and the Financial Mechanism Office are:

Financial Mechanism Office
Att: Director
EFTA Secretariat
Rue Joseph II, 12-16
1000 Brussels
Telephone: +32 (0)2 286 1701
Telefax (general): +32 (0)2 211 1889
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the Donors prior to the signing of this programme agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point, in connection with the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulations and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulations and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this programme agreement.

3. Pre-defined projects shall be outlined in this programme agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5 of the Regulations.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form or the project contract shall comply with Article 7.6 of the Regulations.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.6 of the Regulations. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.7 of the Regulations.

2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States.

3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 8.15 of the Regulations.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Subject to Article 8.7 of the Regulations, eligible expenditures of this Programme are:

(a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

(b) payments to projects within this Programme in accordance with the Regulations, this programme agreement and the project contract.

2. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 8.2 of the Regulations and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulations, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulations as well as indirect costs in accordance with Article 8.5 of the Regulations.

3. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 of the Regulations. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the Donors of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulations.

4. The maximum eligible costs of the categories referred to in paragraph 1 are set in this programme agreement. Programme specific rules on the eligibility of expenditure set in this programme agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulations.

Article 4.3
Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulations have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.4 of the Regulations.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in this programme agreement.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 9.1 of the Regulations.

5. Chapter 9 of the Regulations shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA and Norwegian Financial Mechanisms 2014-2021 to the Programme in accordance with Article 9.8 of the Regulations.

Article 4.5
Irregularities, suspension and reimbursements

The Donors have the right to make use of the remedies provided in the Regulations, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulations regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the Donors is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

1. The Donors may, after consultation with the National Focal Point, terminate this programme agreement if:

(a) a general suspension decision according to Article 13.6 of the Regulations or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulations has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 of the Regulations, other than under paragraph 1(h), has not been lifted within one year of such a decision;

(c) a request for reimbursement according to Article 13.2 of the Regulations has not been complied with within one year from such a decision;

(d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

(e) the Programme Operator has, in the opinion of the Donors, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the Donors to make use of the remedies provided in Chapter 13 of the Regulations.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the Donors, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the Donors or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The Donors do not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the Donors for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the Donors, the NMFA, the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4
Entry into force and duration

1. This programme agreement shall enter into force on the date of the last signature of the Parties.

2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

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This programme agreement is drawn up in two originals in the English language.

For the Donors	For the National Focal Point
Signed in Valletta on 05/06/2018	Signed in Malta on 05/06/2018
.....	.....
Margit Tveiten	Carmen Dalli
Ambassador, signing on behalf of the FMC Chairman	Director, signing on behalf of the Head of NFP

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	The Funds and Programmes Division (FPD), Office of the Prime Minister - European Funds, Equality, Reforms and Social Dialogue (OPM-EES)
Donor Programme Partner:	-
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Strengthened social and economic cohesion

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA10	Outcome 1	Improved access to and quality of health services in Malta	Number of children and adolescents receiving Sensory Integration (SI) therapy in Malta	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	800
			Level of satisfaction (by parents) with Sensory Integration (SI) services	N/A	Scale 1-4	Survey results	Annually (APR)	N/A	N/A	4
			Number of children and adolescents seeking Sensory Integration (SI) services abroad through the Malta Community Chest Fund or other NGO funding	N/A	Cumulative number	Application for funding to the Malta Community Chest Fund	Annually (APR)	7	2016	0
			Percentage of blood donations undergoing testing for West Nile Virus	N/A	Percentage	Blood bank records	Annually (APR)	0 %	N/A	100 %
			Percentage of neonates born in Malta screened for phenylketonuria (PKU) by 2021	N/A	Percentage	Hospital records	Annually (APR)	0 %	N/A	95 %

	Output 1.1	Professionals trained in Sensory Integration (SI) Therapy	Number of Occupational Therapists certified in SI	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	12[1]
			Number of Physiotherapists trained in SI	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	2
			Number of Speech Language Pathologists trained in SI	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	2
	Output 1.2	Sensory Integration Clinic set up and operational	Number of Sensory Integration Clinics set up	N/A	Cumulative number	Ministry for Health records	Semi-annually (APR and September IFR)	0	N/A	1
	Output 1.3	PKU screening service developed	PKU screening service added to the existing congenital hypothyroidism screening as part of blood spot testing	N/A	Binary	Copy of the testing protocol	Semi-annually (APR and September IFR)	No	N/A	Yes
			Number of Clinical Chemists trained in PKU screening	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	1
			Number of Medical Lab Scientists trained in PKU screening	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	2
	Output 1.4	Nucleic Acid Amplification	System and governance for NAT blood testing service in Malta set up	N/A	Binary	Copy of the NAT testing protocol	Semi-annually (APR and	No	N/A	Yes

