

Report on implementation  
assessment of the CP Italy-  
Malta 2014-2020  
(II Phase)

June 2020

## Summary

List of acronyms.....	2
Executive summary.....	3
1. Introduction.....	5
2. Evaluation objectives and analysis methodology.....	6
3. Implementation status of Project Selection Notices.....	9
4. Analysis of the effectiveness and efficiency of submission and selection of applications.....	11
5. Analysis of how the program's management structures work .....	32
6. Effectiveness analysis, in terms of the Programme's ability to achieve expected results with particular reference to Performance Framework targets .....	48
7. Degree of integration of the Programme with the other instruments of the Union .....	62
8. Analysis of the effectiveness of the management of the new cooperation area .....	64
9. Analysis of the Effectiveness of the Communication Strategy.....	67
10. Summary of evaluation results.....	70
Annex 1: List of subjects consulted .....	74
Annex 2: Information about the participants in the online questionnaire .....	75

## List of acronyms

AA	Audit Authority
CA	Certification Authority
MA	Managing Authority
AF	Application Form
MNCA	Maltese National Coordination Authority
PA	Partnership Agreement
TA	Technical Support
ExC	Executive Committee
MC	Monitoring Committee
EC	European Commission
CP	Contact Point
ETC	European Territorial Cooperation
eMS:	Electronic Monitoring System
ERDF	European Regional Development Fund
SO	Specific Objective
TO	Thematic Objective
CP	Cooperation Programme
PF	Performance Framework
IP	Investment Priorities
PMI	Small and Medium Enterprises: any entity engaged in an economic activity, irrespective of its legal form (Reg. 651/2014, Annex I)
PP	Project partners
AIR	Annual Implementation Report
RIS3	Innovation Strategy for Smart Specialization
TC	Territorial Contact
JS	Joint Secretariat
IS	Information System
DMGS	Management and Control System - The functions and procedures of the Managing Authority and the Certifying Authority
SRI3	Regional Innovation Strategy for Smart Specialization
CU	Control Unit
COO	Competent Office for Operations
UOB	Unità Operativa di Base (Base Operating Unit)
Eu	European Union
WP	Work Package

## Executive summary

This evaluation report, which follows a first evaluation exercise carried out in 2017, analyses the implementation of the Program in light of the progress of the implementation procedures. Analysis are based on a mixed approach that integrates quantitative analysis with qualitative insights and, where appropriate, proposes a comparison between evidences from Public Notice 1/2016 and 2/2019.

The actual time dedicated to the selection of operations is in line with the average time necessary to ensure a careful examination of the project applications and complies with standard times. From the available preliminary data of Notice 2/2019, beside some specific issue, there is a greater compactness of the procedure. Overall, on the duration of the procedures weigh significantly the administrative activities related to the assessment and a rationalization of the activities of the Executive Committee is desirable.

Traditional forms of communication were used to promote the Notices. A more targeted communication was adopted between the first and the second Notice and even if the effort made in the promotion activities appears constant, the information and communication activities suffer from the delays of the Communication Plan. The comparison between the first and second Notice highlights some simplification measures in order to speed up the evaluation of the proposals as well as to facilitate the participation of the beneficiaries. For example, the adoption of a targeted call aims to improve the analyticity of the contents of the Notice and should increase the degree of consistency of the proposals with respect to the Program's Expected Results. The online application submission process is a critical aspect because the system adopted has various inefficiencies and needs substantial upgrading.

Overall, the Notices have reached almost all the categories of beneficiaries expected but with different intensity as it is reflected in the lower interest shown by the potential beneficiaries towards some specific objectives of the Program, especially in the context of the Notice of the 2016. In the context of Notice 2/2019, although some problems persist in relation to the participation to the whole set of specific objectives, there is a greater balance between the types of candidate beneficiaries, thanks also to the robust participation of associated partners.

The financial resources made available through Notice 1/2016 have been partially used due to a weak response from some types of beneficiaries. The analysis of the scores highlights how high-quality proposals have been funded for SO 1.1, for the remaining OS, and especially for Axis 2 projects, the lower territorial adhesion to the Notice has limited the ability to choose by determining the admission to financing of proposals of satisfactory but not excellent quality. In relation to Notice 2/2019, for the results of the selection of operations, a general improvement of the performance in terms of success rate has been observed.

The selection procedures explicitly take into account the horizontal principles, but more attention could be guaranteed on the issue of equal opportunities and non-discrimination.

Some exogenous processes, such as the reorganization of regional administration, have weakened the management structures of the Cooperation Programme. The Managing Authority has adopted temporary solutions to make up for staff organization weakness. Nevertheless, in order to achieve the expected results of the Cooperation Programme, it is essential to strengthen the administrative structures.

The implementation of the electronic data exchanges system, the adoption of the simplified costs options and the publication of manuals and templates have a positive effect on reducing the administrative burden for beneficiaries. Further future actions of the Managing Authority could reduce beneficiaries' burden improving monitoring and communication activities.

In order to strengthen the involvement of partnership and stakeholders, the Managing Authority should redefine the partner selection process. Besides, the MA should agree with the stakeholders a work plan for information, consultation and participation activities.

According to the evaluator the decision-making mechanisms are efficient; however, in order to increase the efficiency of the operation selection mechanism, the functions and tasks of the Executive Committee could be modified.

The state of implementation of the Program highlights a differentiated framework in relation to the indicators provided by the CP which in some cases appear already achieved while in others appear far from the target, being with specific reference to the PF level – and especially one financial indicator of Axis 2 - heavily insufficient. Nonetheless, considering the temporal and quantitative misalignment between financial indicators and resources already allocated at the 2018 deadline, the Programme still appears to be able to achieve its final targets if – together with the measures already proposed to implement a full allocation of resources to the selected projects - the implementation is coupled with adequate procedural progress and organizational efficiency.

The degree of integration of the Program with other Union instruments such as the mainstream programs of the Sicilian Region and the Maltese State or with other EU Programs is somewhat differentiated, but overall, not particularly high.

The participation in the Program by the territories that fall within the extension of the eligibility area of the 2014-2020 cycle is in line with that of the remaining Sicilian provinces - except for the provinces of Palermo and Catania. Nonetheless, comparison between the first and the second call for proposals has shown that this is not a stable trend yet.

Concerning the communication strategy, despite the fact that the framework of the relevant indicators shows some positive results, in general, a greater investment is required in terms of institutional communication of the Program and among the indifferent actions it is necessary to mention the creation of the dedicated site which is not yet implemented at the moment.

## 1. Introduction

The INTERREG V-A Italy-Malta 2014-2020 Programme, approved by the European Commission Implementing Decision C (2015) 7046 final of 12 October 2015, is part of the "European Territorial Cooperation" objective of the European Union's Cohesion Policy. The PC has a total budget of 51,708,438 and covers the entire Sicilian territory and the entire Maltese territory, involving a total population of about 5.4 million inhabitants.

The main objective of the PC is to promote the integrated development of Sicily and the Maltese State, acting on three main areas of intervention that relate to sustainable and intelligent growth through research and innovation, the competitiveness of the cross-border area, the protection of the environment and the efficient use of resources.

According to the Program Evaluation Plan, il Dipartimento della Programmazione della Regione Siciliana (the Department of Programming of the Sicilian Region), in its role of Managing Authority, has started an evaluation activity on the evolution of the Program that follows a first evaluation activity conducted in 2017 on the implementation grade accrued by the Program at that date.

The objectives of this second evaluation activity are a good part of those already pursued in the first phase, but, compared to it, they relate to a more mature state of implementation and can therefore return more specific information about the progress made by the Programme.

In more detail, the current evaluation document, in addition to an update on the operation of the Programme, with particular reference to the adequacy of the management structures and selection processes of activated operations, the degree of implementation of the programme and the effectiveness of the management of the new cooperation space, it aims to verify the compliance of the actions put in place with respect to the expected results and it is assessed, on the basis of the activities carried out, the actual possibility of achieving the target values, which in this case relate to compliance with the N+3 rule.

However, the results of the evaluation work carried out should not be understood as the return of a definitive framework on the implementation of the Programme because Programme Authorities are currently engaged in the implementation of further implementation measures, including in response to the Covid-19 emergency, which will further change the framework of physical and financial progress of the PC.

The Nucleo di Valutazione e Verifica degli Investimenti Pubblici (NVVIP) della Regione Siciliana (Public Investment Assessment and Control Team of the Sicilian Region) has been projectated for the implementation of the second phase of the Implementation assessment of the Programme.

## 2. Evaluation objectives and analysis methodology

Based on the guidance contained in the Programme Evaluation Plan, the main objective of implementing evaluation is to verify the start-up status and implementation during its entire programming cycle, focusing on the analyses and outcomes mainly on the adequacy of the structures responsible for the management of the Programme, the procedures and practices of selected operations, and progress of the Programme itself with respect to the Expected Results.

Current evaluation activity, that is called second phase implementation assessment, follows an initial evaluation activity conducted during 2017 in which the activities carried out in the first phase of the Programme were analysed with particular reference to the main organizational-management aspects of the Programme's Implementation Structure, together with the main procedural aspects put in place during the very first phase of the programme's implementation, including the first evidence of the participation of potential beneficiaries in the First Call.

The second phase of the implementation assessment, in light of the increased progress of the implementation procedures, on the one hand provides an update of the first report with reference to the aspects of the organisation and functionality of the structures responsible for the implementation of the Programme as well as the adequacy of the procedures adopted for the selection of operations and on the other it contains some assessments of the programme's capacity to achieve the expected results by the 2023 annuity.

In addition, the report also explores some of the evaluation dimensions that had not been the subject of the previous report and which relate to an initial recognition of the effects of the enlargement of the cooperation area, the degree of integration of the Programme with other EU instruments and early evidence on the effectiveness of the communication strategy.

From the scopes of the assessment provided by the Evaluation Plan cited above, the specific evaluation questions that are the subject of this report (Table 1) have been developed and shared.

The methodology adopted for the development of the Report integrates quantitative analyses with predominantly qualitative insights. More in detail the method adopted includes a combination of different methods of data collection and analysis, including documental review, analysis of monitoring data, interviews with the Programme's bodies, a questionnaire addressed to the projects leadpartners submitted in the first and second *call for proposals*.

The activities began following the completion of a first phase of **documentary analysis**, carried out in close connection with the MA and related not only to all programmatic-implementation documentation but to the organizational-managerial too.

Subsequently, the working group responsible for carrying out the Implementation Assessment initiated a collection of primary data directly through **semi-structured interviews** conducted individually to representatives of the Programme Managing Authority, the Joint Secretariat, the Programme's Executive Committee and the Monitoring Committee. The list of subjects consulted is listed in Annex 1 of current Report.

Finally, the field work was completed by a survey carried out with the entities that submitted a project proposal in one of the Programme's two Public Notices. The survey, carried out in the form of an online questionnaire, was addressed to a sample of 93 bodies representing all the project applications received. The response rate to the questionnaire was 46%.

The data analyses covered the implementation procedures that have been implemented so far and, in particular, the two Notices for the selection of operations published in 2016 and 2019 respectively. In this regard, it should be noted that while all the data useful for the implementation of the survey are available for Notice 2/2016, since the selection procedure for the operations being finalized, the related analyses were conducted taking into account the results of the work related to the proposed funding made by the Executive Committee to the Monitoring Committee.

Table 1 Evaluation questions

Scope of the assessment	Evaluation questions	Methods & Techniques
Effectiveness/efficiency of application submission and selection practices, including in reference to the compliance of projects approved to the horizontal principles (Art. 7 and 8 of Reg. 1303/2013)	<ul style="list-style-type: none"> <li>To what extent has the Programme been able to intercept potential beneficiaries?</li> </ul>	<ul style="list-style-type: none"> <li>Project Portfolio Analysis</li> </ul>
	<ul style="list-style-type: none"> <li>Have action been taken to encourage potential beneficiaries to submit applications?</li> <li>What were the main obstacles faced by potential beneficiaries in the application process?</li> <li>Are the application and selection processes adequately defined to identify the most qualified beneficiaries?</li> </ul>	<ul style="list-style-type: none"> <li>Desk analysis of the Operations Selection Summary Report</li> <li>MA Interviews</li> <li>Analysis of evaluation files</li> <li>Project Portfolio Analysis</li> <li>Online Questionnaire</li> </ul>
	<ul style="list-style-type: none"> <li>Was the Programme able to ensure timely selection processes? Which was in average time for the selection of operations?</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of the timing of the investigation/evaluation</li> </ul>
	<ul style="list-style-type: none"> <li>To what extent is the selection process allowed to identify high-quality project operations?</li> </ul>	<ul style="list-style-type: none"> <li>Project Portfolio Analysis</li> </ul>
	<ul style="list-style-type: none"> <li>To what extent do the application submission and selection processes take into account the principles set out in Article 7 and 8 of Reg. (EU) 1303/13, with specific reference to eligibility requirements and selection criteria?</li> </ul>	<ul style="list-style-type: none"> <li>Call for Proposals desk analysis</li> <li>Project Portfolio Analysis</li> </ul>
	How the program management structures and the degree of implementation of the program work	<ul style="list-style-type: none"> <li>Are the management structures properly structured to achieve the results of the Programme?</li> </ul>
<ul style="list-style-type: none"> <li>To what extent have measures been taken to reduce the administrative burden on beneficiaries? What support measures have been put in place to facilitate candidates?</li> </ul>		<ul style="list-style-type: none"> <li>Desk analysis</li> <li>MA Interviews</li> <li>Online Questionnaire</li> </ul>
<ul style="list-style-type: none"> <li>Does the Programme provide mechanisms for effective engagement of partners and stakeholders?</li> </ul>		<ul style="list-style-type: none"> <li>Desk analysis</li> </ul>
<ul style="list-style-type: none"> <li>Are the decision-making mechanisms at the Programme level clear, transparent and efficient?</li> </ul>		<ul style="list-style-type: none"> <li>Desk analysis</li> <li>Online Questionnaire</li> </ul>
Effectiveness, in terms of the Programme's ability to achieve the expected results with particular Reference to Performance Framework Targets	<ul style="list-style-type: none"> <li>To what extent does the Programme appear capable of achieving the final targets of the result indicators? What are the main risks that could affect their achievement?</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring data analysis</li> </ul>
	<ul style="list-style-type: none"> <li>To what extent has the Programme achieved the targets of the progress results provided by the Performance Framework?</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring data analysis</li> </ul>
	<ul style="list-style-type: none"> <li>To what extent has the Programme been able to meet the spending targets set in the financial plan? What were the main obstacles in the implementation of the Programme?</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring data analysis</li> </ul>

Level of integration of the Programme with the other instruments of the Union	<ul style="list-style-type: none"> <li>• What activities have been put in place to facilitate coordination with other EU instruments?</li> </ul>	<ul style="list-style-type: none"> <li>• Desk analysis</li> <li>• MA Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>• What were the effects of these activities?</li> </ul>	<ul style="list-style-type: none"> <li>• Desk analysis</li> <li>• MA Interviews</li> </ul>
Effectiveness of the management of the new cooperation area	<ul style="list-style-type: none"> <li>• What have been the effect on the Programme of the new cooperation space?</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring data analysis</li> <li>• Project Portfolio Analysis</li> </ul>
Effectiveness of communication strategy: a. communication and dissemination to the public b. communication and information to beneficiaries	<ul style="list-style-type: none"> <li>• To what extent have communication and dissemination activities been able to increase citizens' knowledge of the Programme?</li> </ul>	<ul style="list-style-type: none"> <li>• Desk analysis</li> <li>• MA Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>• What communication activities and information addressed to beneficiaries have been activated to: <ul style="list-style-type: none"> <li>- improve knowledge of the Program</li> <li>- support the implementation of operations</li> <li>- comply with the reporting requirements of the regulations</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Desk analysis</li> <li>• MA Interviews</li> </ul>

### 3. Implementation status of Project Selection Notices

The Cross-Border Cooperation Programme Italy Malta has a total budget of 51,708,438.00 of which 48,179,026.00 aimed at financing cooperation projects (Axes I, II and III) and the remainder part, amounting to approximately 7% of the programme's total budget for the financing of TA's activities, visibility and promotion, monitoring, etc.

With regard to the implementation of Axes I, II and III, Programme's MA has so far published 2 Notices for the selection of projects covering all of Programme's Axis and Objectives.

The Notice 1/2016 with procedure one step was launched in September 2016 for the selection of timely, concrete and cantierable project proposals to apply to specific objectives 1.1, 2.1, 2.2, 3.1 and 3.2 of the INTERREG V – A Programme Italy Malta - Axis I, II and III. The total budget for the Notice amounted to 32,404,019.90, while the projects financed absorbed ERDF resources amounting to 21,971,278.

Table 2: Notice 1/2016 Summary Framework

	Priority of intervention	ERDF resources for SO	Number of projects funded	ERDF funding projects	ERDF economies
SO 1.1	1.b	6.800.000	6	8,849.194	-
SO 2.1	3.a	4.000.000	2	2,539,766	1,460,34
SO 2.2	8.e	1,309,368	1	541,582	767,787
SO 3.1	6.d	11,369,651	2	2,914,588	8,455,063
SO 3.2	5.b	8,925,000	4	7,126,148	1,798,852
Notice 1/2016 Total		<b>32,404,019</b>	<b>15</b>	<b>21,971,278</b>	<b>10,432,741</b>

As highlighted in Table 2 in line with the provision of Notice 1/2016, after the evaluations made by the Executive Committee with the support of the Joint Secretariat, resources for projects approved by Program Monitoring Committee differs in part from the initial forecast of allocation of resources between Specific Objectives/Investment Priorities indicated in the Notice. The Monitoring Committee considered it appropriate to compensate for the savings recorded on some OS by funding additional interventions on those OSs with initially eligible but not financialable projects due to lack of resources (i.e. SO 1.1).

The Notice 2/2019, also with procedure one step, was launched in May 2019 for the selection of timely, concrete and cantierable project proposals to apply to the specific objectives 1.1, 2.2, 3.1 and 3.2 of the INTERREG V – A Italia Malta - Ace II, II and III.

The funds available for this public Notice are Eur 16,070,410. The process for selecting operations has not yet been fully completed with the adoption by the Programme Monitoring Committee of the list of projects eligible for funding. For the purposes of this assessment, the results of the work of the Executive Committee, which has put forward its funding proposal to the Monitoring Committee, are referred to.

In this regard, in view of the results of the evaluation activities of the projects examined, but also in view of the fact that the Covid-19 event may have an effect on the normal performance of the activities planned until the PC closure also including the feasibility of the third and last Public Notice initially envisaged, the ExC proposal consists of the admission to funding of all projects that have passed the merit assessment phase with a score above the threshold defined in the Notice.

In order to pursue this solution, the proposers were invited to a budget remodulation concerning mainly expenses related to staff missions, meetings and communication activities, mainly related to the first year of activity, also in light of the mobility limitations resulting from the Covid-19 emergency.

Table 3 summarizes the state-of-the-art defined as a result of the remodulation of the budgets of eligible projects for funding as approved in its final version by the Executive Committee and which will be submitted to the final evaluation by the Monitoring Committee

Table 3: Summary Framework Notice 2/2019

	Priority of intervention	EDF equipment for OS	Number of projects funded <sup>1</sup>	ERDF funding projects
SO 1.1	1.b	3,400,000	0	0
SO 2.1	3.a	N/A	N/A	N/A
SO 2.2	8.e	2,416,495	3	5,579,524
SO 3.1	6.d	8,455,063	6	6,876,618
SO 3.2	5.b	1,798,852	2	3,081,250
Notice 2/2019 Total		<b>16,070,410</b>	<b>11</b>	<b>15,537,392</b>

<sup>1</sup> Proposals for funding by the ExC

## 4. Analysis of the effectiveness and efficiency of submission and selection of applications

*Was the Programme able to ensure timely selection processes? What was the average time for selecting operations?*



The selection of the operations of the Notice 1/2016 required a total of 236 working days. The average time for the examination of each individual operation was 0.4 working days for the eligibility phase and 1.9 for the merit assessment phase. Apart from the interruptions in the process, the actual time spent selecting in a strict sense (first verification of eligibility and merit evaluation of the operations) is in line with the average time required to ensure a careful examination of the project applications and in accordance with the standard times of the average recognized for carrying out similar activities. The selection activity of The Notice 2/2019 is in the process of being completed, but the preliminary data available show a greater compactness of the procedure, although the *slowdowns* remain, which have led to an extension of the procedure as a whole. For both Notices, on the overall duration of the procedures significantly weighs the time associated with administrative activities related to the assessment (e.g. soccorso istruttorio, counter-deduction examination, etc.). A partial reduction in the overall time of selection procedures can be achieved through an organisation rearrangement of the Executive Committee work.

### 4.1 The times for selecting operations

The process for evaluating the project proposals presented under CP Italy Malta is defined within the DMCS - The functions and procedures Of the Managing Authority and the Certifying Authority - of the Programme and provides for a differentiated articulation in relation to the type of procedure adopted and more specifically for the procedure "one step" that concerns project proposals "punctual, concrete and cantierable" and that one called "two steps" involving "project proposals based on direct interlocution between the MA and the proposers in order to plan , negotiate and improve the content of the same."

