



MANAGEMENT OF EU FUNDS

The Role of the Managing Authority

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Main Functions of PPCD

- Set up in 2001 to manage EU Funds in Malta.
- Gives input to Government at policy level (mainly Cohesion Policy).
- Participates in the discussions and negotiations on the regulatory framework at European Level.



Programmes managed by PPCD

- IVth EU-Malta Financial Protocol.
- Pre-Accession Instrument- 4 Programmes.
- Transition Facility – 3 Programmes.
- Structural Funds 2004-2006 (including EAGGF (Guidance) and FIGG).
- Cohesion Fund 2004-2006.
- Interreg 2004-2006 (6 programmes).
- Equal 2004-2006.



Programmes managed by PPCD

- Cohesion Policy 2007-2013 (2 Programmes).
- European Territorial Co-Operation Programmes 2007-2013 (6 Programmes).
- European Globalisation Fund.
- Solidarity Fund.
- EEA-Norway Financial Mechanisms.
- Swiss Fund.
- IVth Italian Protocol.
- UK-Malta Action Plan.



Programmes managed by PPCD

- Over 30 Programmes / financial instruments in total – including EU as well as bilateral arrangements.
- Over € 1.3 billion since 2001.



What is Management of EU Funds?????

1. Programming.
2. Launch of call for proposals.
3. Selection & approval of projects.
4. Project Monitoring and support to Beneficiaries
5. Evaluation.
6. Information and publicity.
7. Management and Control Systems.
8. Closure.



Programming

- Internal discussions / consultations to determine priorities.
- Drafting of programming documents / Agreements.
- Negotiations with donors on priorities, budgets and targets.
- Further consultations.
- Finalisation of documents.



Launching Calls

- Setting up of internal structures (e.g. Monitoring Committee, Project Selection Committee, Intermediate Body/ies).
- Identification of criteria.
- Formulation of application forms and guidance notes (adapted continuously).
- Publication of call.
- Information Sessions.



Selection of Projects (operations)

- PPCD presides over this process and is supported by a Project Selection Committee as well as *ad hoc experts*.
- First round of evaluation to determine eligibility of proposals (in some cases e-clarification).
- Followed by in-depth analysis of proposal.
- Clarification letter / meeting if necessary.
- Ranking and selection.



Implementation

- Negotiations and signing of Grant Agreements.
- Monitoring (also through electronic system) of projects with regular meetings / reports at different levels and different stakeholders within the system.
- Regular support to Beneficiaries.
- Reporting obligations – annual reports, strategic reports.....



Evaluation

- Obligation by EU Regulation.
- Evaluation Plan.
- Undertaken by third party contractors (contracted either by PPCD or EC).
- Evaluations are triggered:
 - (a) certain time of the programming cycle;
 - (b) strategic, thematic, operational or a mix.
- Follow-Up of recommendations.



Information and Publicity

- Information and Publicity Plan (approved by EC).
- Provide information on the programme/s in line with the obligations in the Regulation.
- Ensure that projects receive the necessary recognition re EU funding.
- Publicity with regard to results and impacts.



Management and Control Systems

- Setting up of the Management and Control system and identification of different stakeholders and functions (**functional independence**):
 - (i) Managing Authority (Focal / Contact Point);
 - (ii) Intermediate Bodies;
 - (iii) Certifying Authority;
 - (iv) Audit Authority;
 - (v) Horizontal stakeholders such as MEPA, SAMB, Department of Contracts, Treasury, NCPE..



Management and Control Systems

- System assessed by local auditors for compliance with EU Regulations and approved by EC.
- Audits are undertaken in line with the system.
- Changes to the system need to be assessed and approved.



Management and Control Systems

Management Verifications

Article 13 (2) – Regulation:

Procedures:

(i) Administrative / desk-based

(ii) On-the-spot verifications

First Level CONTROL



Management and Control Systems

Article 13 (2) – Action

Procedures:

(i) Administrative checks (100%)

- Compliance with grant agreement (eligibility);
- Compliance with conditions in contracts;
- Validity of payment documents, supporting documents;
- Confirming endorsement by participants in the payment process (Invoice Status Certificate);
- Uploading of documents in Structural Funds Database;
- Monitoring of net revenue (funding gap).



Management and Control Systems

Article 13 (2) – Action

Procedures:

(ii) On-the spot checks (periodic)

- Assessment of public procurement procedures;
- Cross-checking with invoices;
- Assessment of horizontal issues (SA, Env., Eq. Opps.);
- Publicity;
- Filing systems;
- On-site visits.



Statement of Expenditure (SOE)

- First two stages of the drawdown process:
 - First stage of SOE by project (Beneficiary);
 - SOE by projectS (Recommendations by MA).
- At least three times a year.
- Administrative verifications of all claims as well as on the spot verifications of some.
- MA sends recommended SOE to Certifying Authority.
- Irregularities are reported and deducted from the SOE.



Statement of Expenditure (SOE)

- Certifying Authority checks sample of the expenditure verified to the MA.
- Sends Final SOE to the EC.
- Ongoing audits (systems and financial) by the Audit Authority, Commission Auditors, National Audit Office and Court of Auditors to support the legality and regularity of expenditure.
- Possibility of recoveries suspension and recoveries (also flat rate corrections).



Closure

- Takes place over a number of years and different stakeholders.
- Final reports on implementation (MA).
- Final results on ex-post evaluation (MA and EC).
- Final management checks (MA).
- Final statement of expenditure (CA).
- Final audits and Winding-Up declaration by the Winding Up Body (AA).
- Monitoring (e.g. for impacts and revenue) and audits ongoing for years after official closure (MA and EU institutions respectively).



Main Challenges for 2010

- Closure of the 2004-2006 Programmes.
- Mid-term Evaluation of 2007-2013 Programmes.
- Avoiding de-commitment – First N+3 year for the 2007-2013 Programmes.





Thank you!