[1] 2 of which shall be Norwegian OTs, who will not be gainfully employed in Malta

		(NAT) testing developed					September IFR)			
			Number of NBTS staff trained in NAT testing	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	2
PA10	Outcome 2	Improved well-being of vulnerable children and youths	Annual number of children and/or youth staying at the residential safe house	N/A	Annual number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	10
			Number of children and youths at risk accessing integrated services	Gender, Age	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	500
			Number of youths (16 -25) in education, employment or training 12 months after having received services	N/A	Cumulative number	Project Promoters' records	2020 and then annually	0	N/A	50
	Output 2.1	Opportunity Knocks (OK) pack developed for children and youth at risk	Number of OK pack copies distributed	N/A	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	2,000
	Output 2.2	A residential safe house for young people (under 18 years of age) set up	Capacity of the residential safe house of youths (in number of beds)	N/A	Cumulative number	House plans and records	Semi-annually (APR and September IFR)	0	N/A	20
	Output 2.3	Integrated services for children and youths at risk provided	Integrated services (employment facilitation; business start-up skills, confidence building) related to independent living provided	N/A	Binary	Beneficiaries care plans	Semi-annually (APR and September IFR)	No	N/A	Yes

PA10	Outcome 3	Improved quality of life of deprived communities in urban localities	Number of vulnerable individuals benefitting from services provided through the Small Grants Scheme	Gender, Age	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	1,000
			Percentage of residents 'very satisfied' or 'satisfied' with their local council's performance in targeted localities	N/A	Percentage	Survey results	Annually (APR)	34.62 %[2]	2021	38.43 %
	Output 3.1	Public administration staff in targeted localities trained in good governance principles	Number of local councils covered by the training on good governance	N/A	Cumulative number	List of training attendees	Semi-annually (APR and September IFR)	0	N/A	20
			Number of public administration staff trained in good governance principles	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	20
	Output 3.2	Pilot initiatives under the Small Grants Scheme implemented	Number of pilot initiatives implemented under the Small Grants Scheme by urban local councils	N/A	Cumulative number	Awarded grants and final reports	Semi-annually (APR and September IFR)	0	N/A	6[3]
PA10	Outcome 4	Cultural Heritage Management enhanced	Number of jobs created at the Malta Maritime Museum	Gender, Age	Cumulative number	Payroll records	2023 and then annually	0	N/A	4
			Annual number of unique digital visitors to the Malta Maritime Museum	N/A	Annual number	Website records	Annually (APR)	16,000	2016	21,000
			Annual number of visitors to the Malta Maritime Museum	N/A	Annual number	Ticketing system records	Annually (APR)	20,281	2016	25,351
			Average audience experience rating (on a scale of 1 to 5)	N/A	Scale 1-5	Survey results	Annually (APR)	3.12	2019	4.12

[2] Baseline to be determined once localities are selected following call for project proposals

[3] Since the scheme is based on a bottom-up approach, the initiatives will be based on the aspirations of the residents living in the urban areas as highlighted in the same regional economic, social and cultural community plans. Hence the concept note cannot be more specific about the results of these outputs at this point in time. Notwithstanding, the grant schemes will address the social, educational and environmental needs of these vulnerable individuals in the urban areas.