At the date of writing current report, the two Notices issued by the Programme fall within the "one step" type and include the following steps:

- Phase 1: The MA publishes a "one-step cooperation projects selection call" aimed at acquiring punctual, concrete and cantierable project proposals based on Program investment priorities.
- Phase 2: The MA collects the project proposals and transmits them to JS for the verification of the existence of the "eligibility requirements". Then the JS submits to the ExC a list with the details of the project proposals deemed as: a) eligible for the next evaluation phase, b) eligible after the integration of the documentation, according to the cases defined by the call, c) inadmissible to the evaluation phase providing the necessary reasons. Subsequently, the JS makes the "assessment of the relevance and feasibility" of the project proposals deemed eligible according to the "selection criteria" and then submits to the ExC a ranking proposal accompanied by a "technical evaluation report" with the list of proposals divided by Priority Axis and Investment Priorities.
- Phase 3: The ExC verifies the JS ranking proposal, proposes and transmits to the Monitoring Committee a final ranking containing the list of projects and their eligibility for funding condition to the purpose of the related decision, according to the following definitions: a) project eligible for funding, b) project eligible for funding under condition, c) eligible but non-financiable project, d) rejected project not admitted. The MA, having received the results of the MC decision, notifies to the leadpartners the evaluation outcome and invites them to sign the subsidy contract, duly accompanied by the partnership agreement, and to start the approved projects.

The DMCS does not have a standard or maximum duration for the length of single phases or the entire process.

Table 4 summarizes the actual timing of the three selection phases in relation to the two Notices issued by the Programme:

Table 4: Calendar Notices 1/2016 and 2/2019

		Notice 1/2016		Notice 2/2019 <sup>2</sup>	
		Start date	End date	Start date	End date
STEP 1	Receiving applications	09/09/2016	08/11/2016	01/06/2019	09/08/2019
STEP 2	(a) Check eligibility requirements	02/03/2017	05/05/2017	02/09/2019	22/10/2019
	b) Relevance and feasibility assessment	13/09/2017	05/04/2018	02/03/2020	15/04/2020 <sup>3</sup>
	Administrative activity <sup>4</sup>	25/05/2017	12/04/2018	22/10/2019	29/05/20/05/2020
STEP 3	Step 3: Rankings Approval o	***	18/04/2018 <sup>5</sup>	***	30/06/2020 <sup>6</sup>

Regarding Notice 1/2016, the total duration of project selection activities was 236 working days (34 days for eligibility requirements check, 95 days for quality assessment activities and 107 days for various administrative tasks). Compared to the overall number of projects examined, on average, each project required 2,8 days to carry out all activities related to its investigation and selection, including all ancillary administrative activities. In absolute terms, given the limited number of human resources available to the Joint Secretariat and the combination of other workloads to which it has to cope, the activities of examination and selection of proposals have taken place on a timeline in accordance with the need to ensure a in-depth examination of the project contents and in line with the average timeframe normally recognized to the evaluators for the evaluation of project proposals of similar characteristics.

However, the timetable for the evaluation brings to three elements of consideration:

- At the start, the selection process was delayed by about 4 months during which there was no activity related to the investigation of the proposals, essentially due to a *vacatio* of the JS. All this involved a *stop and go* which the MA would hopefully have to mitigate with a supplementary action by its own internal resources.
- For the eligibility assessment phase, the extensive use of the soccorso istruttorio (investigation rescue) adopted as a guideline by the Executive Committee (ref. ExC minutes of 22-24/05/2017), while allowing the number of potential competitors to be expanded on the other, it lengthens the selection procedures.
- For the next steps (i.e. merit assessment), the decision to proceed with the examination of the projects for each SO determined greater number of ExD meetings and administrative work loaded over JS (number of meetings/ written procedures, minutes, etc.) contributing in part to an extension of time.

<sup>2</sup> The selection procedure of Notice 2/2019 is still ongoing at the time of writing current Evaluation Report. The dates shown refer to the state of the art of the evaluation process.

<sup>3</sup> The date indicates the documentation upload on intranet section of the site [www.italiamalta.eu](http://www.italiamalta.eu) accessible through password and username components only of the Executive Committee.

<sup>4</sup> Between various administrative task there are also activities such as: preparation of verbal schemes, requests and examination of documentation for document regularization (soccorso istruttorio), examination and investigation counter-deductions on eligibility and quality evaluation. For Notice 2/2019, the dates are indicative because they refer only to administrative tasks related to Phase 2(a).

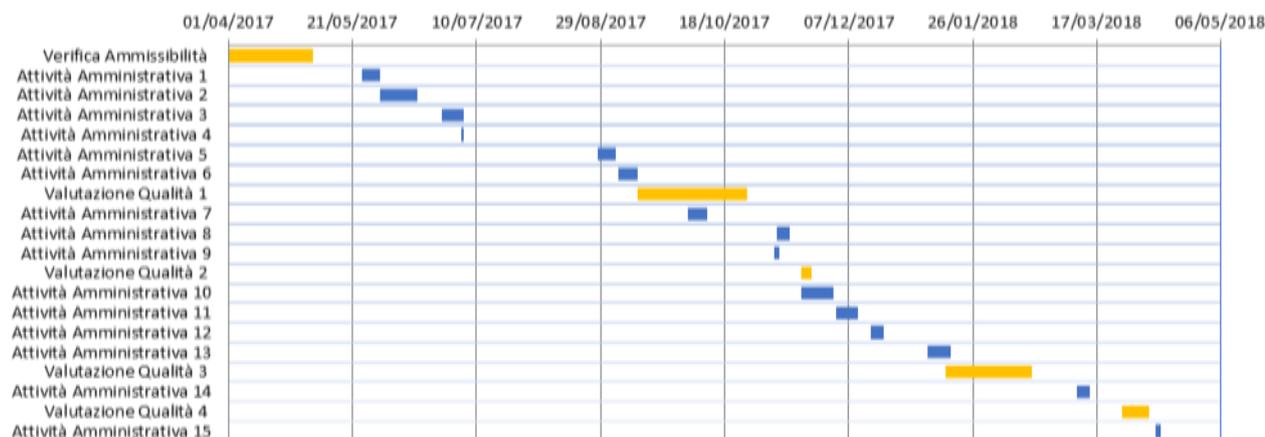
<sup>5</sup> MC date, in which the final ranking of SO 1.1 was approved. The final rankings of S.O 2.1, 3.1 and 3.2 were approved MC meeting on 14-15/12/2017

<sup>6</sup> The date is assumed on the basis of the timetable for the finalization of the work of the Notice 2/2019

Overall, the JS assessment activity report includes 1 eligibility verification step, 13 administrative activity steps and 4 quality assessment steps.

Figure 1 represents the time distribution of the phases that make up Notice 1/2016 operation selecting process.

Figure 1 Appointment calendar of Notice 1/2016 applications



In terms of the calendar, it took about 19 months for the procedure closure, which is about 6 months longer than the forecast of the first implementation assessment report. In respect of this, however, it must be considered that this delay also depended on the outcome of an appeals process against a decision of the ExD which led to a slippage in the finalisation of the selection procedure with reference to the SO 1.1 projects.

Regarding 2/2019 Notice, it is not possible to draw up a definitive framework for proposals selection, as the procedure is being finalised but not yet fully completed. However, the progress of the procedure is advanced enough to allow a reasonable assessment of the time evolution of the selection process, even in light of the attached calendar defined by the JS for the closure of activities. In this sense, the process is analysed taking into account the closing date of the written procedure by which the Executive Committee submits the results of its work and the proposal to finance the proposals to the Monitoring Committee and the timetable for the finalization of the selection of operations by the MC.

Overall, the completion of the process for selecting the 2/2019 Notice projects will take about 11 months from the date of the receipt of the proposals and, therefore, a relatively shorter time than the first notice, although it must be taken into account that the number of projects to be evaluated was also less than the first Notice.

It has to say that the work schedule analysis has shown that, also in the case of Notice 2/2019, the core activities of the selection process take up substantially reasonable time given that the preliminary eligibility phase has been completed in 37 working days, while the evaluation phase of the relevance and feasibility of the proposals has taken 33 working days and how, on the overall length of the process, the greater weight is attributable to administrative activities of soccorso istruttorio, possible re-modulation of proposals, etc.

Apart from this, a comparison between the selective process of Notices 1/2016 and 2/2019, although taking into account the number of proposals to be examined in the second Notice, seems to highlight a greater compactness of the procedure, due likely as result of the greater concentration of all administrative activities of document integration/soccorso istruttorio compared to Notice 1/2016. This is also in view of

the fact that also in Notice 2/2019 there are two exogenous events that have interfered with the regular course of the procedure:

- A first interruption of the evaluation activities between the closure of the eligibility phase and the initiation of the merit assessment which involves an unexpected extension of the whole procedure due to an external event related to the discontinuity of operation of the IT platform which necessitated the re-forwarding by the candidates of the paper forms and which, therefore, resulted in a temporary interruption of the evaluation activities of the proposals.
- The concurrence of the evaluation phase with the Covid --19 emergency necessarily resulted in some changes to the initial process (e.g. adoption of the written procedure for ExC works).

Finally, considerations on the overall timing of the selection process are also supported by the results of the survey carried out with the actual and potential beneficiaries of the Public Notices, for which the time taken for the decision on the eligibility to evaluate their proposals is acceptable on average, while expressing a less positive assessment of the time taken by the Administration to assess the merits of the projects.

In the light of data collected, a rationalisation of the more specific administrative verification phases is desirable for the subsequent phases of selection of operations. With this in mind, better planning of the activities of the Executive Committee, together with the provision of working arrangements that do not necessarily require attendance meetings, is likely to contribute to significantly speeding up this phase of the selection process.

- Have action been taken to encourage potential beneficiaries to submit applications?
- Are the application and selection processes adequately defined to identify the most qualified beneficiaries?
- What were the obstacles to the participation of potential beneficiaries in the submission of applications?



Noitices have been promoted in the territory with traditional communication actions in the form of seminars/information days. A remote *help desk* has also been activated for assisting potential candidates. Between the first and second notice, the approach of the promotion was revised from events promoting the entire Notice to targeted events on individual SO. Overall, therefore, there is an increase in the effort involved in promoting Notices. Information and communication activities suffer from delays related to the implementation of the Communication Plan. It is desirable that information and dissemination activities aimed at encouraging the participation and submission of applications will also be enhanced with more innovative ways of supporting them, such as webinars or *online* tutorials.

In the progression between the first and second Notice, appropriate simplification measures have been introduced, which in part facilitate the participation of potential beneficiaries and partly help to speed the process of evaluating proposals. The adoption of a *targeted call* aims to improve Notice content precision and should increase the degree of consistency of the proposals with respect to the Program Expected Results. In the opinion of the evaluator, the choice to reduce the threshold scores for the financing of proposals, however, does not contribute to the objective of selecting proposals of quality level.

The main comments from the beneficiaries regarding the application phase relate to the online submission process of the proposals. The migration of the application process to a fully computerized mode is appreciated by most candidates/beneficiaries. However, the system adopted has several critical issues and needs substantial *upgrading* to improve the user experience.

## 4.2 Submission of applications and support to beneficiaries

### 4.2.1 Activities adequacy of promotion/support for participation in the Programme

Both in occasion of first and second Notice, the JS and the MA ensured the implementation of local promotion activities and education for potential beneficiaries with regard to the opportunities offered by the Programme and how to participate. However, delays in the activation of the Communication Plan as well as the update of Programme website have weighed on the extent and scope of this type of activity.

In conjunction with the publication of the 2016 Notice, in terms of attendance activities, three information seminars were organised in Catania, Palermo and Malta respectively, as well as meetings at the MA headquarters with potential beneficiaries, while the remote support activity by the JS/MA was compressed into a compendium of the 127 FAQs relating to clarifications on the procedure referred to the Notice. Support for potential beneficiaries was also carried out with similar measures for Notice 2/2019. In particular, six presentation seminars were held in Malta, Catania, Palermo and Enna for the first time respectively, and the SG provided remote support.

Compared to Notice 1/2016, the promotion methods have been slightly changed. Instead of presenting all SOs at all events, a more targeted presentation was opted for with the aim of addressing the communication in a more specific way to the target of potentially interested beneficiaries. Overall, the effort involved in promotion activities has been increased, although there is no tangible evidence of the effects of this approach.

In spite of the objective limitations imposed by the late start-up of Programme communication activities, based on the information collected through the online questionnaire, almost all the intercepted sample participated in the of Notice information days in 70% of cases expressing a very good or good opinion on their usefulness.

Also on the basis of questionnaire results, together with Programme's website, the dissemination through territorial events is an effective tool to encourage the participation of potential beneficiaries given that about 70% of respondents have taken note of the characteristics of the Notices by participating in one of the promotion events organized by MA.

In relation to the support received by the beneficiaries during the application phase, the results of the online questionnaire highlight high satisfaction for candidates in relation to the support received by the Joint Secretariat/Managing Authority during the application phase. Less easily interpretable is the same data regarding the support received by the Maltese Contact Point, where more than half of respondents did not use it and the remainder is relatively evenly divided between those who consider it useful and those who do not. Moreover, this figure can be influenced by the fact that only less than 10% of respondents are Maltese beneficiaries.

#### 4.2.2 Adequacy of procedures for selecting operations and tools to support beneficiaries

The process of Notice 1/2016 has highlighted the need to introduce some corrections in the application/selection phase candidatura/of operations. In this sense, the PC 2018 AIR, included, among other things, the need to revise the selection criteria and the simplification of the *application pack* and also suggested the possibility of providing, for future call publications, for those in charge of the quality assessment of project proposals other entities than the JS.

Compared to the previous one, in Notice 2/2019, some improvements were made both in the application process and in the framework for the selection of operations.

In particular, by adopting a *targeted call* approach, precision of the Notice was significantly increased to the benefit of the ease of participation by potential beneficiaries. This objective has been achieved through a much more precise sharp definition of the financial activities and those eligible for funding in relation to each of the supported activities.

Although this would appear to impose some limitations on the definition of the project proposals, it is also quite likely that this has affected the reduction in the failure rate of proposals due to a consistency lack with respect to the objectives of the Notice recorded in the first call as well as the ineligibility of the candidates. Overall, this should have a positive potential effect in terms of proposals consistency with respect to the Programme Expected Results and, in addition, the correspondence between project implementation/result indicators and those of the PC to ensure a real contribution to the programme implementation targets has also been more precise.

Apart from this, always with referenceto the classification of potential beneficiaries, there remains a non-homogeneous description of those who can submit their applications with respect to the different Objectives of the Notices. While it is not a major issue, it would be appropriate to standardise potentially beneficiary in order to make it easier to read Notices.

Also with the aim of facilitating participation, the form for the presentation of project proposals has been rationalised, reducing the number of sections to be filled out by candidates without, however, reducing the level of detail of the information useful to assess the quality of the project proposals.

In relation to the simplification of the evaluation process, the set of criteria for selecting operations has been improved, thanks to their rationalization, which has allowed them to reduce the number without losing the ability to select high-quality operations. Among the most significant changes, compared to Notice 1/2016 some redundancies between the evaluation criteria have been eliminated, which in addition to reducing the overall number, allows to avoid different assessments compared to similar aspects of the quality of the project proposals. In particular, the distinction between the assessment of the relevance and feasibility of the project proposals based on criteria for evaluating the project strategy and operational evaluation criteria to which a maximum of 500 points was attributable and a consistency assessment with respect to the specific criteria for Investment Priorities aimed at ascertaining the degree of compatibility and consistency of the proposed

actions with respect to the eligible actions provided for each investment priority of the programme, respectively, with a maximum score of 100 points.

Threshold scores for access to funding have also been significantly reduced. From evaluator's point of view, this latest change does not contribute to the efficiency of the operations selection process and could, potentially, lead to the financing of lower project quality proposals. qualità progettuale.

In the face of the changes introduced, according to the results of the online questionnaire, the perspective of the potential beneficiary, however, does not fully capture these simplifications. 35% of respondents did not have a clear perception about the greater or lesser complexity of participating in the second notice than the first, a further 29% felt that they were faced with the same level of difficulty, while only 29% perceived a lower level of complexity.

#### *4.2.3 Main issues to beneficiaries' participation in Public Notices*

As in the case of simplifications to the application process, then reports on the clarity of the Notice, from the responses to the questionnaire of those who participated in both calls does not show a substantially different assessment regarding the two selection procedures.

After this, respondents express a broadly positive assessment in relation to the supporting materials for the preparation of their applications: clarity of the implementation manual (72% very clear/clear), clarity of the narrative part of the form (70% very clear/clear), clarity of the financial part of the form (67% very clear/clear), FAQ (69% very clear/clear)

In relation to the documentation to be attached to the application, about 44% of candidates expressed a very good/good assessment and still acceptable in a further 37% of the responses. Respondents also expressed their support in 53% of the cases, while a further 14% felt sufficient time.

The most common issue highlighted by respondents to online questionnaire relates to the information system for the preparation and submission of applications (eMS). Although 75% of those who answered consider that the submission of applications exclusively electronically constitutes a suitable measure of administrative burden reduction, in the light of the observations recorded by the information system for applications submission, several issues have been expressed which have affected the potential positive effect of the dematerialisation of the process.

Excluding the timely critical issue related to the need to submit the application form in paper form referred to DDG 34/S6 DRP of 11/02/2020 due to a registration problem by the system, several respondents expressed the need for a substantial upgrade of the information system.

#### *4.2.4 Key issues for beneficiaries to implement projects*

In relation to the support received during the project implementation phase, the results of the online questionnaire give a fundamentally favourable scenario both with respect to the clarity and timeliness of the indications made by the management structures of the Programme. Nearly 60% of respondents rate the clarity of the guidance received by the Joint Secretariat/Managing Authority as very good or good, while a further 28% consider them acceptable. A broadly similar assessment is expressed compared to the JS/MA response times (very good/good 55% of cases respectively and acceptable 23% respectively). Slightly less positive are the assessment of the performance of the Maltese Contact Point both with regard to the clarity of the indications made (very good/good 37% of cases and acceptable 23%) both with reference to response times (very good/good 40% of cases and acceptable 40%). However, these are very satisfactory results.

Less positive, however, is the evaluation of the Ulysses computer system dedicated to the management and monitoring of the Programme and projects. 40% of respondents rate it as acceptable, 26% good and 4.5% very good.

In view of this assessment, however, in analogy with what is recorded for the selection phase of operations, among suggestions for improving the management of the Programme, the main critical issues expressed by the beneficiaries in relation to Programme support in the implementation phase of the projects relate precisely to Ulysses information system muddledness.

*To what extent has the Programme been able to intercept potential beneficiaries?*



A significant proportion of those who have expressed an interest in participating in the Italy Malta Programme are closely linked to the world of research. In addition, the categories of Public Administration territorial structures and the business world are well represented. Overall, the Notices reached almost all categories of beneficiaries provided by the Notices but with a significantly differentiated degree of intensity that is reflected in the lower interest shown by potential beneficiaries towards certain specific objectives of the Programme, especially within the 2016 Notice. Under The 2/2019 Notice, there is a greater balance between the types of candidate beneficiaries, thanks in part to the strong participation of associate partners.

#### 4.3 The breakdown by type of beneficiaries

On the date of writing this report, the CP counts with the publication of two Notices for selection of cooperation projects and more specifically:

- Public Notice 1/2016: it collected 83 applications, of which 51 passed the administrative review phase and were subject to the merit assessment. A total of 15 projects that are currently being implemented were eligible for funding.
- Public notice 2/2019: receiving of the project proposals ended on 09/08/2019<sup>7</sup>. 18 applications were received, 14 of which were declared eligible for the next evaluation phase. On the date of writing, 11 project proposals are eligible for funding under conditions.

In order to verify Programme ability to reach the different types of beneficiaries provided and punctually indicated in the two issued Notices for the operations selection, a scouting was carried out on the overall number of those who submitted to evaluation their applications both as a leader and as a partner. On the other hand, the analysis excluded applicants as associate partners.

As part of the 69 applications considered (51 applications eligible for evaluation in Notice 1/2016 and 18 applications received in Notice 2/2019) the Programme collected the participation of 330 entities<sup>8</sup>, of which 244 in Notice 1/2016 and 86<sup>9</sup> in Notice 2/2019. On average, each project proposal has the participation of 4.5 subjects.

Table 5 represents the distribution by beneficiary types<sup>10</sup> of the entities who submitted their application in the projects submitted both in the first that in second notice.

<sup>7</sup> With DDG 351 of 25/07/2019 of the Regional Planning Department, the deadline for submitting projects initially set at 30 July 2019 has been extended by further 10 days till the date of 09 August 2019.

<sup>8</sup> It should be noted that this number includes individuals who have submitted more than one application

<sup>9</sup> In addition to 38 associated partners

<sup>10</sup> For clarity of exposure, some amalgamations have been made with respect to the CP types of beneficiaries list identified as similar.

Table 5: Beneficiary Types Notice 1/2016 & Notice 2/2019

Type of beneficiary	Specific Objective					Total	%
	SO 1.1	SO 2.1	SO 2.2	SO 3.1	SO 3.2		
Central/regional administrations	11			13	10	34	10,3%
Local administrations	23		1	18	4	46	13,9%
Research institutes / regional and national research bodies	10			13	17	40	12,1%
University	44	3		31	28	106	32,1%
Clusters/districts (productive/technological)	3					3	0,9%
Micro-enterprises & SMEs	33	2	7			42	12,7%
Business incubators	1	1				2	0,6%
Chambers of Commerce	2		2			4	1,2%
Science parks		1				1	0,3%
Innovation poles						0	0,0%
Category associations				2		2	0,6%
Higher education schools (Higher Technical Institutes)	7		8	1		16	4,8%
State agencies and specialised institutions	4	2		8	5	19	5,7%
Protected area management bodies				9		9	2,7%
Port Captains						0	0,0%
Civil and military authorities	1					1	0,3%
Other <sup>11</sup>	2		1	2		5	1,5%
<b>Total</b>	<b>141</b>	<b>9</b>	<b>19</b>	<b>97</b>	<b>64</b>	<b>330</b>	<b>100%</b>

There is a clear prevalence of university categories (32.1%) regional and national research institutions (12.1%), Micro Enterprises & SMEs (12.7%), Local Administration (13.9%), Regional or National Administration (10.3%) agencies and specialized institutions of the state (5.7%), while all the remaining types of beneficiaries in no way exceed 5% representation.

The programme has intercepted with prevalence three large macro groups of beneficiaries: firstly, the world of research in which universities and research centres are part, followed by the sphere of subjects that fall under the public administration' area composed of local authorities, regional or national administrations such as assessors and ministries and to which is added a component represented by the totally public or public-controlled instrumental public bodies, and finally that of the private sector of micro and medium-sized enterprises.

It is much less frequent, although not entirely absent, but the participation of the other types of beneficiaries provided by the Programme and the Notice.

Narrowing the analysis to the 78 individuals who make up the partnerships of the 15 projects that were funded by the first Notice, the scenario remains largely unchanged with a further increase in the representation of the university's world's stakeholders representing 48% of the participants who make up

<sup>11</sup> In the "Other" type, the candidate partners are included, which are not clearly attributable to one of the types provided by the Programme. The "Other" category has been introduced for synthesis needs and is not provided for by the Programme.

the partnerships of these projects. The important role of the university world is further confirmed by the fact that in 11 out of 15 projects the role of leader is precisely played by this type of beneficiary.

The same analysis conducted at the specific objective level shows a broadly similar picture, which supports the conclusion that the prevalence of one type of beneficiary compared to another is not closely related to the objectives pursued by the projects. This is particularly evident with regard to the OS with a higher technical/scientific vocation (SO 1.1 and 3.1/3.2) and is, moreover, confirmed by the fact that in Notice 1/2016 the degree of participation of the types of beneficiaries naturally more voted to SO 2.1 and 2.2 is significantly lower.

The same analysis conducted with respect to the 52 subjects (excluding the associated partner) who make up the partnerships of the 11 projects eligible for funding in the second Notice, shows that although about 40% are still represented by subjects in the research sector (Universities and research centres), although in a comparable framework, other previously less represented categories also see their participation in the Programme strengthened (Schools/Training Bodies 11.5%; Protected area management bodies 5.8%; Agencies and specialized institutions of the state 9.6%). However, the leadership role of the University remains largely confirmed with 7 leading roles out of 11 projects.

Comparing the current programming cycle to the 2007-2013 cycle, during which for Axis 1 (R&I) *"66% of the beneficiaries were public authorities, 20% from Universities, 6% from research institutions, 6% from accompanying facilities (SME organisations) and 2% from companies"* there is a reversal of the relative weight of the types of beneficiaries, which for Notice 1/2016 in which Universities weigh 41% of the total beneficiaries, SMEs a 25% and public authorities a further 22%. For Notice 2/2019, there are no projects eligible for funding in this OS.

In an almost similar way, the comparison between the response of the beneficiaries for Axis 3 of the current Programme and that of Axis 2 (Environment and Risk Management) of the previous cycle in which *"53% of the beneficiaries were represented by public authorities, 27% from Universities, 12% from research centres, 5% from local development agencies and 4% from institutions managing protected areas"*, highlights an order of percentage relevance among the types of beneficiaries financed very similar between Notice 1/2016 and 2/2019 equal on average to: 45% University, 27% Public Administrations, 13% Research Centers.

The Programme, therefore, was able to reach almost all the types of beneficiaries expected but with an important polarization around specific types of subjects. The implementation of the Programme therefore focuses on the driving role of the research system and, following, the participation of public stakeholders and the SME system. Moreover, while in some cases it is possible to speak of real types of subjects (e.g. Central/regional administrations) in others the identification is much more timely (e.g. Port Captains); this also together with the fact that for some types of beneficiaries it is not normative (i.e. the qualification of a beneficiary in a specific category is not clear in an absolute sense – e.g. innovation poles)

#### 4.4 The frequency of beneficiary participation

The analysis of the recurrence of single beneficiary to the Programme Selective Procedures confirms that a small number of subjects uses to be component in the partnerships proposing project applications with a high frequency.

Taking into account Notice 1/2016, the top five positions in terms of the highest attendance are held by the University of Malta, the three Sicilian public universities and the CNR (an Italian research center).

Table 6 Top Beneficiaries Notice 1/2016

		University of Malta	UNIPA	UNICT	CNR	UNIME
Applications in submitted projects	N.	36	21	16	11	6
	%	14.8%	8.6%	6.6%	4.5%	2.5%
Applications in funded projects	N.	12	7	8	4	3
	%	15.6%	10.4%	9.1%	5.2%	3.9%

Compared to Notice 2/2019, there is a situation that is broadly comparable, but there is a narrower gap between those who have submitted more proposals and the rest of the audience of would-be beneficiaries.

Table 7 Top Beneficiaries Notice 2/2019

		University of Malta	UNIPA	UNICT	CNR	INGV	Maltese Ministry of sustainable development
Applications in submitted projects	N.	7	4	10	3	3	3
	%	23,3%	13,3%	33,3%	10,0%	10,0%	10,0%
Applications in funded projects	N.	6	3	6	2	1	1
	%	31,6%	15,8%	31,6%	10,5%	5,3%	5,3%

In aggregate terms, the Programme is therefore oriented to the world of research and, to a large extent, implemented by its representatives. However, it should be noted that the concentration of planning in the hands of these individuals should not be understood as an absolute concentration on a very small number of beneficiaries (the Universities of Sicily and that of Malta) as it must take into account the fact that within this classification there are a multiplicity of distinct subjects represented by the different departments, institutes or other internal structures.

On the other hand, it should be taken into account that Cooperation Programme's strategy is strongly focused on research and innovation issues, which automatically stimulates the participation of those most directly interested in these subjects.

To what extent has the selection process been able to identify high-quality project operations? 

The financial resources made available through 1/2016 Notice were only partially used due to a response from potential beneficiaries not fully in line with expectations, as demonstrated by the success rate of the proposals which is significantly differentiated between SOs that received a good level of response from the territory and SOs with weaker drafting. However, in the face of this, analysis of the scores attributed to the proposals shows that if high-quality proposals have been financed for SO 1.1, for the remaining SO, and especially for the Axis 2 projects, the lower adherence by the territory to the Notice has limited the capacity of choice on proposals to finance, resulting in the admission to financing of satisfactory quality proposals but with scores well away from the levels of excellence defined in the allocation scale provided for in the Notice. In relation to Notice 2/2019, based on the grids of scores attributed to projects approved by the Executive Committee, there is an improvement in the average project quality of proposals compared to the first Notice.

#### 4.5 Outcomes of selection procedures

Aggregated analysis of the outcomes of selection procedures and the project potential that emerges at the territorial level are used as methods of representation of project quality.

Again, in light of Programme progress, the analysis carried out is mainly carried out on Notice 1/2016 being the only procedure for which the results of the selection are available.

Table 8: Summary Scoreboard Results Notice 1/2016

SO	Resources Committed Notice 01/2016(A)	Number of projects submitted (B)	Number of projects eligible for evaluation (C)	Performance projects submitted / projects eligible for evaluation (D-C/B)	Number of projects eligible for funding (E)	Performance projects eligible for funding / projects submitted (F- E/BB)	Number of projects funded (G)	Performance funded projects / projects submitted (H- G/B)
1.1	10,636,551	39	29	74%	14	36%	6	15,4%
2.1	2,987,960	8	2	25%	2	25%	2	25,0%
2.2	637,155	2	1	50%	1	50%	1	50,0%
3.1	3,428,927	21	10	48%	2	48%	2	9,5%
3.2	8,383,703	13	9	69%	4	69%	4	30,8%
<b>Tot. Notice 1/2016</b>	<b>26,074,296</b>	<b>83</b>	<b>51</b>	<b>61%</b>	<b>23</b>	<b>28%</b>	<b>15</b>	<b>18,1%</b>

On average, two out of ten applications are funded, but this is a figure that has significant differences between the various Notice Specific Objectives. The lowest rate is recorded for SO 3.1 with a 9.5% approval while the best performance is recorded for S.O 2.2 with a 50% success rate.

This is a relatively low average rate, as confirmed by the fact that not all the resources announced have actually been used to finance projects with Notice savings of around 33% of the available budget.

The high no homogeneity of the approval rate is very much linked to the degree of interest shown by the participants in relation to the different specific objectives of the Notice. In general, SO that has received a higher number of applications shows a lower approval rate, while SO that has collected few proposals show higher rates. This is particularly evident with regard to SO 2.1, 2.2, 3.1 and 3.2 for which, if instead of taking into account the number of projects submitted, it compares the number of projects eligible for evaluation with that of those financed, there are success rates of 100% for Axis 2 and almost 50% for SO 3. 2.

For Notice 2/2019, except for Specific Objective 1.1 for which no application has been submitted, the percentage of projects admitted to the next evaluation phase compared to the projects listed in The Table is higher when compared to that recorded in the Previous Notice than all SO. On average, a significantly large number (about 8 out of 10 proposals) were considered eligible by exceeding the phase 1 screening provided by the Call.

Table 9: Summary Scoreboard Outcomes Notice 2/2019

SO	Resources Committed Notice 01/2016(A)	Number of projects submitted (B)	Number of projects eligible for evaluation (C)	Performance of projects submitted / projects eligible for evaluation (D-C/B)	Number of projects eligible for funding (E)	Performance of projects eligible for funding / projects submitted (F- E/BB)	Number of projects funded <sup>12</sup> (G)	Performance of funded projects / projects submitted (H- G/B)
1.1	3.400.000	-	-	-	-	-	-	-
2.2	2.416.495	4	3	75%	3	75%	3	75%
3.1	8.455.063	10	8	80%	6	75%	6	75%
3.2	1.798.852	4	3	75%	2	66%	2	66%
<b>Tot. Notice 2/2019</b>	<b>16.070.410</b>	<b>18</b>	<b>14</b>	<b>78%</b>	<b>11</b>	<b>78%</b>	<b>11</b>	<b>78%</b>

Compared to Notice 1/2016, with the exception of SO 1.1, there is a significantly higher funding eligibility rate. Given the ExC proposal to allow all eligible proposals to be funded, the "funded project" rate is not affected by the cut due to the availability of resources.

With more specific reference to the analysis of the scores assigned to projects assessed, the references for the assessment of the minimum quality of the proposals are those defined in Notice 1/2016 which determines the following minimum score thresholds for the purpose of eligibility for funding regardless of financial availability. More specifically, the Notice specifies that each project proposal to be financed must receive at least:

- n.130 points for project strategy evaluation criteria
- n.125 points for operational evaluation criteria
- n. 60 points for specific criteria for investment priorities

The Tabella summarizes the results of the analyses carried out on the whole of the projects eligible for evaluation under the aforementioned Notice.

<sup>12</sup> Proposed for funding by the Executive Committee

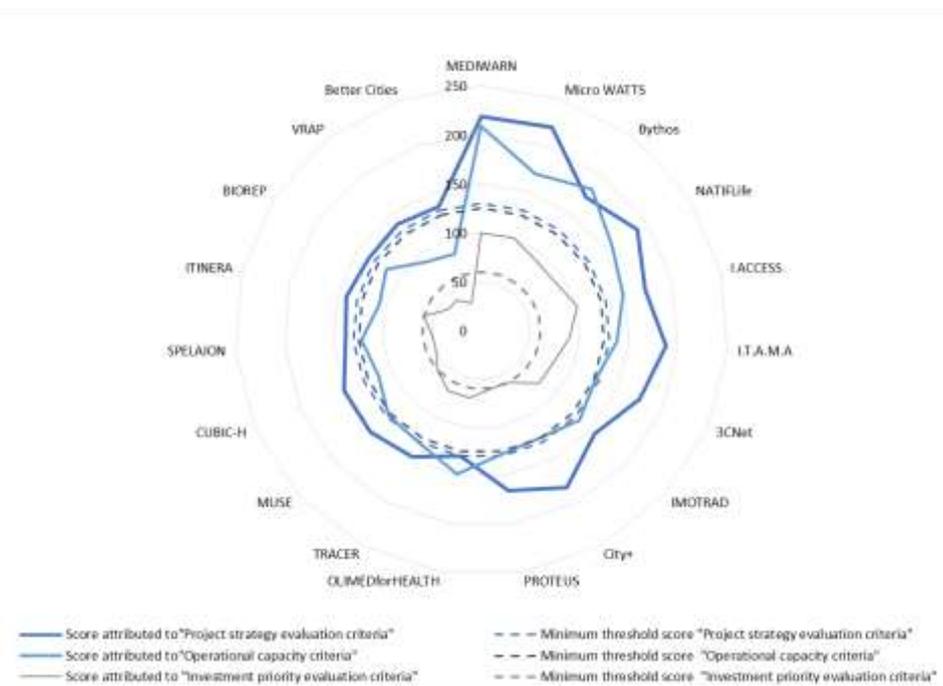
Table 10: Summary Scoreboard Results Notice 1/2016

SO	Projects that meet minimum score criteria for "assessment of project strategy"		Projects that meet minimum score criteria for "operative evaluation"		Projects that meet minimum score specific criteria for investment priorities		Projects that meet the three threshold scores at the same time	
	Number	% of total projects evaluated	Number	% of total projects evaluated	Number	% of total projects evaluated	Number	% of total projects evaluated
1.1	19	66%	14	48%	14	48%	13	45%
2.1	2	100%	2	100%	2	100%	2	100%
2.2	1	100%	1	100%	1	100%	1	100%
3.1	3	30%	5	50%	2	20%	2	20%
3.2	4	44%	5	56%	4	44%	4	44%
<b>Total</b>	<b>29</b>	<b>57%</b>	<b>27</b>	<b>53%</b>	<b>23</b>	<b>45%</b>	<b>22</b>	<b>43%</b>

In aggregate terms, there are no particularly significant differences between the various SOs on the 51 proposals assessed. Overall, between 57% and 45% of the proposals had a score above the threshold compared to at least one of the three dimensions of merit assessment, while considering the projects that achieved the lowest score for all dimensions this percentage settles on just under half of the projects admitted to evaluation (43%). However, this figure also differs substantially by analyzing data per SO.

Figure 2 graphically illustrates the scores recorded by the project proposals with reference to these three macro *assessment* areas.

Figure 2 Distribution of SO 1.1 project scores – Notice 1/2016



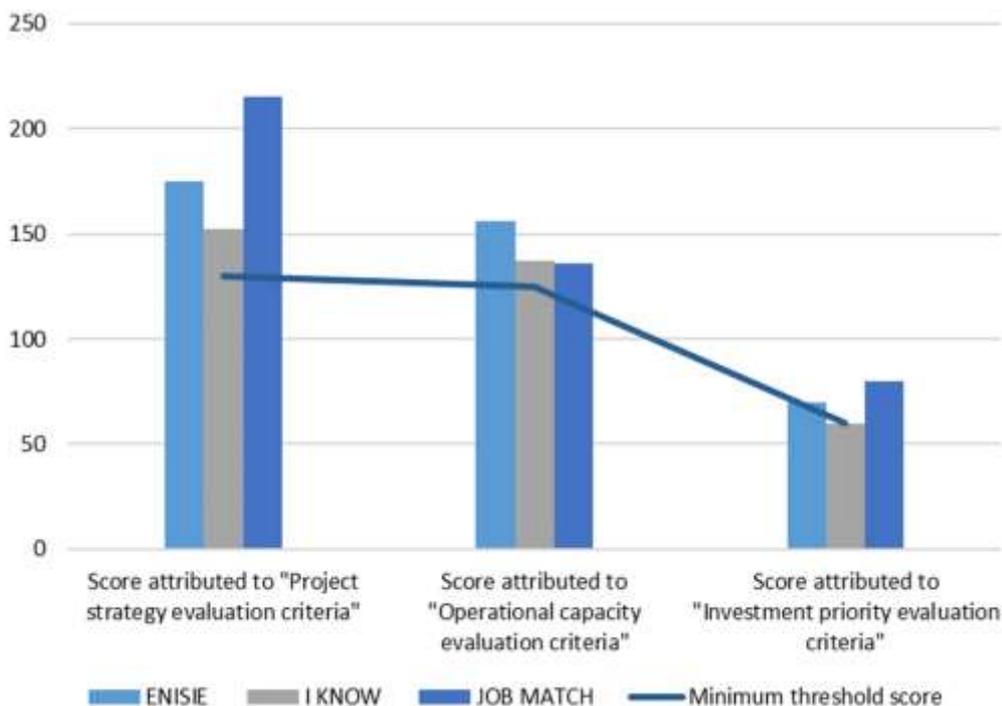
With reference to SO 1.1, of the 29 project proposals admitted for evaluation, about half (13) met the three threshold scores. The number of proposals potentially eligible for funding was determined to be cut by both the minimum threshold of the operational capacity assessment of the proposers and the threshold for specific criteria for investment priorities, but this was not a significant discriminating factor since even in relation to the evaluation of the project strategy the projects with scores above the threshold were only slightly higher (19).

The analysis of the scores of the 13 projects eligible for funding shows that the quality of the projects financed is relatively high, given that they have an overall score which in all cases is close to or above 70% of the maximum score.

At Axis II level, only 3 operations has been financed, two of which contribute to the achievement of SO 2.1 and one to that of SO 2.2. Compared to the other Axis of the Program, it should be noted that for Axis II, probably in view of the innovative scope introduced by the INTERREG V-A IT-MT programme with an Axis dedicated to the competitiveness of the area compared to the previous programme, a large number of project proposals were not recorded by the beneficiaries of the area and that the proposals financed substantially are those that have passed the eligibility phase.

The scores of operations eligible for funding are just above the minimum score required to achieve eligibility for funding.

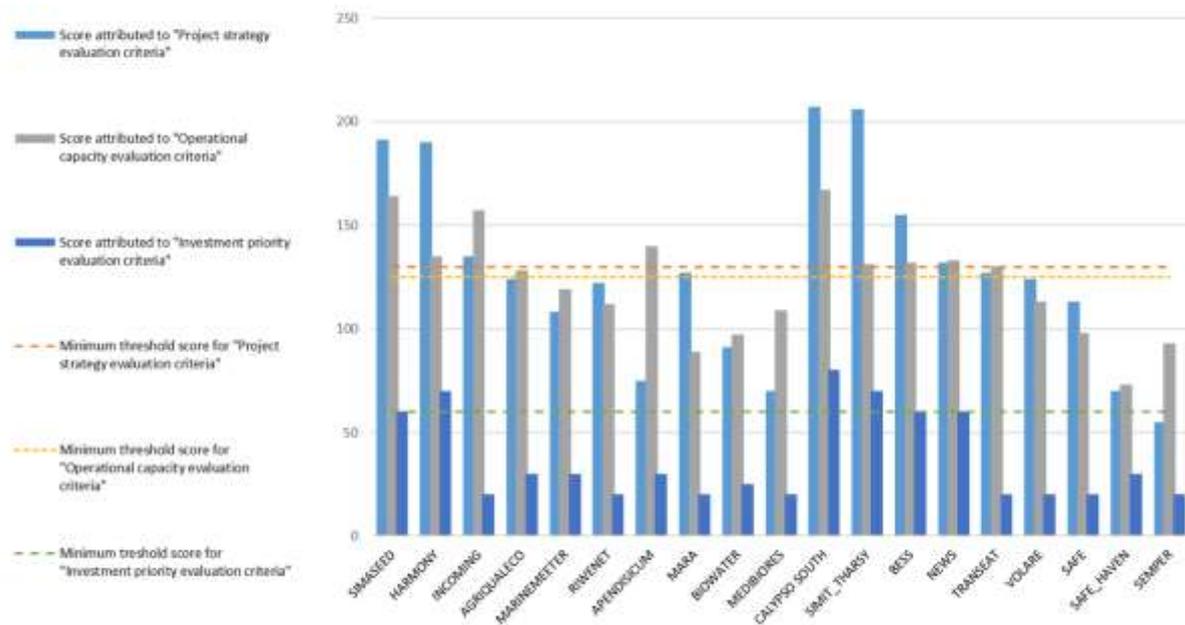
Figure 3 Distribution of SO 2.1 and SO 2.2 project scores – Notice 1/2016



With respect to SO 3.1 only 2 operations have been selected. The remaining 8 proposals assessed on the OS were rejected during the evaluation because they were deemed to be inadequate. In both cases, the score recorded by the eligible proposals for funding is more modest and is just above the minimum threshold required for approval.