	Output 4.1	Malta Maritime Museum restored and upgraded	Number of Malta Maritime Museum assets digitised	N/A	Cumulative number	Copies of digitised assets	Semi-annually (APR and September IFR)	0	N/A	2,600
			Structural upgrade of the Malta Maritime Museum completed	N/A	Binary	Acceptance documents for works performed and works completion certificates	Semi-annually (APR and September IFR)	No	N/A	Yes
			Total area of visitor facilities, museum and exhibition space added to the Malta Maritime Museum (in m2)	N/A	Cumulative number	Acceptance documents for works performed and works completion certificates	Semi-annually (APR and September IFR)	1,086	2016	1,629
	Output 4.2	Innovative presentation of the Malta Maritime Museum's collection supported	Number of events targeting audience development	N/A	Cumulative number	Project promoters' records	Semi-annually (APR and September IFR)	0	N/A	6
			Number of new temporary exhibitions displaying Malta Maritime Museum objects	N/A	Cumulative number	Project promoters' records	Semi-annually (APR and September IFR)	0	N/A	3
PA10	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities	Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	TBD[4]	TBD	4.5[5]
			Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	TBD[6]	TBD	4.5[7]

[4] Survey to be carried out by the FMO
[5] ≥4.5 and an increase on the baseline
[6] Survey to be carried out by the FMO
[7] ≥4.5 and an increase on the baseline

		involved in the programme	Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %[8]
	Bilateral Output 1	Exchange of knowledge and experience between Maltese and Donor State entities facilitated	Number of projects involving cooperation with a donor project partner	N/A	Cumulative number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project Promoters and project partners	Semi-annually (APR and September IFR)	0	N/A	3
			Number of staff from Malta in exchanges	Donor State, Gender, Type of exchange	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	6
			Number of staff from Donor States in exchanges	Donor State, Gender, Type of exchange	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	6

[8] Minimum 50%

Conditions

General

1. The National Focal Point shall ensure, that for the outcome 3 indicator "Percentage of residents 'very satisfied' or 'satisfied' with their local council's performance in targeted localities," where the baseline value is "to be determined" (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than six months after the finalisation of the selection of projects under the Small Grants Scheme within this outcome. The updated baseline value shall be agreed upon through a modification of the programme agreement.

2. The National Focal Point shall ensure, that for the outcome 4 indicator "Average audience experience rating (on a scale of 1 to 5)," where the baseline value is "to be determined" (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than six months after the signature of the project contract for PDP 4 "The Malta Maritime Museum: local development through cultural heritage" within this outcome. The updated baseline value shall be agreed upon through a modification of the programme agreement.

3. The National Focal Point shall ensure that the Programme Operator ensures, that no more than 70% of the total eligible expenditure of the programme is allocated to hard measures.

4. The National Focal Point shall ensure that refugees and migrants as important target groups shall be included in the programme as appropriate, especially in the small grant schemes under the Outcome "Improved quality of life of deprived communities in urban localities".

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	02/02/2017	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 6,698,138
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 2,912,283
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 2,781,134
Maximum amount of Programme grant - Total (€)		€ 5,693,417

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA10	Programme management	€ 150,000	€ 254,800	€ 404,800	85.00 %	€ 71,435	€ 476,235	€ 0
PA10	Outcome 1 (EEA Grants)	€ 2,015,612		€ 2,015,612	85.00 %	€ 355,696	€ 2,371,308	€ 0
PA10	Outcome 1 (Norway Grants)		€ 0	€ 0	85.00 %	€ 0	€ 0	€ 0
PA10	Outcome 2 (EEA Grants)	€ 746,671		€ 746,671	85.00 %	€ 131,765	€ 878,436	€ 0
PA10	Outcome 2 (Norway Grants)		€ 0	€ 0	85.00 %	€ 0	€ 0	€ 0
PA10	Outcome 3 (EEA Grants)	€ 0		€ 0	85.00 %	€ 0	€ 0	€ 0
PA10	Outcome 3 (Norway Grants)		€ 836,404	€ 836,404	85.00 %	€ 147,601	€ 984,005	€ 0
PA10	Outcome 4 (EEA Grants)	€ 0		€ 0	85.00 %	€ 0	€ 0	€ 0
PA10	Outcome 4 (Norway Grants)		€ 1,689,930	€ 1,689,930	85.00 %	€ 298,223	€ 1,988,153	€ 0
Total		**€ 2,912,283**	**€ 2,781,134**	**€ 5,693,417**	**85.00 %**	**€ 1,004,721**	**€ 6,698,138**	**€ 0**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 47,624

Local Development and Poverty Reduction

Operational rules (Annex II)

1. **Programme summary**

This Annex sets out the operational rules for the programme. The Programme Agreement is based on the MoUs, the Concept Note and comments made by the Donors. Commitments, statements and guarantees, explicit as well as implicit, made in the Concept Note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

The Programme Operator is the Bilateral Funds Unit within the Funds and Programmes Division in the Office of the Prime Minister.