With respect to SO 3.2, 4 operations were selected compared to the 9 permitted for evaluation. Again, the overall score of the proposals eligible for funding is relatively low compared to the score scale that defines the project quality adopted by the Notice.

Figure 4 Distribution of SO 3.1 and SO 3.2 project scores – Notice 1/2016



In relation to The Notice 2/2019, the Table summarizes the results of the analyses carried out on the whole of the projects assessed for the aforementioned Notice. As is easy to note, the percentage of projects that received the minimum punctuation in all three OSs considered is significantly higher than recorded in Notice 1/2016 and could be considered as an indicator of better project quality of the proposals.

Table 11: Summary Framework Results Notice 2/2019

SO	Projects that meet minimum score criteria for "assessment of project strategy"		Projects that meet minimum score criteria for "operational evaluation" criteria		Projects that meet the two threshold scores at the same time	
	Number	% of total projects evaluated	Number	% of total projects evaluated	Number	% of total projects evaluated
2.2	3	100%	3	100%	3	100%
3.1	6	75%	6	75%	6	75%
3.2	2	66%	2	66%	2	66%
<b>Total</b>	<b>11</b>	<b>78%</b>	<b>11</b>	<b>78%</b>	<b>11</b>	<b>78%</b>

The reduction in the minimum scoring threshold was also carried out between the two Notices and which could have helped to consider as admissible projects less performing than those of the first call, alone does not explain the higher success rate of the Second Notice.

In fact, all the projects that could be financed received a score above the minimum score of the first call (130) for the set of criteria relating to the "assessment of the project strategy" while about 70% of the projects received a score above the threshold of the first call (125) for the set of criteria concerning the "operational evaluation" of the proposal. Overall, it seems therefore sustainable to assume that the average project quality of the second call was higher than the first.

*To what extent do the application submission and selection processes take into account the principles set out in Article 7 and 8 of the Reg. (EU) 1303/13, with specific reference to:*

- *eligibility requirements*
- *selection criteria*



Selection procedures explicitly take into account horizontal principles, although the aggregation of multiple themes to be assessed within a single criterion limits the ability to assign a consistent score to each of the dimensions to be taken into account (equal opportunities, non-discrimination and sustainable development). In any case, in line with the specific objectives identified by the Programme, the specific criteria for the selection of operations contain broad and explicit references to aspects of sustainable development and support the selection of interventions consistent with this principle.

#### *4.6 Applying the principles of equal opportunity, non-discrimination and sustainable development in the selection of operations*

In the case of eligibility requirements for the selection of operations, there are no explicit mechanisms for safeguarding the principles set out in Reg. (EC) 1303/13 to promote equal treatment for men and women and non-discrimination (Art. 7) and Sustainable Development (Art. 8). The Implementation Manual accompanying the two published Public Notices does not provide specific indications in this regard in the verification phase of the eligibility of the proposals.

In relation to these aspects, the Implementation Manual refers to the functions and tasks of the Programme Monitoring Committee, whose tasks include:

- examine and decide on all actions to promote equality between men and women, equal opportunities, non-discrimination, including the issue of accessibility for disabled people;
- examine and decide on all actions to promote sustainable development.

However, the modalities and instruments by which these aspects are operationally taken into account by this Programme body are not detailed either in general or, specifically, how this takes place in the selection phase of operations.

The cross-cutting principles, on the other hand, are applied in principle in the process of evaluating applications through the use of selection criteria dedicated to it.

More specifically, both Notice 1/2016 and Notice 2/2019 include the assessment of the contribution to the horizontal principles of sustainable development, equal opportunities and non-discrimination through a specific criterion of evaluation of the project strategy (policy 1.4 for Notice 1/2016 and criterion 1.5 for Notice 2/2019). Specifically, a score ranging from a maximum of 8 points is provided in the presence of an "excellent description with precise references of the three principles", up to a minimum of 0 points if such contribution is "poor and/or unsasured and/or not relevant".

In general, if this criterion fulfils the function of assessing the orientation of the use of ESI funds in a manner consistent with the horizontal principles provided by Reg. (EC) 1303/13, however, the aggregation of three "objects" to be evaluated within a single criterion limits the possibility of making a timely assessment in relation to each of them.

The appeal for environmental sustainability aspects is also present across several specific evaluation criteria that apply, where applicable, to the selection of projects according to the related Specific Objective.

The following Table lists for each of the specific evaluation criteria for investment priorities an assessment of their contribution to the selection of operations that are consistent with the principle of sustainable development and the EU's promotion of the objective of preserving, protecting and improving the quality of

the environment, in accordance with Article 11 and Article 191, paragraph 1 of the Treaty on the Functioning of the European Union.

As is easy to see, the overall structure of the Italy Malta Programme is significantly focused on the issues of environmental protection, efficient use of resources, mitigation of the effects of climate change, population resilience to disasters and prevention and risk management. This is particularly evident with reference to Axis 3 of the Programme, which is specifically dedicated to protecting the environment and promoting the efficient use of resources, but with a view of adopting the principle of sustainable development, it is also particularly important with regard to Priority Axis 2 which has been developed with the central reference element of environmental protection and quality of life and citizen's health.

In conclusion, despite Programme non-specific eligibility requirements for the horizontal principles provided for by the Reg. (EC) 1303/13, the criteria for the selection of operations appear to be adequately organised to ensure compliance with these principles, especially with regard to the selection of operations consistent with the principle of sustainable development, while regarding equal opportunities and the principle of non-discrimination, it is desirable to give them greater substantial importance, where appropriate through timely guidance from area experts who sit on the Executive Committee.

Table 12: Selection criteria consistent with the principle of sustainable development of Notice 1/2016

PRIORITARY AXIS1 Promoting sustainable and intelligent growth through research and innovation	Environmental criteria
SO 1.1 Enhance the activities of innovation and research to improve the quality of life and the utilization of the cultural heritage	
Act. Interventions aimed at financing costs related to the introduction of forms of “nontechnological innovation” in order to promote the productive system	
Action B Intervention aimed at sustaining R&I activities to improve the quality of life and the utilization of the cultural heritage	
Degree of the project’s synergy with the productive system/Public Administration system to improve quality of life and accessibility to cultural heritage	
Level of integration between the productive system and the Public Administration system to improve the quality of life and accessibility to cultural heritage	
Degree of competitive advantage of the product/service to improve the quality of life and accessibility to cultural heritage	
Level of integration of Key Enabling Technologies (KET) within the product/service to improve the quality of life and accessibility to cultural heritage	
<b>PRIORITY ASSE 2 Promoting the competitiveness of the cross-border area</b>	
SO 2.1 To promote the creation and the enhancement of enterprises (micro, small and medium) in the intervention field of the cooperation area	
Financial support to the birth and strengthening of new enterprises (micro, small and medium) operating in the intervention sectors defined in the axis (environmental protection and quality of life and citizens’ health)	
Level of innovation of the products/services to safeguard the environment, quality of life and health of the citizens	✓
The degree of the project’s contribution in increasing the entrepreneurship/economic innovation level within the area	
Degree of proximity to industrialisation and commercialisation of the products/services to safeguard the environment, quality of life and health of the citizens	✓
Degree of attractiveness of the products/services created for the entrepreneurship/economic system within the area	
SO 2.2 To promote the mobility of the workers in the cross border area through the creation of operative network	
Action A Financial support to the birth of cross-border networks to promote workers’ mobility by (micro, small and medium) enterprises operating in the programme’s intervention sector (environmental protection and quality of life and citizens’ health)	
Degree of integration of the cross-border labour market pursued by the project in relation to safeguarding the environment, quality of life and health of the citizens	✓
Degree of innovation of the proposed services to facilitate workers’ mobility in relation to safeguarding the environment, quality of life and health of the citizens	✓
Degree of interoperability between territories within the cross-border area for proposed solutions/services in relation to safeguarding the environment, quality of life and health of the citizens	✓
The extent of potential users / beneficiaries / solutions / services within the cross border area proposed by the project in relation to safeguarding the environment, quality of life and health of the citizens	✓
<b>ASSE PRIORITARIO 3 Protecting the environment and fostering an efficient use of resources</b>	
SO 3.1 To contribute towards the arrest of the loss of terrestrial and marine biodiversity in the area, maintain and reactivate the ecosystem and the protected area	
Action A Actions aimed at the protection of the land and marine biodiversity of the area and in the sites of “Natura 2000” network	
Degree of innovative techniques/systems to safeguard and enhance the land and marine biodiversity in the cross-border area	✓
Increase in the ecological connectivity pursued by the project	✓
Level of implementation of green infrastructures/control systems for the overcoming of habitat fragmentation (...)	✓
Improving services to optimise the natural ecosystems	✓
Action B Support the dissemination of knowledge and the utilization of the natural heritage (with particular attention to the land and marine ecosystems) through the creation of innovative services and/or systems and the utilization of advanced technologies	
Degree of innovative level for techniques/systems to safeguard and enhance the land and marine biodiversity in the cross-border area	✓
Increased ecological connectivity pursued by the project	✓
Improvement in the attractiveness of the natural resources pursued by the project	✓
Improving services to optimise the natural ecosystems	✓
SO 3.2 To promote systemic actions and technologies able to mitigate the climate change effects and the natural and anthropic risks with a particular reference to the catastrophic from the maritime risks	✓
Action A Interventions to mitigate the effects of climate change	
Degree of innovation of the interventions/systems for mitigating the effects of climate change and natural and anthropic risks	✓
Level of risk reduction for the area arising from the interventions/systems for the proposed mitigation	✓
Degree of suitability for the proposed interventions/systems in relation to the promptness and efficiency in addressing specific risks	✓
Level of coverage of the cross-border area related to the proposed interventions/systems for mitigations	
Action B Interventions to target the various risk scenarios	
Innovative level for interventions/systems to address different risk scenarios	
Degree of risk reduction for the area arising from the interventions/systems for the proposed mitigation	
Degree of suitability level of the proposed interventions/systems in relation to the promptness and efficiency in addressing different risk scenarios	
Increase in the population resilience to address different risk scenarios	

## 5. Analysis of how the program's management structures work

*Management structures are properly structured to achieve results*



Managing Authority organisational structures have been affected by a regional administration general staff reduction, facilitated by the rules that granted early retirement, and by an overall remodulation of organisational arrangements over the last year. The two exogenous processes have weakened the administrative capacity of the organizational structures, leaving the key organizational units of the Managing Authority without their managers. The Managing Authority has temporarily met with provisional solutions, but has initiated procedures to adapt and strengthen structures to the activities that will need to be put in place to achieve the results provided by the cooperation programme. It seems necessary to conclude these procedures quickly, re-modulating the distribution of staff between the various administrative structures responsible for the management and verification of the programme.

### 5.1 The management structures responsible for implementing the programme

Management structures and processes are the basic framework that impacts efficiency in implementing the programme and its effectiveness in achieving its objectives. The good implementation of a programme, in fact, requires, in addition to the selection of operations that affect the expected results, efficient management processes that must be implemented by an organizational structure adequate in terms of human resources and skills in relation to the managed budget and features of the program, a clear and rational distribution of skills and activities and an information system that facilitates the performance of the different activities.

In order to assess the adequacy of the management structure, the analysis of the main administrative documents adopted by the programme, the audit authority's reports on the projection of the Managing Authority and system audits, and the organisation chart of the planning department were used. The analysis of the documents was then supplemented with the information that emerged as part of the interviews with the head of Service 6 of the Regional Planning Department and the members of the Joint Secretariat.

In examining the management and control system of the Interreg V-A Italia-Malta PC, assessing its adequacy, it is first important to consider that this system is substantially similar to that adopted in the previous programming period, as evidenced by the analysis of the documents relating to the description of management and control systems. At the same time, however, some rationalisation and integration processes have been put in place due to the new regulatory framework adopted for the 2014-2020 programming cycle and the reorganisation of regional administrative structures.

The Interreg V-A Italia-Malta PC **Managing Authority**, in continuity with the 2007-2013 programming cycle, consists of the Regional Planning Department. In particular, the Managing Authority was identified by resolution of Regional Council No.293 of 13 October 2014 and officially charged with by Regional Government resolution No.246 of 5 July 2018 once finished compliance assessment procedure referred to in Article 124 of regulation (EU) n.1303/2013 put in place by the Audit Authority. The Department, like many other regional structures, has been affected by an overall process of reorganization and rationalization of offices that has led to the reduction of areas, services and operating units. At the same time, from the point of view of human resources, there has been a turnover of new managers and officials and a general reduction in staff originating from natural ageing processes. To balance managers and officials retirements no new recruitment processes or *office automation* processes to increase the productivity of different offices have been initiated.

These processes have affected both the structures directly involved in the implementation of the project and the organisational structures involved in cross-cutting activities to the management and implementation of the programme (monitoring, communication, technical assistance, controls, etc.) resulting in the absence of even relevant periods of human resources essential for the overall implementation of the programme.

Compared to the organisation adopted by the Managing Authority in 2007-2013, which included in the programme implementation procedures the intervention of an axis manager and two offices responsible for the operation, a rationalisation of the structures was put in place with a merging of competencies in a single service. In particular, the role of axis manager and operations officer has been unified into a single entity identified in the pro tempore manager of Service 6 of the Planning Department. The current management system assigns a key role to this service, which carries out the coordination, management and implementation of the Interreg V-A Italia-Malta PC. In addition, the competences of this service include the administrative accounting management of technical assistance activities and the implementation of the programme's communication plan. Service 6 is also the office responsible for operations (**COO**) for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> axis of the program and therefore, in conjunction with the other areas and units of the Department puts in place the procedures of investigation and implementation related to the selected operations, implementing the information system for each operation. In order to carry out these activities, the document 'the *functions and procedures in place for the Managing Authority and the Certification Authority*' (DMCS) updated in November 2019, provides that the manager of Service 6 is "supported by the Joint Secretariat, as well as by No.2 staff units". In the previous planning cycle, the implementation structures employed a total of 3 managers and 6 dedicated staff units. So it is clear how the process of rationalisation of key structures, is weakening the administrative capacity caused by the reduction in human resources dedicated to the implementation of PC Interreg V-A Italia-Malta, in the face of an overall increase in the resources allocated to the programme. At the moment, the entry into quiescence of the manager of Service 6 has led to a further weakening of the management structure, also in view of the specific skills required for the management of the Interreg V-A Italia-Malta PC. These elements affect the timing of administrative tasks resulting from the selection of operations, such as financing and monitoring activities.

A second key structure for program management is the A.7.1 Base Operating Unit (UOB), which is the control unit (**CU**) of program operations. This structure is responsible for the definition of the control tracks for administrative and on-the-spot controls on operations financed by the programme. In addition, the control unit validates the eligible expenses of the operations, possibly rectifying the irregular amounts definitively ascertained. In order to carry out these activities, the document 'the *functions and procedures in place for the Managing Authority and the Certification Authority*' updated in November 2019, provides that for the performance of these activities, the UOB has the manager as well as 'an adequate number of units for the 1<sup>st</sup> level control activities' and that it can also take advantage of the possible support of external controllers. The allocation of human resources to the control unit is generic, compared to the more precise one that was carried out in the previous programming cycle, in which 2 units of personnel and at least 10 units of 1<sup>st</sup> level controllers were dedicated to the control activities. Analysis of the organization chart of the Regional Planning Department shows that as of 18 March 2020, UOB A.7.1 was still without a manager but with one executive officer and 1 management instructor on duty. It should also be remembered that UOB A.7.1. it is also a control unit for other programs run by the Department. In order to make up for this absence, the controls on the cooperation programme have been ensured by the head of Area 7 of the department, but it is clear that there is an urgent need and a necessity of a more structured solution. Another element to consider in assessing the adequacy of the control structure is the specific task of implementing the control procedures under Article 125, parr.5-7 of Regulation (EU) No.1303/2013 which has been assigned by the General Director of the Department to 4 internal members of the Public Investment Assessment and Verification Team. Again, a buffer or temporary solution was adopted due to delays in the selection of external controllers. In fact, despite the recommendation made by the evaluator in the previous programme implementation assessment report, only by decree of the general director (DDG) n.445 of 9 September 2019, the notice for the establishment of a 'longlist of first-level controllers' made up of individual experts for the conduct of administrative control activities and on-the-spot checks of expenditure, under Article 125 of the Regulation (EU) n.1303/2013 which will be used by the Italian beneficiaries of Sicily, was approved.

The management system of the Interreg V-A Italia-Malta PC, in continuity with the previous programming cycle, then provides support in the implementation of the program of some service structures of the planning department:

- Area 2 provides for the management of the information system of the Ulysses programme;
- Area 3 supports Service 6 for aspects related to the implementation of the communication plan;
- Area 4 supports Service 6 for contractual and tender-related activities related to the IV axis of the programme;
- Area 5 supports Service 6 in the relationship with the socio-economic and institutional partnership;
- Area 7 provides the control tracks for each group of financial operations provided by the program.

The department organization chart analysis also reveals elements of weakness for these structures that would require action. For example, the basic operational unit responsible for information systems and monitoring of the cooperation programme is not equipped with either a responsible manager or a staff. Overall, therefore, there is a weakness in the management structures involved in the administration of the cooperation programme.

In view of the overall organisation adopted, the Audit Authority after its compliance assessment under Article 124 of Regulation (EU) 1303/2013, while expressing a positive opinion on the appointment of the Managing Authority identified some issues and improvement points to be implemented in the overall management structure. The Audit Authority, in particular, focused on the lack of appropriate measures to ensure the appropriate professionalism of the staff to be engaged in the management and control of the Programme and the lack of measures to ensure adequate training and updating. The Audit Authority also highlighted some staff shortages in the Department's organization chart, pointing out that the three units originally envisaged in DMCS for CU (UOB A.7.1) or the three planned for the COO (UOB S.5.2) were not found.

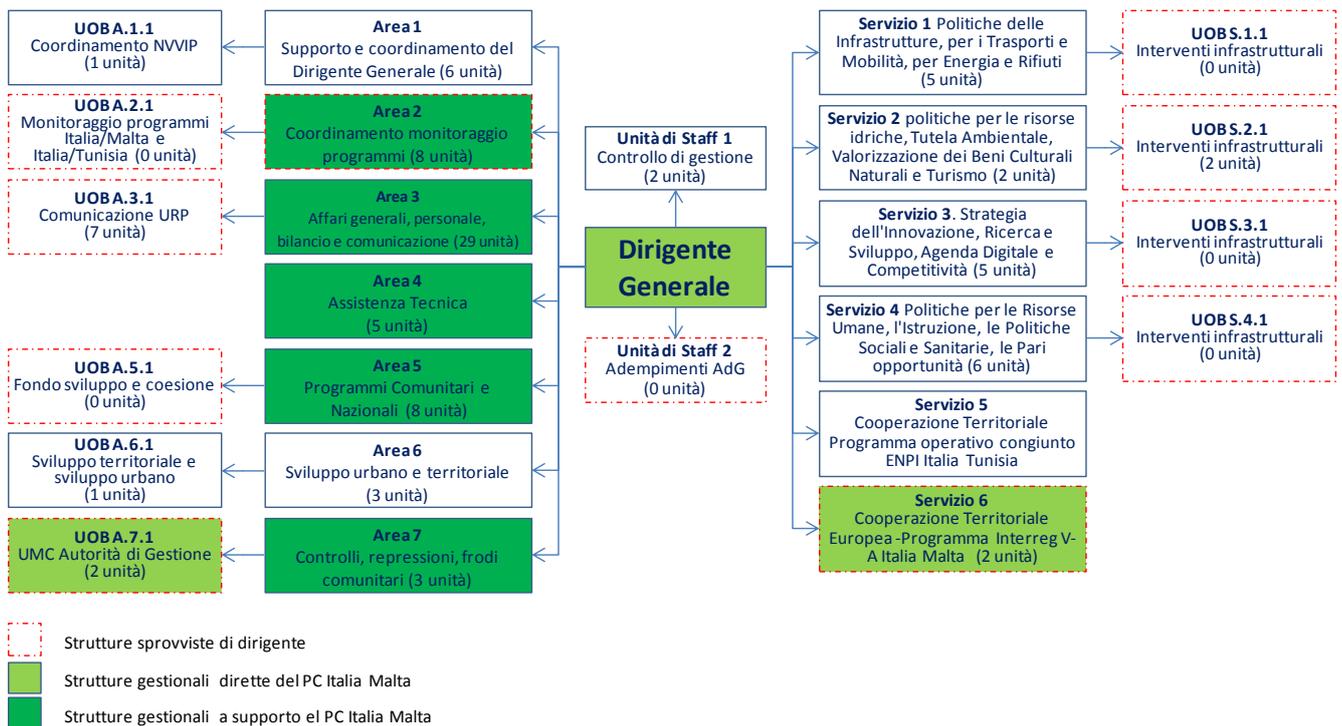
In addition, the Audit Authority, in its system audit conducted between July 2018 and June 2019, identified additional weaknesses specific to the management system. In particular, the Audit Authority noted:

- the absence of the head of UOB A.2.1 'Information system - monitoring programmes Italy-Malta and Italy-Tunisia';
- the absence of the official responsible for information and communication at programme level within Area 5;
- the absence of the manager of UOB A.7.1 'UMC - Managing Authority';

The Audit Authority, based on an analysis of the organisational structure conducted at the Managing Authority, taking into account the size and complexity of the programme, considered that the number of staff on duty, especially for the COO, was not adequate compared to what was expected in DMCS. This analysis can only be confirmed in light of the absence on 1 March 2020 of the two managers responsible for carrying out the functions of the operations office and control unit of the programme. Although at the same time there are some signs of administration's desire to strengthen management structures, such as the initiation of the procedure which should strengthen the human resources allocated to operations controls or the beginning of the procedure for selecting the heads of the COO and UC of the programme.

It should be noted that DMCS provides that the procedures for replacing staff during the life cycle of the programme adequately take into account technical requirements for knowledge of the operation and procedures for managing territorial cooperation programmes as well as knowledge of the two languages of the programme (Italian and English).

Figure 5 Organization chart of the Regional Planning Department



Another structure that intervenes in the overall management of the program is the **Malta National Coordination Authority**. This structure has a coordinating role in the implementation of the cooperation programme for the Maltese part of the territory, with specific reference to the planning, monitoring and monitoring activities and the activities of verification of procedures and expenses carried out by Maltese beneficiaries. Currently ANCM officials are in charge of the planning and monitoring of the programme, while the verification and control activities are delegated to auditors outside the administration. Malta National Coordination Authority is made up of a senior manager and 2 other staff units that appear appropriate for the skills and activities assigned by DMCS to that structure.

Documentation analysis and the semi-structured interviews carried out with the main programme management structures showed that the weakness of the department management structures was met, as far as possible, by the **Joint Secretariat**, the body set up under Article 23 of the Regulation (EU) No.1299/2013 which assists the Managing Authority and the Monitoring Committee in carrying out their respective functions. The Joint Secretariat plays a key role in the different management processes of the programme. With regard to the selection process, for example, the Joint Secretariat checks for the availability requirements of application forms and carries out its qualitative assessment, submitting the results to the Executive Committee. With regard to the implementation of the projects, the Joint Secretariat receives the reimbursement requests and progress reports submitted by the leadpartner, verifying the compliance between output and the grant contract, in terms of expenses, resources and eligibility of expenditure, verifying the compliance of expenses declared by the beneficiaries and verifying the outputs declared in the progress reports. The Joint Secretariat supports the COO in carrying out procedural, physical and financial monitoring of operations funded by the programme. The Joint Secretariat also provides potential beneficiaries with information on funding options under cooperation programmes, while also assisting beneficiaries in the implementation of operations.

In the case of CP Interreg V-A Italia-Malta, it is expected (par.5.2) that the Secretariat is based in Palermo and is "composed of 4 people (maximum), selected through a public notice that provides for the stipulation of an employment contract directly with the MA and aimed at supporting the latter during the entire life cycle of the

CP". The programme also stated that "JS members must be external to the administrations involved in the management of the Cross-border Cooperation Programme."

As part of the overall process of setting up the Joint Secretariat, the Member States participating in the programme identified the professional profiles needed for that body: a coordinator, two functional managers dedicated to project investigation and management and to programme monitoring, and finally a programme assistant. Compared to the previous programming cycle, a strengthening of the JS of one unit was therefore envisaged and, in addition, the functional profiles of the components of the secretariat were differentiated, selecting human resources with greater specialization and professional experience. These elements have helped to strengthen the capacity and expertise to support the management structures of the programme, sometimes to the shortfall in administrative capacity that has arisen during the implementation of the programme.

During 2016, public evidence procedures were initiated and completed to identify and select the professionalism required for the establishment of the JS. With DDG 282 of 9 August 2016, in particular, the administration identified three of the four professionals needed for the JS, then contracted in 2017, while the last professional profile was identified with DDG 609 of 16 November 2018.

The Joint Secretariat guarantees a key action in the implementation of the programme, working in synergy and complementary to the Managing Authority and the Management Committee, providing a qualified technical and operational support characterized by a strong orientation to achieving results and facilitating the main decision-making and management processes related to the implementation of the program. The Joint Secretariat is in fact the key structure from which the documents and actions that are fundamental to the implementation of the programme and actions aimed at improving the different processes are based. The strengthening of the secretariat has had a positive effect on the implementation of the programme, with the acquisition of new skills to be used to support the communication actions envisaged by the programme.

Overall, the MA's facilities require a strengthening in terms of quantity and skills of dedicated personnel and the timely identification of managers to be provided to the management structures related to the COO, the UC of the program and UOB A.2.1 of the planning department in order not to cause administrative delays in the initiated path of implementation of the operations supported by the program.

*Have measures been taken to reduce the administrative burden on beneficiaries? What support measures have been put in place to facilitate candidates?* 

The CP has put in place different actions with the aim of reducing the administrative burden on beneficiaries and to support the proposers. Efforts have been made to simplify and re-modulate the application form, electronic transmission of beneficiary information, the adoption of simplified cost options and the definition of manuals and support *templates* for proposers and beneficiaries. These actions have positive effects in terms of reducing administrative burdens. There is still room to improve the action of reducing administrative burdens. In the next programming cycle, actions could be considered that relate in addition to improving the electronic transmission system of proposals, monitoring activities, for example proposing the reduction of the frequency of detections, and information and communication activities, for example, supporting beneficiaries with a toolkit that facilitates the activation and implementation of different communication measures.

### 5.2 Measures and solutions taken to reduce administrative burdens

According to a recent study<sup>13</sup> driven by the European Union on administrative burdens in European Structural and Investment Funds, cooperation programmes have higher costs than other programmes supported by ESI funds, which can be explained in part because of their reduced financial budget and their ability to involve more Member States. Some important evidence emerges from this study:

- For the beneficiaries of the cooperation programmes, the activities that are considered to be the most burdensome relate to the collection of information on the progress and results of the operation and to follow the preparation of the claims. The study, on the other hand, shows that the preparation of project proposals for cooperation programmes would have lower costs than other programmes supported by ESI Funds;
- For administrative structures, the activities that generate the greatest burden and which are more "labour-intensive" are the controls in preparation for the delivery of the financial support of the programme and the selection of operations and the implementation of information actions aimed at potential beneficiaries;

With regard to the administrative burdens on beneficiaries, the Managing Authority has already identified some actions in the programme to reduce costs and simplify procedures. In section 7 of the programme, in particular, on the basis of past lessons, the main actions aimed at reducing the administrative burden generated by the procedures and administrative documentation required to obtain the financial support of the programme were identified.

The main actions that have been identified by the CP involve the transmission of data and information by beneficiaries and the activities of reporting and verifying eligible costs. In particular, the actions that have been identified are:

- electronic exchange of data between beneficiaries, controllers and authority of the program: the MA has provided for the transmission of all documentation related to the implementation of the projects (progress reports, expense certifications, etc.). In a second phase, the MA could also ensure that beneficiaries can submit the application form and the grant contract with the beneficiary.
- Commission's proposals for the introduction of expenditure eligibility rules are adopted by the Monitoring Committee. In addition, the MA also identified the possibility of adopting the simplified

<sup>13</sup> European Union (2018). *New assessment of ESIF administrative burden costs and burden*. The study is available at the following link: [https://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/assess\\_admin\\_costs.pdf](https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/assess_admin_costs.pdf)

cost option on certain categories of expenditure, such as 'staff costs' and 'office and administrative costs'.

- The introduction of a decentralized first-level control system in Malta: the MA provided for to adopt common check lists and templates, and also use regular meetings to ensure that the common rules of expenditure eligibility, the use of simplified costs and the harmonisation of verification tools are properly applied;

With regard to the first action, it should be remembered that yet article 122, par. 3 Reg. (EU) n.1303/2013 stated that *“Member States shall ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and a managing authority, a certifying authority, an audit authority and intermediate bodies can be carried out by means of electronic data exchange systems”*. In addition, the article also stated that such systems *“allow for the beneficiaries to submit all information referred to in the first subparagraph only once”*, an important principle for reducing the administrative burden on beneficiaries.

The Managing Authority has stated in its DMCS that programme information system “Ulysses” should ensure that all data foreseen under SIE funds regulations are collected. As well as compliance with Article 122, paragraph 3 of The Regulation (EU) n.1303/2013, ensuring that all exchanges of information between beneficiaries and the MA, CA and AA can be carried out through electronic data exchange systems and contribute to the progressive reduction of paper documentation and the reduction of the time to carry out the various procedures in accordance with the *‘Only once’* principle. The electronic transmission of project proposals should have the effect of increasing the efficiency of the application process, which normally takes up a considerable amount of time and resources from both proposers and programme management structures, while also reducing the number of ineligible proposals for formal defects.

However, it should be noted that in the context of the first notice (2016), in addition to to the upload in the Ulysses system, for the completion of the project proposal it was necessary also submitting the paper document *by mail or brevi manu*. The final effect was to load the beneficiary with additional administrative burdens than in the past, namely the loading of project proposals into the information system and the transmission of the receipt generated by the Ulysses system. Under second notice (2019), although it was envisaged, subject to the exclusion of the procedure, the submission of the project proposals exclusively online, as a result of problems with the supplier of the 'Emonitoring System(eMS)' module, and the loss of the proposals submitted, it became necessary with DDG No.34 of 11 February 2020, burdening the lead partners of the project proposals of the burden of submitting the project form in paper form, in line with the documentation already produced within the deadline of the notice, duly signed by the legal representative. The action of adopting the electronic exchange of data between beneficiaries and MA, at least for the transmission of project proposals, is currently not adequately implemented and therefore at the moment does not contribute to the reduction of administrative burdens for beneficiaries, rather it overloads the administrative and organizational burdens of the lead partner and indirectly of all the partners who take part in the project proposal. On the basis of the online questionnaire, however, the usefulness and interest of the proposers and beneficiaries for the adoption of the transmission of the proposals exclusively electronically appears confirmed. However, the need to adapt the IT system adopted for submissions is the most common suggestion among those who responded to the online questionnaire.

Table 13: Answers to the question 'to what extent do you think that submitting proposals exclusively electronically reduces the administrative burden on applicants?'

Judgment	Number	%
1 – Minimum utility	2	4,7%
2 – Low utility	1	2,3%
3 – Average utility	7	16,3%
4 – High utility	16	37,2%
5 – Maximum utility	17	39,5%
	43	100,0%

On the other hand, the forecast contained in the first notice to use the information system for the monitoring and reporting obligations foreseen in the regulations and implementation documents must be positively assessed.

With regard to the adoption at the programme level of rules on the eligibility of expenditure, it seems appropriate to point out that the rules on the eligibility of expenditure are defined in addition to EU regulations, by the decree of the President of the Republic 5 February 2018, No.22 and by the additional rules that are defined by the Member States within the Monitoring Committee of the programme. These rules often do not decline in a timely manner what expenditure items can be reported within the macrocategories, sometimes generating incorrect interpretations and incorrect classifications of expenses or requiring a commitment of the beneficiaries to the elaboration of the financial attachments of the project proposal and the operation. In the case of CP Interreg V-A Italia-Malta, the implementation manual attached to the notices declined in 6 categories the expenses eligible for the program identifying the reportable items on time. In addition, by taking advantage of the opportunities offered by existing EU regulations, the programme introduced the possibility for beneficiaries to use the simplified cost option with the effect of reducing the administrative burden of reporting expenditure. The handbook, in particular, provided for the option of simplified costs for the categories of expenditure 'staff costs' and 'office and administrative expenses'. Expenses related to these categories are calculated at a flat rate and, during reporting, do not require the submission of individual expense and payment voucher documents. This action has an undoubted positive effect on the beneficiaries of the reduction of administrative burdens. The MA has also made available a first-level reporting and control manual which also helps to reduce the interpretive burdens on the eligibility of the expenditure of different operations.

The third action envisaged by the MA to reduce administrative burdens is the adoption of a system of first-level decentralized controls. The programme implementation manual has clarified a key principle in the implementation of the controls: the Italian and Maltese authorities appoint the controllers responsible for the verification of expenditure in relation to the territorial origin of the beneficiaries. For Italian beneficiaries, as we have seen, the first-level checks are guaranteed by the UOB A.7.1 of the planning department also through external controllers chosen with public evidence procedure. For Maltese beneficiaries on the other hand, the auditor, an independent and qualified auditor, is selected by the project partner and is subject to the authorization of the *Funds and Programmes Division*. These audits are then subject to quality checks carried out by the responsible administrations and an audit conducted by the Joint Secretariat. The Managing Authority then made available as early as May 2018 a first-level reporting and control manual that provides common guidelines for the proper performance of the expenditure reporting and control activities of the funded operations and which attached joint check lists and templates, thus affecting the burdens arising from the non harmonisation of checks between beneficiaries of the two Member States recorded in the last programming cycle.

The Managing Authority then asked the Joint Secretariat to identify further measures to reduce the administrative burden for beneficiaries who were adopted as part of the second notice for the selection of project proposals. These actions facilitate the compiling of the project proposal, simplifying sections of the

*application form* and reducing the ineligibility of proposals for formal cases. The actions, in particular, relate to:

- the changing of the selection criteria annex with the indication for each criterion of the *application form* sections considered for the evaluation of the project proposal;
- the clarification in the context of the notice of the specific elements of each SO, including the purposes and indicators, in order to facilitate the definition of the project proposal by the proposers;
- the preparation of three *application form* budget templates with automatic control and alert mechanisms to avoid errors by proposers;
- implementation of information actions on the correct compilation of *application forms*.

Evidence from the online questionnaire shows that among the measures to reduce burdens, the proposers have judged favourably, i.e. with high or maximum utility, the preparation of templates with automatic control mechanisms and alerts to avoid errors on the part of the proposers and to follow the mandatory application of simplified costs and spending limits for WPs. The action that was perceived to have average utility was the action of remodulation of the selection criteria.

Table 14: Answers to the question "In relation to the second Notice, to what extent do you think the following actions have contributed to the reduction of administrative burdens for beneficiaries?"

Judgment	Remodulation of selection criteria and application forms	Mandatory simplified cost application	Mandatory application of WP spending limits	Application forms with automatic controls and alerts
1 – Minimum utility	1	-	1	2
2 – Low utility	4	6	5	2
3 – Average utility	10	7	8	7
4 – High utility	5	5	9	6
5 – Maximum utility	3	5	-	6
	<b>23</b>	<b>23</b>		

It should also be noted that although the Managing Authority's simplification and rationalisation effort with respect to the previous programming cycle is evident, however, an annex has been provided to be compiled which is related to state aid which is an additional administrative burden and which unloads on the proposers the analysis activities on the type of activities financed that should instead be carried out by the Managing Authority. The online questionnaire shows that for about 21% of applicants and beneficiaries, the state aid declaration is complex or very complex. In order to reduce the burden on beneficiaries, it is useful to assess the opportunity in the next programme cycle to initiate a programme-level screening, identifying actions that support business projects or finance the conduct of economic activities, supporting proposers with specific focus and documentation.

In general, the results of the online questionnaire would seem appropriate to strengthen the simplification and accompanying action to the compiling of the application form which is perceived as a complex or very complex activity by about a third of the applicants and beneficiaries of the cooperation programme.

Table 15: Answers to the question "In relation to the last notice in which you participated, how do you assess the application process in relation to the following aspects?"

Judgment	Filling out the application form		State aid self-assessment	
	Number	%	Number	%
1 – Very complex	7	16,3%	5	11,6%
2 – Complex	8	18,6%	4	9,3%
3 – neither simple nor complex	11	25,6%	19	44,2%
4 – Simple	14	32,6%	13	30,2%
5 – Very simple	3	7,0%	2	4,7%
	<b>43</b>	<b>100,0%</b>	<b>43</b>	<b>100,0%</b>

It is useful to consider the opportunity to promote knowledge of the documentation made available, for example at European level, for the construction of project proposals and for the search for project partners, while also strengthening the information and seminary actions in preparation for the presentation of project proposals.

It must be noted, however, that in order to “reduce the ineligibility of proposals for formal cases, the Executive Committee has agreed to direct the admissibility investigation to the principle of ‘favour participation’” and “soccorso istruttorio”

In conclusion, the MA has taken several measures to reduce the administrative burden on beneficiaries which have a positive effect on the different activities that are put in place by the beneficiaries. In the next planning cycle, however, further measures could be implemented that affect monitoring and information activities and which beneficiaries must implement. For example, it could be considered that the beneficiary should not apply for the creation of the website by project, given that Annex XII of Regulation (EU) No.1303/2013 provides for the beneficiary to inform the public about the support obtained by the funds “*by providing on the beneficiary's website, where such a website exists, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union*”. In addition, some programmes, such as Interreg Europe, have been made available to beneficiaries some communication toolkits that include templates, websites and other tools. Regarding monitoring activities may be considered as an opportunity to agree with the responsible administrations on a different frequency of monitoring timelines.

Table 16: Solutions adopted by the CP to reduce the burden of beneficiaries

Activities for beneficiaries	Solution adopted to reduce burdens
Preparing the project proposal	Information actions (information days and seminars) Simplifying the application form Templates with automatic controls and alerts
Transmission of the project proposal	Electronic data exchange
Contract subscription (partner subsidy and agreement)	Models developed by MA
Preparing documentation for reporting	Simplified costs
Documentation presentation and 1 <sup>st</sup> level expense control	Electronic data exchange Manual and template for controls
Transmission of the reimbursement request	Electronic Data Exchange (Ulysses)
Collecting information for monitoring	
Transmission of information for monitoring	Electronic Data Exchange (Ulysses)
Separate accounting maintenance and documentation retention	Simplified costs
Information and advertising	

*Does the programme provide mechanisms for effective engagement of partners and stakeholders?* 

The mechanisms put in place by the CP in order to encourage the participation and involvement of partners appear in line with those adopted at European level and in line with the forecasts contained in the European Code of Conduct on Partnership in the framework of ESI funds. It seems appropriate to consider redefining the selection process of partners in order to improve adherence to the criteria set out in Article 2 of the European Code of Conduct and to agree with the partners of the partnership a working plan relating to information, consultation and participation activities to be put together.

### 5.3 Mechanisms adopted to encourage stakeholders to participate in the implementation of the programme

Regulation 1303/2013 identified multi-level partnership and governance as one of the key principles of supporting ESI funds. Under Regulation (EU) 1303/2013, in particular, the partnership should take part in all programme preparation and implementation activities, including through participation in programme Monitoring committees. The regulation also identifies three main types of partners: (a) the city authorities; (b) the economic and social parties; (c) relevant bodies representing civil society, including environmental partners, non-governmental organisations and bodies promoting social inclusion, gender equality and non-discrimination. The aim of the partnership, as clarified by the regulations, is to ensure compliance with the principles of governance at multiple levels, as well as subsidiarity and proportionality, as well as to ensure title of planned interventions in the hands of stakeholders and to exploit the experience and expertise of those involved. The implementation of the partnership principle should ensure greater effectiveness of the implementation of the European Structural and Investment Funds (ESI), increasing collective engagement and responsibility of EU policies, increasing knowledge, skills and guidance in the planning and implementation of strategies, and ultimately ensuring greater transparency in decision-making processes. It is clear that the

effective application of the principle requires that the most representative relevant partners have to be identified.

In order to ensure the involvement of relevant partners in the drafting, implementation, monitoring and evaluation of programmes, The Delegate Regulation (EU) No.240/2014 with a Code of Conduct on Partnership within the Framework of European Structural and Investment Funds, defined some principles and provisions that Member States should comply with in the preparation and implementation of their programmes. Article 2 of this regulation first identifies the criteria for the identification of representative partners. The selection of the same should take into account the skills, the ability to actively participate and the appropriate level of representation.

The relevant partners involvement in the preparation of the programmes, governed by Article 8 of the Regulation (EU) 240/2014, is represented in the CP text in paragraphs 5.6 (Involvement of partners) and 9.3 (Relevant partners involved in the preparation of the cooperation programme). In this paragraph are analysed, on the other hand, the actions taken to ensure the participation of partners in the implementation of the programmes that are reported by the MA in paragraph 9.5 of the annual implementation reports or which are described in the other documents of the programme.

As required by EU regulations, representatives of the partnership are members of the Monitoring Committee. First of all, a representative of the National Association of Sicilian Municipalities with the right to vote will participate in the Monitoring Committee. In addition, two representatives of the institutional partnership with advisory role and no right to vote, one for Sicily (University of Catania) and one for Malta, a representative of the socio-economic partnership (National Association of TCI for Italy) and one of the third sector (Third Sector Forum for Italy) for each Member State are involved in the work of the Monitoring Committee. In total, therefore, the three types of partners provided for by the regulations were represented, assigning a greater role, not merely advisory, to the representatives of the city authorities.

Regarding the identification of the more representative relevant partners, it should be noted that thanks to the protocol on the policy of consultation between the Government of the Sicilian Region and the Economic and Social Parties, adopted with "Giunta Regionale" (regional government team) Deliberation No. 207 of 31 May 2007, amended with The Resolution of "Giunta Regionale" No. 146 of 17 June 2014, a Table of the Partnership has been established, which has among its responsibilities the election of its representatives to the Monitoring Committees of operational programmes relating to European Funds, taking into account the indications of the Managing Authorities of Operational Programmes and the degree of representation, alternation and competence in the sector. Compared to the set of objectives identified by the CP, the participation of the University of Catania appears to guarantee a competence in the field of research and innovation, while the issues related to the promotion of sustainable employment and environmental protection do not appear to be handled. It also seems to confirm what emerges from studies carried out by the European Union<sup>14</sup> on the prevalence of public sector and research partners and the difficulties in involving partners of the economic and social partners and civil society.