The programme objective "Strengthened social and economic cohesion" shall be attained through four outcomes:

- Outcome 1: "Improved access to and quality of health services in Malta" shall be supported through one pre-defined project "Reduction in social inequalities in health and the burden of disease" (PDP1).

- Outcome 2: "Improved well-being of vulnerable children and youths" shall be supported through one pre-defined project "Opportunity Knocks (OK)" (PDP2).

- Outcome 3 "Improved quality of life of deprived communities in urban localities" shall be supported through one pre-defined project "Training of Local Council Staff in Principles of Good Governance, Transparency and Accountability" (PDP3) and one Small Grant Scheme (SGS).

- Outcome 4 "Cultural heritage management enhanced" shall be supported through one pre-defined project "The Malta Maritime Museum: local development through cultural heritage" (PDP4).

2. Eligibility

2.1 Eligible applicants:

The rules on eligibility of applicants are set in Article 7.2 of the Regulation.

In accordance with Article 7.2.4, the following entities shall be eligible applicants (project promoters) in the Small Grant Scheme (SGS):

- Local councils considered as urban localities[1]

In accordance with Article 7.2.4, the following entities shall be eligible as project partners in the Small Grant Scheme (SGS):

- Any public or private entity, commercial or non-commercial as well as non-governmental organisation established as a legal person in Malta.

[1] The Rural Development Programme for Malta 2014-2020 gives a definition of "Rural Areas" and lists the localities considered as such. In the absence of any such definition for "Urban Areas", any remaining locality in

Malta, as established by the Local Councils Act: Chapter 363 of the Laws of Malta (Tenth Schedule – Article 72) is by elimination considered an 'urban locality'.

2.2 Special rules on eligibility of costs:
Costs are eligible in accordance with chapter 8 of the Regulation.

3. Bilateral relations
3.1 Bilateral relations
The programme shall contribute to strengthening bilateral relations between Malta and the Donor States.

The programme shall contribute to the development of bilateral relations between Malta and the Donor States under each of the four programme outcomes and pre-defined projects. Additional funding requests may be addressed to the Joint Committee for Bilateral Funds.

4. Selection of projects and financial parameters
4.1 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):

Modality	Indicative timing	Total available amount	Maximum/minimum grant applied for
Small Grant Scheme Outcome 3: Improved quality of life of deprived communities in urban localities	Q4 2019 Last possible call (if funds are available) shall not be later than Q4 2022.	€ 1,000,000	€ 100,000/€ 25,000

4.2 Selection procedures:
Project applications submitted under the calls for proposals for the Small Grant Scheme shall be assessed in accordance with Article 7.4 of the Regulation.

The Local Government Division of the Ministry for National Heritage, the Arts and Local Government - LGD (the project promoter of PDP3) is designated to be the Small Grant Scheme operator (SGS operator). A project management service provider (PM service) shall be engaged following a selection by public procurement to assist in the administrative and eligibility assessment as well as the evaluation of the project applications.

The SGS operator shall ensure that the PM service will ensure that all project applications are assessed by at least two experts. The experts shall independently and separately score the project application according to the evaluation criteria published in the call for proposals. The experts shall justify in writing the scores for each criterion they evaluate. For the purpose of ranking the projects applications, the average of the scores awarded by the experts shall be used. If the difference between the scores given by the two experts is more than 30% of the higher score, the project application shall be scored by a third expert. In this case the average score of the two closest scores shall be used for the ranking of the project applications.

The SGS operator shall appoint a projects stakeholder committee (PSC). The PSC will include a broad number of stakeholders besides the SGS Operator, including *inter alia* representatives of the Local Councils Association, Parliamentary Secretariat for Local Government and the Communities and the University of Malta. The Programme Operator / National Focal Point shall be invited as observer. KS (donor project partner in PDP 3) shall participate as a voting member.

The PSC shall review the ranked list of project applications. It may modify the ranking in justified cases based on transparent criteria. The PSC shall keep minutes of its meetings. The minutes of the meetings shall contain enough detail to demonstrate that the requirements of the Regulation and the Programme Agreement have been met.

The SGS operator shall verify that the selection process has been conducted in accordance with the Regulation and that the grant award decisions comply with the rules and objectives of the Programme. Following such verification, the SGS operator shall make a decision on which projects shall be supported on the basis of the ranking list approved by the PSC.

Both successful and unsuccessful applicants shall be informed of the outcome of their application in writing by the SGS operator.

4.3 Project grant rate:

Grants from the programme may be up to 85%[1] of total eligible expenditure of the project selected within the Small Grant Schemes. The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. Any remaining costs of the project shall be provided or obtained by the Project Promoter.

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[1] The project grant rate however will be set at 100% in the open calls, as the Maltese Government will be providing the 15% co-financing outside the programme.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

There will be four pre-defined projects implemented under the Programme:

1) "Reduction in social inequalities in health and the burden of disease"

Project Promoter:	Ministry for Health (MFH)
Donor project partner(s):	The Norwegian Occupational Therapy Association Oslo University Hospital
Other project partner(s):	Maltese Ministry for Education
Total maximum eligible costs:	€ 2,407,059
Project grant rate:	100.00 %
Maximum project grant amount:	€ 2,407,059

Programme outcome the project contributes to: “Improved access to and quality of health services in Malta”.

The project will improve access to and quality of health care services in Malta with particular focus on closing gaps in health care provision to children with disabilities associated with Autism Spectrum Disorder, genetic conditions, intellectual disabilities, attention problems or mental health problems as well as introducing screening of newborns for phenylketonuria (PKU and Nucleic Acid Amplification (NAT) testing of blood products for infectious diseases.

Project activities shall include:

- development of sensory integration therapy services (SIT);
- structural works (modifications) and renovations of the building hosting the SIT services;
- screening of PKU;
- NAT testing of blood products;
- training of health service professionals in SI therapy, PKU screening and NAT testing;

2) "Opportunity Knocks (OK)"

Project Promoter:	Appoġġ Agency, Foundation for Social Welfare Services (FSWS)
Donor project partner(s):	Norwegian Directorate for Children, Youth and Family Affairs
Total maximum eligible costs:	€ 941,176
Project grant rate:	100.00 %
Maximum project grant amount:	€ 941,176

Programme outcome the project contributes to: "Improved well-being of vulnerable children and youths".

The project will provide vulnerable young people at high risk of social exclusion a new integrated social model programme consisting of a mix of education, physical activity and a family environment in a residential setting.

Project activities shall include:

- campaign focused on rights and duties of young people towards leading an independent healthy life;
- multi-disciplinary team of professionals providing professional services to the participating cohort of young people;
- 'safe house' setting supporting highly vulnerable and young individuals coming from dysfunctional families / background needing a sheltered environment;
- 'start-up' and employment opportunities for individuals entering into duty-oriented agreements

3) "Training of Local Council Staff in Principles of Good Governance, Transparency and Accountability"

Project Promoter:	Local Government Division (LGD), Ministry for the National Heritage, the Arts and Local Government (MHAL)
Donor project partner(s):	Norwegian Association of Local and Regional Authorities (KS)
Other project partner(s):	Local Councils Associations (LCA) National Association for Local Council and Regional Executive Secretaries – MALTA (ANSEK)
Total maximum eligible costs:	€ 200,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 200,000

Programme outcome the project contributes to: "Improved quality of life of deprived communities in urban localities".

Total maximum eligible project costs: € 200,000

Project grant rate: 100%

Maximum project grant amount: € 200,000

The project will provide several measures of capacity-building.

Project activities shall include:

- mapping and identifying current community realities of eligible urban local councils;
- training to local council staff[1] on principles of good governance, accountable institutions and transparency with special emphasis on managing the grant scheme and thereby increasing the capacity of local councils to successfully implement projects under the SGS. The provision of training/information will be provided throughout the project agreement duration;

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[1] Including administrative staff of local councils as well as Local Government Division (LDG), Local Councils Association (LCA) and National Association for Local Council and Regional Executive Secretaries - ***MALTA (***ANSEK) staff

- thematic networking for sharing of experience and best practices, open to all local and regional authorities in Malta, including rural areas;

- internships and/or study visits and or stages and/or experience exchanges networks both on a national and international level (Norway) for Local Council staff[1].