Participation in the implementation, however, was guaranteed by the prediction in the call for proposals of the possibility of having the associated partners, i.e. stakeholders in relation to the objectives of the project that do not receive CP funding, participate in the operations. As part of the second call for proposal, for example, associations representing the economic and social partners were found to have participated as associate partners.

With specific reference to the participation of the partnership in the work of the Monitoring Committee, as written in its minutes and in the annual implementation report it emerges that the partnership is involved in assessing the effectiveness of the implementation of the programme, as required by Article 16 of Regulation (EU) No.240/2014 and in the preparation of the annual implementation report, as required by Article 15 of Regulation (EU) No.240/2014, although no specific details of the activities are given on time. The Minutes of

---

<sup>14</sup> European Union (2016). Implementation of the partnership principle and multi-level governance in 2014-2020 ESI Funds. The study is available at the following link:  
[https://ec.europa.eu/regional\\_policy/sources/policy/how/studies\\_integration/impl\\_partner\\_report\\_en.pdf](https://ec.europa.eu/regional_policy/sources/policy/how/studies_integration/impl_partner_report_en.pdf)

the Monitoring Committee also show that the partnership has intervened on specific issues relating to the selection of operations on SO 1.1 and 2.2 of the programme, and more specifically the exclusion of certain categories of beneficiaries (see minutes 4 April 2019).

The analysis of DMCS and the audit trails, on the other hand, would show that with reference to the notices for the selection of operations, the COO, following the preparation of the calls and prior to the convening of the Executive Committee for the approval of the notice, requires the activation and convocation of the technical table of the socio-economic and institutional partnership. This would ensure the participation of partners in the preparation of the calls for proposals. From interviews with members of the Joint Secretariat, however, show that there is no contribution from this technical table to the improvement of call for proposals or a limited ability to actively participate in the processes.

Overall, although mechanisms are in place for the involvement of the partnership in the implementation of the programmes in line with the guidelines of the European Code of Conduct on Partnership, these mechanisms do not appear to be effective and have a significant impact on the improvement of the implementation and management mechanisms associated with the pursuit of the programme's objectives. In part, this situation is determined by the process by which the representative actors of the partnership were selected, which could be revisited in the new programming cycle in order to increase representation in terms of numbers and in terms of the ability to actively participate in processes. In part, it has to be noted also a limited interest of a part of the partnership in participating in the analysis of technical elements, which are often defined by regulations and rules and for which it would perhaps be more appropriate to collect the comments and proposals of the beneficiaries of the previous call for proposals. The limited interest of certain types of partners can also be derived from the list of participants of the info days of the first call for proposal where there is a significant presence of representatives from the research world, such as universities and research centres, and to follow representatives of public administrations, while there is a limited participation of representatives of the social and economic partners and civil society.

In order to further encourage the participation of the partnership, it could be taken into account the opportunity to define from the outset an information/consultation/participation plan agreed with the different actors of the partnership for the implementation and evaluation phases of the programme that contains the objectives of these activities and times and which focus on specific elements, such as evaluation criteria.

*Are programme-level decision-making mechanisms clear, transparent and efficient?*



The decision-making mechanisms adopted for the implementation of the programme are clearly and timely explained in the programme's management documents. The transparency of the mechanisms and decisions is ensured through the publication on the Programme and Managing Authority websites of the Documentation relating to the implementation of the programme, the synthesis of the decisions taken by the different bodies and the decrees taken by the MA. In general, decision-making mechanisms and procedures appear efficient, but the current allocation of expertise to the Executive Committee can be recalibrated in order to increase the functionality of the operations selection mechanism.

#### *5.4 The decision-making mechanisms adopted in the programme*

The decision-making mechanisms of PC Interreg V-A Italia-Malta are primarily in response to the forecasts contained in EU regulations No.1303/2013 and (EU) n.1299/2013 that identify the bodies responsible for making the main decisions relating to the management of the programme. The decision-making mechanisms are defined in paragraph 5.3, "Summary description of how to manage and control" the programme, which describes the main decision-making responsibilities attributed to the different structures that make up the programme management system. The explicitness of the mechanisms then takes place within the framework of DMCS, which clarifies in detail how the main decisions relating to the implementation of the programme are taken.

The main decisions taken by the Monitoring Committee are clearly defined by Article 110, Paragraph 2 of Regulation (EU) No.1303/2013 and Article 12 of Regulation (EU) No. 1299/2013 and relate to: a) the methodology and criteria used for the selection of operations; b) selection of operations; (c) annual and final implementation reports; (d) the evaluation plan; (e) the communication strategy; (f) any proposed changes to the programme submitted by the Managing Authority.

The Managing Authority, on the other hand, is responsible for operational decisions on aspects such as financial management and control of the operations selected by the Monitoring Committee, as required by Article 125 of Regulation (EU) No.1303/2013. These decisions relate, for example, to the actions to be taken for the implementation of the programme, the eligibility of expenses, the change in the budget of operations, the suspension or the total or partial withdrawal of operations.

Regulation (EU) No.1299/2013 does not define the responsibilities of the Executive Committee in a timely manner but provides under Article 12 for the *selection of operations* that the Monitoring Committee may establish an "executive committee acting under its responsibility for the selection of operations". As part of the responsibilities foreseen in the programme, the Executive Committee is also given the activities of proposal of the criteria to be adopted for the selection of projects and the activities of the preparation of the guidelines for the implementation of the programme, which defines the methods in which the presentation, investigation and monitoring of projects and the programme are defined, activities that Article 125, paragraph 4 of the Regulation (EU) n.1303/2013 assigns to the Managing Authority. As foreseen in DMCS, it is also assigned to the Executive Committee to examine any modification proposal of approved projects, except for budget changes below 10%, and to pass on to the Monitoring Committee the proposal to approve these changes.

With regard to the principle of transparency, documents which show the choices taken by the programme's management bodies, such as the list of eligibility of project proposals, the rankings of the operations supported by the programme, the summary of the decisions taken by the Executive Committee and those taken by the Monitoring Committee, are published in the web site of the INTERREG V-A Italia-Malta PC. In addition, it seems appropriate to point out that in general the decisions taken by the different bodies are translated into management decrees, issued by the Managing Authority which are published on the web site of the Regional Department of Programming under Article 68, paragraph 5, of the Regional Law 12 August 2014, n.21. The

publication of such documents, as well as executive decrees, are a guarantee of transparency to the implementation processes of the programme.

In examining the efficiency of the main decision-making mechanisms adopted by the programme, it seems appropriate to focus instead on the different contribution that the Managing Authority structures and the Executive Committee ensure to the formation of decisions relevant to the implementation of the programme: approval of selection criteria, approval of notices for the selection of operations, approval of rankings of operations eligible for the support of the programme, approval of changes of operations. The examination of the procedures clearly shows the decisive role of the Joint Secretariat, which intervenes in the formation of the main decisions relevant to the implementation of the programme, supporting the different decision-makers of the programme. The main decisions on the implementation of the programme are given the main decisions on the implementation of the programme because of the peculiarities of the cooperation programmes and the provisions contained in the EU regulations. From the analysis of the procedures, on the other hand, a partial shift of powers from the Managing Authority to the Executive Committee and a partial delegation of project selection activities from the Monitoring Committee to the Executive Committee, which would seem to generate a burden of decision-making mechanisms.

In particular, Regulation 1303/2013 provides that it is the Managing Authority that identifies the selection criteria and the Monitoring Committee to approve them. In the case of CP Interreg V-A Italia-Malta, DMCS has provided that the Executive Committee propose to the Monitoring Committee the selection criteria and draw up the guide for the implementation of the programme, with the support of the Joint Secretariat, which describes the selection criteria and '*defined the sub-criteria for selecting projects*'. The decision-making mechanism resulting from the procedure appears to lead to a shift of powers from the MA to the Executive Committee, resulting in an intermediate step in approving the criteria that could be eliminated to ensure a greater speed of decision-making processes.

In the definition of notices, it is the responsibility of the COO to prepare calls for the selection of operations, with the support of the Joint Secretariat, given that Regulation (EU) 1303/2013 gives MA the task of developing procedures for the selection of operations. The draft call must then be submitted to the technical table of the socio-economic and institutional partnership and finally approved by the Monitoring Committee. Finally, downstream of the procedure, a *Decreto Dirigenziale* (Directive Decree) of the Planning Department intervenes, approving the notice and appointing the person responsible for the proceedings. In the first notice published by the CP, the time period between the draft notice proposal and the approval of the Monitoring Committee is minimal: the written procedure for the approval of the first notice was started on 29/07/2016 and ended on 25/08/2016. It should also be noted that the programme was approved by decision C (2015) 7046 of 12 October 2015 and that all the preparatory requirements for the selection of operations had to be put in place. The second notice, however, was approved by the Monitoring Committee on 4 April 2019, despite the fact that a different timeline had been agreed between MA and MC, with a deferral likely made necessary by the MA's commitment to the spending targets to be guaranteed for the 2018 annuity.

In the procedures for selecting operations, which are in the responsibility of the Monitoring Committee under Article 12 of The Regulation (EU) 1299/2013, it is up to the Joint Secretariat to evaluate the proposals and propose a ranking accompanied by a technical evaluation report. The ranking proposal is then verified by the Executive Committee, which then proposes to the Monitoring Committee a final ranking of the operations that can receive the support of the program. The final decision on the operations is then taken by the Monitoring Committee. Finally, the procedure is concluded with a *Decreto Dirigenziale* (Directive Decree) of the Department of Programming that ratifies the rankings approved by the Monitoring Committee.

On this decision-making mechanism, negative judgments emerged in the context of the questionnaire submitted to the proposers and beneficiaries of the cooperation programme. The results of the questionnaire, in particular, show that the timeframe for the decision on the admissibility of proposals and the financing of the proposal should be improved, given that in the first case 44% of respondents rated bad or poor, while in the second case 51% of respondents had bad or poor judgment.

It seems appropriate to represent that, compared to what Article 12 of Regulation 1299/2013 provides for, there has been a delegation that is not full of responsibility in contrast to other cooperation programmes, such

as Interreg V-A Italy-Switzerland 2014-2020, in which the Monitoring Committee is involved in the decision on the selection of operations where no consensus is reached on the eligibility of projects and/or on the approval of the ranking for selection. At the same time, other cooperation programmes, such as the *Northern Periphery and Arctic Cooperation Programme 2014-2020*, should not be represented by the selection of operations to an Executive Committee. Interviews with members of the Monitoring Committee show the complexity of examining the evaluation grids for each individual project proposal, verifying that the Executive Committee's proposed decision is conscientious, fair and impartial. In addition, it has to be highlighted the difficulty of identifying members of the Monitoring Committee who have no connection to the projects being evaluated. In order to make the decision-making mechanism for selecting operations simpler and more efficient, it would therefore be desirable to recalibrate the current system of delegation of powers from the Monitoring Committee to the Executive Committee. Another solution that would emerge from interviews, instead, relates the possibility of having the evaluation of proposals carried out directly to the Executive Committee, relieving the Joint Secretariat from this activity.

Table 17: Answers to the question "In relation to the last notice in which you participated, how do you assess the time for the decision on the eligibility of the project?"

Judgment	Number	%
1 – Bad	8	18,6%
2 – Poor	11	25,6%
3 – Mediocre	12	27,9%
4 – Good	11	25,6%
5 – Very good	1	2,3%
	43	100,0%

Table 18: Answers to the question "In relation to the last notice in which you participated, how do you assess the time for the decision on the financing of the project?"

Judgment	Number	%
1 – Bad	9	20,9%
2 – Poor	13	30,2%
3 – Mediocre	10	23,3%
4 – Good	6	14,0%
5 – Very good	5	11,6%
		100,0%

In the case of project changes that take place after the approval of the operation by the Monitoring Committee, it is expected that where such changes affect budget changes of no more than 10%, they are approved by the Managing Authority, while in all other cases it is necessary to examine by the Executive Committee and then an approval by the Monitoring Committee. For this procedure too, considerations apply to the possibility of simplifying the mechanism that leads to the decision of the Monitoring Committee and involving the Executive Committee.

Overall, therefore, the decision-making mechanisms at the programme level appear clear, transparent and sufficiently efficient. It is suggested, however, to consider the new planning cycle to recalibrate the allocation of the powers of the Executive Committee in order to increase efficiency in the process of selection of operations.

## 6. Effectiveness analysis, in terms of the Programme's ability to achieve expected results with particular reference to Performance Framework targets

*To what extent does the Programme appear capable of achieving the final targets of the result indicators? What are the main risks that could affect their achievement?*



The evaluation is not uniform in relation to the entire operational articulation of the Programme. In Axis 1, the absence of applications in Call 2 determined an expected result limited to what was already produced by Call 1 and, hence, not in line with the achievement of the CP 2023 target. For Axis 2, the expected value is higher than the 2023 target for the indicators of both Specific Objectives, with the exception of indicator 2.1b aimed at measuring new induced employment. For Axis 3 indicators, the expected result is strongly higher than the 2023 target for both SO 3.2 and SO 3.1, but only for the indicator of effects on the marine environment, while the indicator applied to the Earth's environment, after both Calls, remains below the 2023 target.

In the COVID 19 emergency scenario, the implementation of the CP is affected by the elements of uncertainty and risk factors that involve the entire programming cycle of the ESI Funds; a more specific risk can be linked to the implementation mode of the two Calls "*multiaxis and multi-measure*" and the resulting timing, which impose a tight implementation of the project and, before that, the occurrence of the selective choices and financial maneuvers carried out on Call 2, still in the process of realizing

### 6.1 Comparison of expected results and 2023 targets of result indicators

An effectiveness analysis of the CP implementation, which is still ongoing, expresses considerations typically present in ex-post assessment exercises, including in the formulation of the question ("*appears as able to achieve*") as a kind of anticipation on a presumptive basis to some extent. Preliminary specifications on objects and modes of observation are therefore required. The essential methodological approach that is adopted is to correlate the expected effects at the time of the analysis to the Programme's resources at the same time invested in its operative organization.

The proposed method essentially results in a structured progress check on the CP Investment Strategy Overview and, therefore, focused on the correlation between available resources and expected effects, expressed by the CP's result indicators. This approach is more profitable, in light of the given information, than the other choice to focus the analyses on the progress of the indicators in the monitoring system of the Programme, which presents values dating back to 2018, in accordance with, on the other hand, the expected monitoring deadlines.

The comparison between resources and associated indicators, starting from the financial framework and the 2023 targets, weighing allocations and uses of the selection phases (as ERDF support granted), gives a theoretical index of the expected effects in line with the expected investment (budget of the call), which is subsequently compared to the expected actual result, i.e. derived from the funded operations.<sup>15</sup>

The articulation and succession of analyses is not only motivated by the focus of the two following implementation deadlines considered (Call 1 Call 2) but also by the different degree of detail and reliability of the available data, as will be illustrated in reference to each of them.<sup>16</sup>

<sup>15</sup> Given the purpose of the analysis, the schema shows resources and indicators of the PC's "operational" axes (1-3)

<sup>16</sup> The values of the indicators expected by the projects are taken, for Call1, from the physical initialization sheet of the project, available on the Ulysses CP monitoring system; for Call2, the project result indicator framework was made available by the JS.

Table 19: Summary of the Overview of the CP Investment Strategy (ERDF Support - Indicators and Target) comparison between financial and physical progress of the CP – Call1

SO/A xis	Budget (ERDF support)		Expected financial progress (3) (2) / (1)	Uses Call 1 (EDF support) (4)	Actual financial advancem ent (5) (4) / (1)	Result indicators (Unit of Measure Description)	Target 2023 (6)	Theoretical Target for Call 1 budget (7) = (6) * (3)	Theoretical Target for Call 1 uses (8) (6) - (5)	Actual Target Call 1 (9)	Index "actual on budget" (10) (9) / 7	Index "Actual on Uses" (11) (9) / (8)
	CP (1)	Call 1 (2)										
1.1	13.185.651	8,849,195*	0,67	8.849.195	0,67	1.1 Enterprises which adopt technologies and innovative services created and/or enhanced at crossborder level (n)	100	67	67	39	0,58	0,58
<b>1</b>	<b>13.185.651</b>	<b>8.849.195*</b>	<b>0,67</b>	<b>8.849.195</b>	<b>0,67</b>							
2.1	4.496.869	4.000.000	0,89	2.539.766	0,56	2.1a - Enterprises which engage in crossborder commercial activities (n)	12	11	7	14	1,27	2,00
						2.1b - New employees of active enterprises in intervention fields: safeguarding the environment and the quality of life and citizens' health (n)	20	18	11	12	0,67	1,09
2.2	2.975.000	1,309.369	0,44	541.582	0,18	2.2 - Workers participating in cross-border mobility initiatives (n)	100	44	18	20	0,45	1,11
<b>2</b>	<b>7.471.869</b>	<b>5,309.369</b>	<b>0,71</b>	<b>3.081.348</b>	<b>0,41</b>							
3.1	11.369.651	11.369.651	1,00	2.914.588	0,26	3.1a - Protected marine sites and areas that develop joint actions for the biodiversity protection (sq km)	100	100	26	100	1,00	3,86
						3.1b - Protected terrestrial sites and areas that develop joint actions for the biodiversity protection (sq km)	150	150	39	4	0,03	0,10
3.2	8.925.000	8.925.000	1,00	7.126.148	0,80	3.2 - Area monitored by cross-border technological systems (sq km)	23.750	23.750	19.000	61.355	2,58	3,23
<b>3</b>	<b>20.294.651</b>	<b>20.294.651</b>	<b>1,00</b>	<b>10.040.736</b>	<b>0,49</b>							
<b>Tot. 1-3</b>	<b>40.952.171</b>	<b>34.453.125</b>	<b>0,84</b>	<b>21.971.279</b>	<b>0,54</b>							

Re-determined budget following decision by the CP Monitoring Committee

### 6.1.1 Expected values following Call 1

The data in Table 19, which analyzes the physical and financial implementation progress following Call 1, is taken from the CP's Ulysses monitoring system. The i.e. actual targets, coming from each monitored project, are taken from the physical initialization sheet of each of them and can be considered qualitatively validated. The evaluative conclusions drawn about the CP's ability to achieve the expected results, even if carried out on the basis of data from the monitoring system, and therefore solidly supported, should, however, be considered partial and referred, strictly, to the potential effectiveness of the implementation, and therefore subordinated to the full and timely implementation of the operations that have found financing in the resources of Call 1.

Although spelled out in the table legend, it is appropriate to point out that the actual Target of the Call (col. 9) represents the actual expected results mentioned above, which are derived from the sum of the result indicators of the projects eligible for financing and that the theoretical targets, to which the actual is related to the construction of the indices (columns 10 and 11), are derived, in proportion to the budget allocation and use of the Call, from the Target 2023 of the CP.

SO 1.1 presents the particularity, reported in the note, of an increase in its budget authorized by the Monitoring Committee in order to proceed with the financing of No.3 projects evaluated positively but which did not find coverage in the original budget allocation. The increase of about 30%, compared to this, allows to detect a greater financial progress of implementation than initially planned by activating Call 1. In terms of quality, if the increased financial progress achieved is due to a particular quality of the percentage proposals, this would be an element of assessment – albeit indirect – in favour of the very effectiveness of the implementation of SO 1.1.

The verification of the indices arising from the ratio of theoretical targets attributable to indicator 1.1 in relation to the budget and the actual allocation of resources – data that in this case coincide due to the financial redetermination ex post mentioned earlier – shows that the value that the target of the i.e. actual indicator expressed by all projects eligible for financing, amounts to 58% of the theoretical target. Since it is not possible to determine, from the available sources, the actual target figure before the remodulation of resources, it cannot be concluded in the sense of an increase in effectiveness related to that made on the investment carried out.

The analysis in relation to SO 2.1 is more complex, not only because of the presence of two associated result indicators but also because of the complexity and indeterminacy of causal links that are often found in the treatment of indicators relating to general *policy* and specific IP, especially on the effects side in terms of new employment.<sup>17</sup>

Budget allocated to Call 1 is absolutely consistent (89%) compared to that of total SO, determining proportionally consistent theoretical targets in the two indicators; the financial absorption, on the other, is significantly lower (56% of the total budget). In terms of expected physical progress, the theoretical targets between those attributable to resources and those for use are decreasing. On the other hand, the analysis of the expected actual targets for eligible projects shows values higher than those that should have occurred in presence of the financial progress. The i.e. actual target of indicator 2.1a, in particular, is higher not only than the theoretical target expected in relation to the budget of the Call1 but also than the 2023 target of the entire CP. In relation to the expected effects on the basis of the reduced financial absorption, the expected result of the Call shows exactly double the potential effectiveness.

The expected trend of indicator 2.1b is less than the theoretical trend attributable to the OS budget in Call1 but is also greater than the theoretical trend of the uses activated by Call, although not comparable to the previous indicator treated.

In the SO 2.2 analysis, the worries about the expected effects on the HR policy objective are even more evident than the SO 2.1 not previously reported. Even more important is the low financial absorption of the SO budget, with an effective financial progress resulting from the budget of the only project eligible for funding, equal to

<sup>17</sup> Investment priorities 3.a) promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas.

18% of the SO's budget in the CP financial framework, compared to 44% made available in The Call, which is already lower than the other resources available for SO.

In this context, the trend of the 2.2 indicator targets is also in line with what was observed in the previous case of indicator 2.1b, with a sharp reduction in the actual expected value in relation to the expected value on the Call1 budget but more than 10% higher than theoretically expected on the basis of financial uptake.

On Axis 3, the investment choice made through Call 1 is made by the availability, for both specific objectives 3.1 and 3.2 of the entire budget of the Programme financial framework, with a distinctly diversified response in terms of financial uptake. While SO 3.2 shows a level of uses equal to 80% of the budget – the highest in Call 1 – for SO 3.1 there is a percentage of financial uptake just over a quarter of the budget.

The trend of theoretical and actual targets that indicate a deepening of the analyses and can lead to some timely evaluation considerations is also diversified. In the presence of the reduced financial uptake of the SO, indicator 3.1a shows an actual value equal to the theoretical target for the budget and therefore, as reported above, to the 2023 target of the CP. Compared to the theoretical target for resources delivered, the performance is obviously even more impressive, as the expected value is about four times higher (386%). On the other hand, for indicator 3.1b there is an expected actual target of the projects financed absolutely low compared to the expected target for the budget and for the CP, and little more incident than that expected in relation to the uses of Call1. These obvious discrepancies suggest that the assessments that will be more fully devoted to the effects of the CP are distinct in relation to the two types of SO Actions and the possible project initiatives activated for each.

In addition to the relatively better performance in terms of financial uptake, SO 3.2 has theoretical and actual target values very similar to the previous case of indicator 3.1a: the actual value is equal to the theoretical target for the budget and the 2023 target of the CP and therefore higher in relation to the theoretical target for the resources provided (323%). Again, from the trend of the indicator targets, there is an opportunity for some analysis insights. The reading of the post-Call 1 CP implementation documents shows that the OS's outputs focus on indicator 3.2.1 for pilot measures at the expense of indicator 3.2.2 powered by the use of ICT instrumentation for risk monitoring. This discrepancy is therefore assumed as a factor of choice for the guidelines of the next *targeted* call.

As far as the expected and actual targets of Call 1 have been noted, the main evidence at the Axis level can be summarized at this point. For Axis 1, consisting of the only SO 1.1, of course, the above considerations in relation to this apply.

Axis 2 achieved the lowest overall financial progress as a result of Call 1 and, with regard to the performance of the result indicators, a significant weakness in those relating to new workers and workers participating in cross-border mobility initiatives. Regarding this, it is to be noted the absence, among the indicators of implementation, of those that foresee involvement and/or relationship between people. It should be pointed out that the critical issues highlighted, however, are not at all solely of the CP but they apply to the *policy* in general and occur as assessment findings common to all intervention instruments taken into account.

With regard to Axis 3, on which Call 1 made a choice of total investment of the CP's resources, the considerations are clearly characterized by the discrepancy in the performance of the uses achieved in relation to the two Specific Objectives (26% of the budget for SO 3.1 against 80% of SO 3.2). In contrast, the actual targets of the results indicators from the financed operations, in two out of three cases, are not equal to or higher than the 2023 target of the CP.

The particular, accentuated inadequacy of the expected target for indicator 3.1.b (related to protected land areas and sites) has motivated an evaluation study about the consistency of the indicator adopted at the identification, on a quantitative basis, of the effectiveness of the CP. In a nutshell, from the analyses and comparisons carried out, it has been found that the effects of the interventions are still more present and appreciable in reference to the sites and marine areas, that explains the strong performance of the indicator 3.1.a, than to the sites and land areas, even coastal, subject to intervention. The inadequacy of the data detected, although still partial, is, in fact, as a corollary of the cross-border particularity of the CP, determined by the separation/connection of the sea between the two island systems.

Finally, looking at the overall data, it is deduced that Call 1, with regard to the results indicators 2.1a, 3.1a and 3.2, has activated a physical progress of the CP proportionally higher than the financial progress achieved, in this showing that it is able to reach the 2023 targets without further implementation deadlines, except for the actual implementation of the projects financed by the respective Specific Objectives.

Table 20: Summary of the Overview of the CP Investment Strategy (ERDF Support - Indicators and Targets) comparison between financial and physical advancement of the CP – Call 1 and Call 2

OS/A xis	Supplied (EDF support)		Financial Advanceme nt Call 1 (3) (2) / (1)	Remaining PC equipment (FESR support) (4) (1) – (2)	Supplied Call 2 (5)	Result indicators (Unit of Measure Description)	Target 2023 (6)	Actual Target Call 1 (7)	Actual Target Call 2 (8)	Expected value Call 1 - Call 2 (9) (7) ) (8)	Index Expected Value on Target 2023 (10) (9) / (6)
	Pc (1)	Uses Call 1 (EDF support) (2)									
1.1	13.185.651	8.849.195	0,67	4.336.456	3.400.000	1.1 – Enterprises which adopt technologies and innovative services created and/or enhanced at cross-border level (n)	100	39	0	39	0,39
<b>1</b>	<b>13.185.651</b>	<b>8.849.195</b>	<b>0,67</b>	<b>4.336.456</b>	<b>3.400.000</b>						
2.1	4.496.869	2.539.766	0,56	1.957.103	0	2.1a - Enterprises which engage in cross-border commercial activities (n)	12	14	0	14	1,17
						2.1b - New employees of active enterprises in intervention field: safeguarding the environment and quality of life and citizens' health (n)	20	12	0	12	0,60
2.2	2.975.000	541.582	0,18	2.433.418	2.416.495	2.2 - Workers participating in cross-border mobility initiatives (n)	100	20	236	256	2,56
<b>2</b>	<b>7.471.869</b>	<b>3.081.348</b>	<b>0,41</b>	<b>4.390.521</b>	<b>2.416.495</b>						
3.1	11.369.651	2.914.588	0,26	8.455.063	8.455.063	3.1a - Protected marine sites and areas that develop joint actions for the biodiversity protection (sq km)	100	100	4.581	4.681	46,81
						3.1b - Protected terrestrial sites and areas that develop joint actions for the biodiversity protection (sq km)	150	4	0,40	4,40	0,03
3.2	8.925.000	7.126.148	0,80	1.798.852	1.798.852	3.2 - Area monitored by cross-border technological systems (sq km)	23.750	61.355	23.473	84.828	3,57
<b>3</b>	<b>20.294.651</b>	<b>10.040.736</b>	<b>0,49</b>	<b>10.253.915</b>	<b>10.253.915</b>						
<b>Tot. 1-3</b>	<b>40.952.171</b>	<b>21.971.279</b>	<b>0,54</b>	<b>18.980.892</b>	<b>16.070.410</b>						

### 6.1. 2 *The expected values of the indicators resulting from Call 2 and the overall progress of implementation*

Also in reference to Call 2, the physical and financial progress data analyzed, reported in table 20, must be accompanied by some preliminary warnings about their source and solidity. The comparison is made, in fact, on the basis of the Technical Assessment Report that accompanies the proposal of rankings related to Call 2 and therefore, taking for valid the admission to financing "on condition" of the project proposals that have obtained the minimum scores required in both strategic and operational evaluation, with a budget re-determined as a result of financial remodulation. The construction of the comparison framework results from the application of this condition, subject to the authorisation, by the Monitoring Committee, to use the ERDF quota of EUR 3,400,000 originally allocated to OS 1.1 (on which no project has been submitted) for the financing of all the project proposals validly included in the SO 2.2 ranking.

The "actual" targets of the indicators are determined from the values assigned to the project proposals in the Consistency Tables of the Technical Assessment Report, not processing specific theoretical targets for allocations and uses that, in the state, result from being redefined as a result of the application of the conditions for the proposed implementation and in the process of authorization.

In the absence of project proposals in Call 2, and therefore with void value of the expected target, the value of indicator 1.1 would be, again on condition of the actual implementation of the CP, 39% of the 2023 target. In addition to the emphasis on the reduction in the Axis budget, there are no further quantitative indications beyond those made on Call 1, except because of the note, contained in the Technical Assessment Report, which connects the poor "pull" of the SO/Axis mainly to the loss of the expected project and implementation contribution by institutionally relevant beneficiaries.<sup>18</sup> This cue, in addition to the causal factors of CP efficiency, would be worthy of further study in other evaluation areas as well.

The expected target data, both for the assumed value and for the persistence between the first and second Call, directs the conclusion towards the insufficient achievement of the results compared to those provided by the CP Investment Overview, in terms of both financial progress (hence the proposal to reverse resources) and physical progress.

For SO 2.2 and the associated result indicator, Call 2 has allowed a clear increase in effectiveness (always reiterating the forecast connotations that the analyses had to assume). The financial absorption would be higher than the original allocation of the Call, hence the proposal for reallocation of resources highlighted above, while the expected value of the result indicator would far exceed, more than doubling, the 2023 target of the CP. Also from the Evaluation Technical Report of Call 2 is extracted the additional notation that the admission to funding of positively assessed projects "would, among other things, ensure the achievement of the CO43 output indicator "Number of participants in cross-border mobility initiatives" provided for Axis I with a target of 200 people that could be rescheduled to the value of Axis II".<sup>19</sup>

With regard to the Axis as a whole, the general ratio of the manoeuvre proposed to the MC in relation to Call 2, aims to achieve financial targets and would reach expected results above the 2023 target for the 2.1a indicators – this already resulting from Call 1 – and 2.2, for the decisive contribution of the second Call. Critical issues or inadequacies in achieving results on the strategic direction of innovation-employment – declined in both Axis 1 and 2 and here expressed by indicator 2.1b – although to be noted in reference to the effectiveness of the implementation, can not be assumed and considered as evidence peculiar to the CP, as has already been specifically observed referring to the first Call outcomes.

With regard to 02/2019 notice allocation, the outcome of the selection of Call2 would allow the admission to financing of all project proposals validly placed in the ranking of SO 3.1. In the face of a 2023 target already fulfilled with the expected target of Call 1, indicator 3.1a shows an expected final value of the implementation such that the final ratio is several times multiple times the CP forecast, even if to the data of the Consistency

<sup>18</sup> Technical evaluation report - Public notice 2/2019 "targeted call" for the presentation of cooperation projects with "One step" procedure to apply to priority axes I, II, III of the INTERREG V – Italy Malta programme.

Version 1 of 04/15/2020 page 11

<sup>19</sup> Ibidem

Table of the Report lacks the contribution of a project that did not express to a result indicator "*consistent with the program result indicator*".<sup>20</sup>.

Indicator 3.1b - Protected terrestrial sites and areas that develop joint actions for the biodiversity protection, in line with what was noted in Call 1, confirms a significant weakness regarding the achievement of the 2023 target. The response from projects, which one project proposal provides as an exclusive effect and a second as partial, slightly changes the overall expected target of the entire implementation of the CP, which does not reach the percentage point of the goal. If we consider at the same time that the second Call, at the SO level, operates a significant realignment between target and progress in financial terms, the response on indicator 3.1b is to be assessed even more insufficient in the *performance* detected. In relation to Call 1, however, some considerations had already been anticipated as to whether the adoption of two separate indicators, relating to marine and terrestrial environments, could be enough consistent to represent the effectiveness of the action.

For SO 3.2, target achievement of the associated result indicator was fully guaranteed - and exceeded - by the expected target of Call 1, further increased by that of Call 2. The evaluation considerations for Axis 3, based on the data and comparisons available during implementation, therefore go in the sense of a strong ability to achieve the expected results; it is appropriate to suggest that, in the subsequent, carried out ex post assessment of the effects of the CP, the analyses should be conducted at a level of specification and detail of output and result indicators more adherent and significant in relation to the plurality of Actions that can be activated by the SO.

### 6.1.3 Expected results, 2023 targets and risk factors in their achievement

Assessment questions previously issued are succinctly acquitted through following conclusions.

Given the occurrence of the conditions placed on the actual and timely implementation of both the Call, having different procedural progress, and given that the implementation status is in *progress*, the Programme appears to be able to achieve in different levels the final targets of the indicators:

- insufficient, actual overall for the one associated with SO 1.1 and the corresponding Axis, for which a proposal for a reduction in spending targets is made. Even in relation to the allocation actually invested, the expected target, resulting only from the value achieved with Call 1, shows an index of effectiveness (expected results/resources used) lower than the reference one, determined by the original ratio between allocation and target in the Overview of the PC Investment Strategy;
- variable, referring to S.O. 2.1, which, although not receiving any further investment from Call 2, shows an expected value above the 2023 target for the 2.1a indicator for companies; on the expected value of indicator 2.1b relating to the new linked employment, on which the evaluation considerations on effectiveness are to be extended from the broader scope of the overall *policy* and the OT 8;
- exceeding broadly the 2023 target of the result indicator associated with the CP's SO 2.2, where the contribution of *the targeted* Call 2 not only recovered the *gap* occurred at Call 1 but motivated the request for additional resources from the Axis 1 allocation, which modifies the original data of the CP's financial framework in terms of available and used resources and the consequent comparison with the expected targets;
- increasing the expected value already above the 2023 target, after Call 1 and thus exceeding it widely, for the indicator 3.1a while the indicator 3.1b, similar to the previous but applied to the terrestrial environment rather than marine, has no significant increase and appears strongly insufficient;
- strengthening the *performance* yet granted from the implementation of the project proposals of Call 1 and achieving an expected value several times higher than the 2023 target, with the

<sup>20</sup> Ibidem p.17

contribution of those admissible to financial support "*under condition*" by Call 2, with regard to the result indicator associated to 3.2 S.O.

Given methods and deadlines adopted for the selection and implementation phases of the projects eligible for funding, diversified between Call 1 and 2, the conclusions on the main risks that could affect the achievement of the targets, have already been anticipated highlighting the conditions laid for proceeding with the determination of the databases and reiterating several times the widely provisional nature of evidences on these made.

The implementation of the CP, already in progress for projects eligible for funding in Call 1 and still to be started for those positively selected in Call 2, in the context in which the evaluation operates, faces some elements of uncertainty - and therefore risk - both in the general context and in the procedural progress of the CP.

With regard to the first aspect, it would be unnecessary to repeat considerations carried out in many larger locations about the impacts of the COVID 19 emergency on the entire framework for the implementation of the ESI in the current phase of the 2014 – 2020 programming period. On the other hand, it should be noted that the MA, on the basis of the new regulatory provisions of Parliament and the European Council, promptly issued timely operational guidance to the beneficiaries of the projects financed under Call 1 for the continuation and conclusion of the project activities in the phase linked to the restrictions caused by the emergency, using the specific measures aimed at providing exceptional flexibility in the use of ESI Funds.<sup>21</sup> Through the proposed instruments of the extension of the project's conclusion, the use of any savings for activities not compatible with the restrictions due to the epidemic and the admissibility of actions, vice versa, i.e. "*COVID oriented*", it can be assumed that organizationally functional measures have been taken to reduce the risk, even if – also – to be checked about the timing and effectiveness of their activation. These adaptations and the further implementation developments that the CP can achieve can be decisive in its final and overall effectiveness.

The most specific risk to achieving the 2023 targets, where the expected results, expressed by the associated indicators, have been above determined as equal to or higher than them, is related to the choices of the selection and admission process to the financing of Call 2 project proposals. The proposals contained in the Technical Assessment Report, oriented to the full achievement of the financial objectives of the CP, at the time of the formalization of these evaluation notes, have not been adopted by the Monitoring Committee and cannot be considered definitive or analyzed in their organization in final budgets of projects and, consequently, in uses allocated for SO and Axis. For Axis 1, listed in the only SO 1.1, and for SO 2.1, not included in *the targeted* Call 2, whose data are not liable to further progress, the risk analysis is reduced to the assumptions and warnings already pronounced for the implementation of Call 1. On these operational organizations of the CP there are elements made for an evaluation reflection on the hold of the underlying logical framework, in the sense - especially for Axis 1 - of the requirements – actions – effects correlation.

---

<sup>21</sup>MA Circular No.01/2020 of 05/05/2020 - INTERREG Cooperation Programme V – A Italy-Malta – operational guidance for extensions of projects call 01/2016 and proposition of COVID oriented actions

To what extent has the Programme achieved the intermediate targets set by the Performance Framework? 

The values of the PF output indicators resulting from the observation of data till 2018 appear largely in line with the target – not significantly lower in two cases, even higher in as many – against heavily insufficient financial indicators, with a negative peak of Axis 2 showing a value of 6.3% of the target.

The overall assessment of the effectiveness of the implementation against the 2018 targets is essentially poured on the next, specific analysis of the CP's financial progress.

## 6.2 The progress of implementation in analysing the intermediate (and final) targets of the PF

The functionality of output and financial indicators in the *Performance Framework* (PF) of the Programme for the detection of the effectiveness of its implementation, through the verification of the achievement of intermediate and final targets, is based on the assumption that identified and measurable achievements and declared expenditure are more temporally immediate effects and less susceptible to market distortions or other public policies, compared to expected results.

The following Table 21 shows the Implementation Framework, which contains 6 output indicators and 3 financial indicators. For the former, the data entered are derived:

- for intermediate and final targets from the original CP forecasts;
- for the 2018 Value from the 2018 Annual Implementation Report<sup>22</sup>;
- in the Expected Value 2023, finally, from the sum of the data contained in the physical initialization sheet of projects eligible for funding with Call 1 and the value of the same indicators in the projects eligible for funding (*under condition*) with Call 2.<sup>23</sup>
- For Axis 1, the largest negative gap between the expected value of 2023 and the 2023 target by program, more than in terms of achievements, is found in relation to the financial absorption, on which the particularity of a Call that – on the only SO of the Axis – does not get any project response. The indicators of the realization of Axis 2 show a different comparison between the expected value and the 2023 target, with a failure to achieve in the first case and an evidently positive *performance* in the second. All Axis 3 indicators show expected values higher than their Program 2023 target, with macroscopic evidence for indicator 3.2.1.
- However, demand focuses on the comparison between targets and values of indicators that have been monitored till 2018, therefore, on the implementation already passed and on actual databases, to reach i.e. *midterm* assessment conclusions, that is about the effects achieved and detectable at an intermediate deadline considered, on the one hand, indicative of the general trend of implementation, and on the other still useful for any reprogramming actions (purpose that latter clearly not practicable in the case under consideration, for the time gap between observed and evaluation data).
- The peculiarity immediately stand out from the PF's observation till 2018 is that the indicators of output are largely in line with the target – not significantly lower in two cases, higher in as many – against heavily insufficient financial indicators, with a negative peak of Axis 2 showing a value equal to 6.3% of the target. The evaluation question about the effectiveness of the implementation with respect to the 2018 targets could be answered, therefore, almost entirely in the frame of the next one that observes the financial progress of the entire CP through the detail of its operating organization.

<sup>22</sup> On this page. 15 – 16: Table 3 Information about the intermediate and final targets defined in the Benchmark of the effectiveness of implementation

<sup>23</sup> The "expected 2023" figure is clearly a forecast and is conditioned to the acceptance by the Monitoring Committee of the proposed admission funding for Call 2 projects contained in the Technical Assessment Report.

Table 21: PC Implementation Effectiveness Framework – Section 9 Table 24 PC

Axis	Indicator type	Id	Main implementation indicator or stage	Units of measure	Intermediate Target for 2018	Value 2018 (AIR)	Final Target (2023)	Expected value 2023
1	Output indicator	CO04	Number of enterprises receiving non-financial support	enterprises	10	10	100	90
	Financial indicator	1.1b	Expense declared to the EC	Euro	2.637.129	801.410,39	15.512.531	10.228.266
2	Output indicator	CO03	Number of companies receiving financial support other than grants	enterprises	1	2	6	4
	Output indicator	2.2.2	Enterprises (micro, small and medium) that activate stages	N	10	10	50	146
	Financial indicator	2.2a	Expense declared to the EC	Euro	1.318.565	82.923,25	8.790.435	*
3	Output indicator	3.1.1	Recovery and evaluation of the zones of the Natura 2000 network	N	3	2	10	20
	Output indicator	3.1.3	Awareness campaigns for the proper enjoyment of protected areas	N	1	1	4	31
	Output indicator	3.2.1	Surface covered by pilot measures for the mitigation of the effects of climate change	Sqm	112.500.000	83.000.000	375.000.000	10.000.149.200
	Financial indicator	3.2b	Expense declared to the EC	Euro	3.581.408	1.037.085,68	23.876.060	*
<p>*The expected value will be determined only as a result of the Approval by the Monitoring Committee to the use of resources from the SO 1.1 budget and the remodulation of the budgets of projects eligible for "under-condition" funding. Given the ratio of the proposal of the Technical Evaluation Report and <i>presumed</i> to be accepted, the 2023 target is considered to be virtually fulfilled.</p>								

*To what extent has the Programme been able to meet the spending targets set in the financial plan?* 

The actual data of the intermediate financial progress, evidently undersized compared to the target, could result in a summary evaluation of inadequacy in achieving the CP's spending target and, given the weight of those targets in the PF, the overall effectiveness of the implementation.

The more in-depth conclusions, on the other hand, must take into account the obvious quantitative and temporal misalignment, which occurred at the 2018 interim survey deadline, between the values of financial indicators and resources already allocated through the first round of admission to funding.