[1] Including elected and administrative staff of local councils as well as Local Government Division (LGD), Local Council Association (LCA) and National Association for Local Council and Regional Executive Secretaries – ***MALTA (***ANSEK) staff

- training of elected councillors of the 68 local councils following the local elections held in 2019.
- fostering dialogue between the political and administrative arms of Local Councils, between the Local Government Division and Local Councils, between the Local Government Division, the Local Councils, the Local Councils Association and the Association of Executive Secretaries for Local and Regional Councils. This may be open to all Local and Regional Authorities in Malta and is to take the form of team building session/s. Other formats might be considered.

4) "The Malta Maritime Museum: local development through cultural heritage"

Project Promoter:	Heritage Malta
Total maximum eligible costs:	€ 2,015,529
Project grant rate:	100.00 %
Maximum project grant amount:	€ 2,015,529

Programme outcome the project contributes to: “Cultural Heritage Management enhanced”.

The project will restore and upgrade parts of the Malta Maritime Museum and digitise 2600 artefacts from the museum’s collection.

Project activities shall include:

- Measures to innovatively present the museum´s collection
- stabilisation of all museum areas with priority given to works in the silo and central halls;

- replacement of the roof over one of the back halls;
- works on the back façade in order to stabilise the dangerous condition of parts of the upper cornices and balustrades;
- creation of a foyer/reception area at ground floor level and the expansion of permanent display areas on the first floor;
- digitisation of approximately 2600 artefacts from the museum's collection, consisting of ship/boat models, navigational instruments and Maltese boat builders' equipment.
- Public relations and dissemination activities

5.2 Financial Instruments

Not applicable.

6. Programme Management

6.1 Payment flows

The Programme Operator shall ensure that payments to projects are made in a timely manner.

In case of euro-denominated contracts with entities from Donor States or with intergovernmental organizations, the Programme Operator shall transfer the amounts in euro.

Pre-defined projects

Payments of the project grant shall be processed on a regular basis and shall take the form of interim and final payments to the projects based on claims for reimbursement of incurred expenditures, or direct payments to service providers, as and when uploaded on CARSII (the computerised accounting system managed by the PO) by the project promoters.

The periodicity of reporting periods, and deadlines for reporting will be further detailed in the description of the PO's management and control systems.

SGS

Payments of the grants under the scheme shall be processed on a regular basis and shall take the form of interim and final payments to the projects based on claims for reimbursement of incurred expenditures by the urban local council, as and when uploaded on CARSII by the respective Local Council (project promoter).

Payments of the project grant shall take the form of interim payments and a final payment.

The periodicity of reporting periods, and deadlines for reporting will be further detailed in the description of the SGSO's Manual of Procedures.

	Interim Payments	Final Payment
Projects	Based on periodical submission of claims on CARSII	Not later than 2 months upon approval of the final project report.

6.2 Verification of payment claims

Project Promoters shall submit interim and final project reports containing information on project progress and incurred expenditure.

In line with the point (i) of Article 5.6.2 of the Regulation incurred expenditure reported shall be subject to administrative verifications before the report is approved. Verifications to be carried out shall cover administrative, financial, technical and physical aspects of projects, as appropriate and be in accordance with the principle of proportionality.

Additionally, in line with point (ii) of Article 5.6.2 of the Regulation on–the-spot verifications of projects, which may be carried out on a sample basis, shall be carried out.

The detailed procedure for verification will be further detailed in the description of the Programme Operator's management and control systems.

6.3 Monitoring and reporting

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The Programme Operator shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the project promoters in order to enable the Programme Operator and the NFP to meet its obligations to the Donor States.

When reporting on progress achieved in Annual and Final Programme Reports, the Programme Operator shall disaggregate results achieved as appropriate and in accordance with instructions received from the FMO.

6.4 Programme administrative structures

The Small Grant Scheme operator shall be the Local Government Division (LGD) within the Ministry for the National Heritage, the Arts and Local Government, the project promoter of PDP 3. In accordance with Article 6.6.6 of the Regulation the provisions of the Regulation applicable to the Programme Operator shall be applicable *mutatis mutandis* to the small grant scheme operator, with exception that reports of the latter shall be incorporated into the reporting structures of the Programme Operator.

7. Communication

The NFP/Programme Operator shall comply with Article 3.3 of the Regulation, the Information and Communication Requirements in Annex 3 of the Regulation and the Communication plan for the programme.

The Communication plan may be submitted jointly with the national communication strategy for Malta in the 2014-2021 Financial Mechanisms in one document.

8. Miscellaneous

Not applicable.