The CP can achieve its final spending targets – as well as the results – if the organisational choice to concentrate project funding admission, aimed at maximizing financial efficiency in resource allocation, could equal efficiency in physical and procedural progress. However, the considerations presented must be read in relation to the general change of scenario in the programming cycle, which, by changing the perspectives and implementation of the CP, opens up new opportunities for development and accentuates the intermediate nature of the assessment.

### 6.3 Considerations on the effectiveness of implementation by analysing financial progress

The evaluation demand is directly related to the actual progress of the CP and the resulting judgment is related - indeed determined –to the observation of financial indicators in the PF of the Programme and the values found there for the "operational" Axis 1 – 3. In the light of the earlier considerations on the *performance* of the implementation indicators, the conclusions on the point are also decisive on the wider assessment of the effectiveness of the implementation.

The key comparison data, in Table 22, show the expected progress at 2018 and the actual progress. The values observed here, *unlike those of the PF observed above*, are related to the total resources of the CP, including those of the TA which contributes a 27% share of the total eligible expenses incurred and paid by beneficiaries and certified to the Commission by 31/12/2018.

The actual intermediary financial progress figure exposed is clearly undersized compared to the target, which could result in a summary assessment of inadequacy in the achievement of the CP expenditure rate and, recall the considerations on the weight of those targets in the PF, of the overall effectiveness of the implementation. But the assessment of the data resulting from the actual/target comparison must instead be appropriately accompanied by certain reflections – possible in the light of the current phase of implementation of the CP – motivated by the modalities and deadlines through which it has been carried out and related to the completeness of readability and overall evaluation of effectiveness based solely on the data observed so far.

The CP's "implementation history" took place through the two fundamental blocks of the "Calls" that is with a choice of strong organizational and selective concentration, similar to the experience of the "*multiaxis and multimeasures*" calls that have shown good effectiveness (and efficiency) in other experiences and programming cycles. In light of this premise, the implementation of the CP till 2018 is certainly represented by the PF but the aspects of organizational/procedural progress achieved at the same deadline must be highlighted. It has previously been pointed out that the PF has 2018 values of the indicators of implementation substantially in line with the intermediate targets and it is therefore necessary to deepen, for the purposes of the evaluation, how these *performances* occurred in correspondence - indeed despite - the financial progress, expressed by the indicators present in the PF that referred to the entire financial framework of the PC.

Table 22: PC Financial Progress Framework (from Financial Plan – ERDF Financial Allocation (in Euro) – Sez.3 Tab.15 PC)

	Annual allocation							Total
	2014	2015	2016	2017	2018	2019	2020	
<b>Erdff</b>	0	5.363.247	4.545.790	8.259.673	8.424.866	8.593.363	8.765.232	43.952.171
<b>National counterpart</b>	0	946.456	802.198	1.457.590	1.486.741	1.516.476	1.546.806	7.756.267
<b>Total funding</b>	0	6.309.703	5.347.988	9.717.263	9.911.607	10.109.839	10.312.038	51.708.438
	Annual progress							
	2014	2015	2016	2017	2018	2019	2020	
<b>Total expected</b>	0	6.309.703	11.657.691	21.374.954	<b>31.286.561</b>	41.396.400	51.708.438	
<b>Expected %</b>	0	12,20	22,55	41,34	<b>60,51</b>	80,06	100,00	
<b>Total Actual*</b>					<b>2.651.850</b>			
<b>Actual %</b>					<b>5,13</b>			

\*From AIR 2019 Table 4 Financial information at priority axis and program level: Total eligible expenses incurred and paid by beneficiaries and certified to the Commission by 12/31/2018

In the AIR 2019<sup>24</sup>, the following, more punctual and detailed information is found about the progress made through Call 1 regarding allocated resources (as ERDF support), which are not yet detectable through the PF indicators:

- Axis 1 - SO 1.1 – IP 1b – 6 projects - 8,849,195;
- Axis 2 - SO 2.1 – IP 3a – 2 projects - 2,539,766
- Axis 2 - SO 2.2 – IP 8e - 1 project - 541,582
- Axis 3 - SO 3.1 – IP 6d - 2 projects - 2,914,588
- Axis 3 - SO 3.2 – IP 5b - 4 projects - 7,126,148
- Axis 4 – SO 4.1 – - 8 projects - 1,632,221

Substantially, there is a clear quantitative and temporal missalignment between financial indicators detected and resources already allocated through the first round of funding admissions. The evaluation assessment taken from data and compulsory methods of the ERDF would not be complete if it were not deepened and extended, recalling previous considerations on the "specific risk" of implementation which has prejudicial to the achievement of intermediate targets and, after Call 2, could also affect that of the final targets.

The choice of concentration of implementation in the two Calls, on the one hand, implies advantages in terms of organizational efficiency and the possibility for the MA to manoeuvre financially for the purpose of greater absorption of resources, through compensation and targeted reuse of previous economies, as has been widely operated in Call 2; on the other, it weighs down the selection phase and the risk factors of the CP progress, precisely because of the mass (procedural, physical and financial) that is concentrated in a single "mega-procedure". With regard to Call 2, the project collection and selection phase – in view of certain organizational issues – took place on a timeline compatible with the cycle of the programme. The risk factors inside the financial – selective manoeuvre proposed by the Technical Assessment Report– up to date essentially relate to the assumed procedural and physical progress.

The evaluation of the financial *performance* of the implementation is, in a certain way, a summary of the specific analyses regarding previous evaluation questions about the effectiveness of the CP being implemented, also responding to the main obstacles faced in the implementation of the CP Investment Overview.

<sup>24</sup> On page 26: 9. Evaluation of the implementation of the Cooperation Programme

The implementation of the CP appears able to meet the expected targets both in terms of result and financial progress to the extent that the organizational choice to concentrate the admission to financing of projects, aimed at greater efficiency in the allocation of resources, corresponds equally efficiency in physical and procedural progress and that, therefore, the implementation of projects eligible for funding takes place in the time and content planned.

In general, the overall change of scenario over the entire programming cycle and the regulatory and organisational impacts on the implementation of the CP have changed the references of the assessment in terms of progress, implementation procedures and deadlines, and thus conferred a more markedly intermediate – *in progress* – connotation to the considerations and evidence presented.

## 7. Degree of integration of the Programme with the other instruments of the Union

*What activities have been put in place to facilitate coordination with other EU instruments?*



The degree of integration of the Programme with other EU instruments such as the mainstream programmes of the Sicilian Region and the Maltese State or with the Direct Management Programmes such as HORIZON 2020, COSME, Life 2014-2020, Erasmus-for-all or with cooperation programmes that insist on the same area is somewhat differentiated, but generally quite modest. Only with respect to the ENI Italia Tunisia PO, there is an appreciable sharing of the strategic plan, although there are no formal coordination mechanisms at the level of Notices for the selection of projects. Compared to the mainstream programmes, and especially the ERDF, there is generally a coherence of the strategic framework that descends from the common regulatory framework with a more accentuated coordination with respect to the themes of innovation thanks to the strategic framework offered by the Intelligent Specialisation Strategies. On the other hand, there is no appreciable integration with respect to direct management programmes.

According to art. 8 (5) of the CTE Regulation, the Managing Authority (MA) and the Maltese National Coordination Authority (MNCA) must ensure effective coordination between the objectives of the Italy-Malta 2014-2020 cooperation programme and the other types of European Structural and Investment Funds (ESI funds).

Section VI of the Programme outlines a wide range of Operational Programmes and development initiatives in which the CP aims to act in a coordinated and synergistic manner, which includes both ESI-funded programmes and managed directly by the Sicilian Region or the Maltese State (OP ERDF, OP ESF) as well as other direct management programmes such as HORIZON 2020, COSME, Life 2014-2020, Erasmus-for-all, and finally with respect to the additional cooperation programs with which part of the eligible area is shared: ENI Italy Tunisia 2014-2020, ENI CBC Mediterranean 2014-2020 and PO MED 2014-2020.

The same section indicates the locations responsible for coordinating development policies at both the Sicilian and Maltese state levels.

On the basis of the information collected through the interviews carried out, the level of integration between the Italy Malta Programme and the additional programmes mentioned above appears to be somewhat different. In some cases, the fitting mechanisms have achieved a good level of efficiency, while in others, the rough forecasts defined in the Programme have not been implemented in practice at the operational level.

The most effective examples of coordination can be found more clearly in relation to the mainstream programmes of the Maltese State and the Sicilian Region respectively. This seems reasonable in the light of the fact that, by re-entering the strategic framework of the ESI Funds, there is a unique framework that facilitates the coherence of interventions. Even more clearly, this is appreciable with regard to Thematic Objective 1 which, in addition to the aforementioned general framework, benefits from the additional framework of Smart Specialization Strategies, promoted in the 2014-2020 programming cycle.

Compared to the foreseen coordination mechanism between the MA and the MNCA to ensure the capitalization of some activities already implemented under the ENI CBC Mediterranean 2014-2020 and OP MED 2014-2020 programmes, aimed at avoiding the risk of admitting funding on the Italy-Malta programme interventions with similar characteristics, the same is not formally implemented. While with reference to the ENI Italia-Tunisia 2014-2020 programme in which the MA of the Italy-Malta programme acts as a Managing

Authority, the coordination mechanisms are more insured by the coincidence in the name of a single subject of the management responsibility of both programmes, although in this case, these are not formally implemented. It is useful, however, to point out, how the concurrence over a single subject of the responsibility of MA of these two Programmes has fostered an overall view of the cooperation space of the Sicilian canal as can be seen in the first place by the programmatic convergence of the two OPs and how, moreover, also highlighted by some initiatives such as the conference held in May 2018 and having as a topic of discussion "Sicily, Malta, Tunisia: experiences and future prospects of maritime cooperation in the Mediterranean".

Finally, with reference to additional direct management programmes such as HORIZON 2020, COSME, Life 2014-2020, Erasmus-for-all, on the basis of the information collected, there are no specific coordination mechanisms with respect to the Italy Malta Programme.

## 8. Analysis of the effectiveness of the management of the new cooperation area

*What have been the effect on the Programme of the new cooperation space?*



Participation in the Programme by the territories that fall within the scope of the eligibility area planned for the 2014-2020 programming cycle, and therefore of the Provinces of Messina and Enna, is substantially in line with that of the remaining Sicilian provinces - except for the provinces of Palermo and Catania - in terms of the ability to express project. In relation to the success rate of partners from the new eligible provinces, in Messina's case the same is substantially in line with those of the average of the Programme as a whole, whereas in Enna's case the success rate is 100%. However, this figure is not particularly significant given the small number of projects submitted.

### 8.1 The spatial distribution of participation in the Programme

The evaluation of the effects of the Programme on the new cooperation space is based on the implementation decision 2014/388/EU which has extended the eligibility area of the Programme to some areas of the Sicilian territory previously subject to greater restrictions for participation in the Cooperation Programme.

Compared to the 2007-2013 programming period, the area affected by the Italy-Malta 2014-2020 Cooperation Programme has been expanded to include the entire Sicilian territory and the entire Maltese territory, thus involving a total population of about 5.4 million inhabitants.

Concretely, compared to the 2007-2013 programming cycle, which did not involve the participation of the regional provinces of Enna and Messina and, according to Art. 21(1) of Reg. 1080/06, limited for the provinces of Palermo and Catania the costs incurred for the execution of operations or parts of operations, within a limit of 20% of the amount of its contribution to the operational program, in the 2014-2020 programming cycle even the territories of Sicily previously ineligible or eligible under certain conditions, can participate without any kind of distinction to the Programme.

With this in mind, the Programme clarifies that *"the need to include the territories of Messina and Enna in the Italy-Malta 2014-2020 programme is linked to the need to ensure territorial continuity with regard to Sicily and therefore to allow the programme to carry out targeted interventions in line with the guidelines of cohesion policy"*. In addition, *"the inclusion of the territory of Messina is an opportunity for the involvement of beneficiaries specialized in the management of issues related to risk prevention in the coastal area and the safety of navigation. In fact, the Strait of Messina represents the main access to marine space between Sicily and Malta. The inclusion of Enna is an opportunity for the sharing of issues related to the enhancement of internal areas in line with the 2020 strategy"*

A first aspect in terms of analysing the effectiveness of the management of the new cooperation space therefore concerns the verification of the effects from the point of view of the expression of planning by these territories also in relation to the added value that had been foreseen by the Programme.

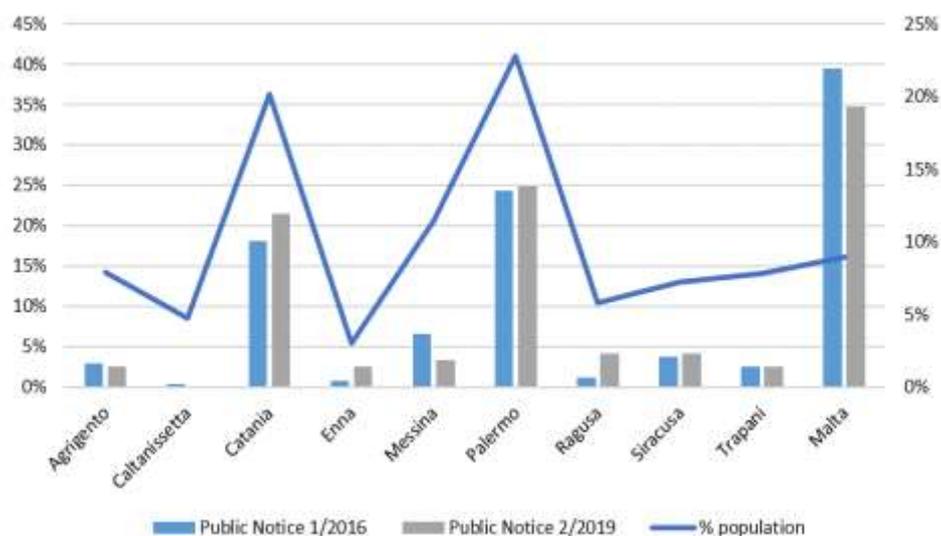
The geographical distribution of applications for Notices 1/2016 and 2/2019 (Figure 6) shows a significant prevalence of participation by partners coming in order of relevance from Malta (40% and 35%), followed by Palermo (24% and 25%) and then Catania (18% and 21%). The remaining provinces of Sicily always express a participation rate of less than 5% of the total.

Table 23: Territorial Distribution of Candidates and Beneficiaries of Notice 1/2016 and Candidates of the Notice 2/2019

Localization	Candidate Partners Notice 1/2016 (A)	No. Candidate Partners Notice 2/2019 I think it is a good thing that the Commission has	N. Funded Partners Notice 1/2016 (C)	Partner Success Rate Notice 1/2016 (C/B)	Number of projects funded
Malta	96	42	31	32%	15
Ag	7	3	0	0%	0
Cl	1	0	0	0%	0
Ct	44	26	15	34%	8
Pa	59	30	19	32%	9
En	2	3	2	100%	2
Me	16	4	6	38%	5
Rg	3	5	1	33%	1
Sr	9	5	1	11%	1
Tp	6	3	2	33%	2
Extra Area Coop	1	3	0	0%	0
<b>Total</b>	<b>244</b>	<b>124</b>	<b>77</b>		

With the absolute significance of the three most represented territories, weighing these values against the total population of the affected areas, there is a less polarised picture in which, with the exception of the territory of Malta, that against a population of about 9% of the total cooperation area expresses a number of partners equal to about 37% of the total, there is a decent correlation between the population of the Sicilian provinces and the number of partners participating in the same.

Figure 6 Territorial distribution of partner candidates out of total



In general, all Sicilian provinces are under-represented in terms of the participation of partners with localization in their respective territories in relation to the number of inhabitants of the same, with some differences between them which are not substantial.

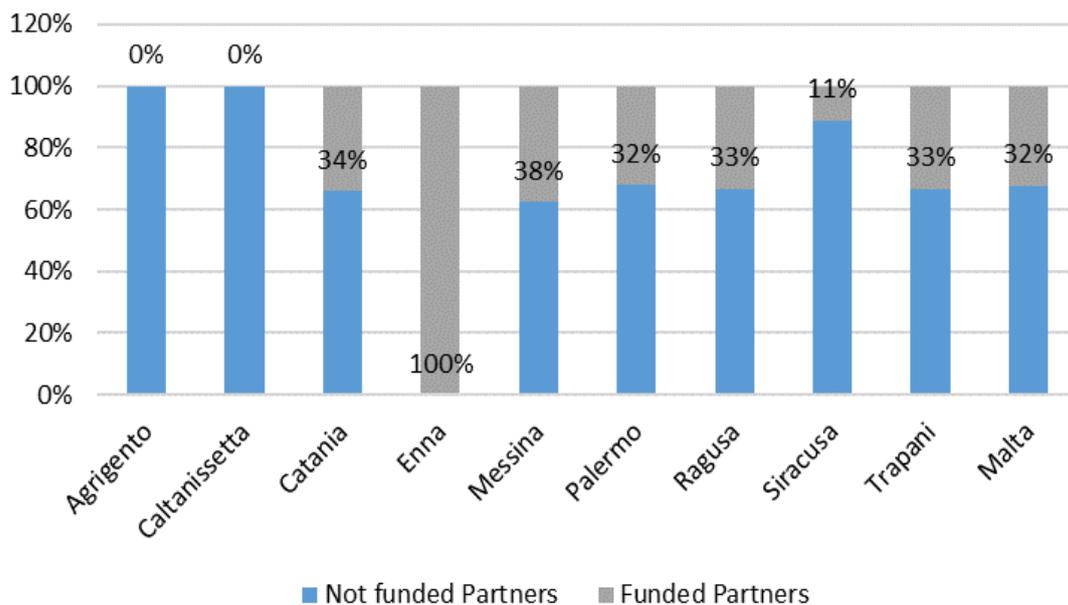
While the high representation of the Maltese territory is closely linked to the rules of operation of the Cooperation Programme and the requirements of the Programme for the construction of cross-border partnerships, the increased representation of the provinces of Palermo and Catania, on the one hand, is evidence of the greater dynamism of these territories and is likely to be justified in the fact that in the cities of Palermo and Catania there are a significant number of institutional actors participating in the Notices.

With more specific reference to the level of participation in the Programme by the territories that fall within the extension of the eligibility area provided for the 2014-2020 programming cycle, and therefore of the provinces of Messina and Enna, the ability of the respective territories to express project proposals appears substantially in line with that of the remaining Sicilian provinces except for the provinces of Palermo and Catania.

As part of Notice 1/2016, the success rate of the projects in which individuals from the province of Enna take part is 100%, i.e. both projects in which the two parties in the province of Enna who took part in the first notice are involved have been financed, while for the province of Messina, the success rate is 38%, i.e. of the 16 partners in this province who submitted proposals 6 of them have been financed under 5 different projects.

This is substantially in line with the average Programme level figure.

Figure 7 Territorial distribution of funded and unfunded partners Notice 1/2016



In relation to The Notice 2/2019, on the other hand, in the face of a fairly limited participation (even taking into account the presence of the associated partners) there is the presence of 2 partners from the province of Messina as part of a single project, while there is no participation of partners' representatives from the province of Enna.

In conclusion, it therefore seems sustainable to consider that the enlargement of the cooperation area has produced some early results in terms of the participation of qualified actors coming from those portions of the territory but that this presence has not yet turned into a stable trend of candidacy and access to the Programme.

## 9. Analysis of the Effectiveness of the Communication Strategy

- *Have communication and dissemination activities been carried out to the public that can increase citizens' knowledge of the Programme?*
- *What communication activities and information addressed to beneficiaries have been activated to:*
  - ✓ *improve knowledge of the Program*
  - ✓ *support the implementation of operations*
  - ✓ *comply with the reporting requirements of the regulations*



The Indicators of the Communication Strategy give a different picture. On the one hand, indicators relating to web services and the indicators relating to the spread on social media tend to be in line with the future reaching of the targets for 2023; on the other hand, the picture is less favourable than "Publications and information materials" and, specifically, "Electronic newsletters made", for which there is no progress from the beginning of the programme to December 2019. The indicators for publication in print also show a partial delay with reference to the intermediate deadline to 2018.

In addition to the quantitative aspect, the analysis also showed that the tools envisaged in the Communication Strategy are not yet fully adopted. In relation to this, the most critical aspect is the failure to adopt, to date, a website entirely dedicated to the PC 2014/2020.

The Interreg Communication Strategy "V-A ITALY MALTA" together with all the resulting communication activities, aims primarily to increase the level of knowledge of the programme throughout the programme's reference territory and to inform stakeholders of the cross-border cooperation area between Sicily and Malta on the opportunities offered by the Program. The Program's Communication Strategy was approved in April 2016.<sup>25</sup>

The analysis highlights a differentiated framework from which, on the whole, there is a need to strengthen MA's commitment to the communication activities planned but not yet implemented. In fact, against an articulated governance model of the Programme Communication Strategy - which is currently operational even with the delays mentioned above - the tools envisaged under the Communication Strategy are not yet fully adopted and, in the light of some of the monitoring indicators of the Programme's Communication Strategy, the communication activities appear to be affected by the failure to carry out some of the communication activities and information provided.

The first element of reflection concerns precisely the framework for the development of communication and information activities provided for, and in particular the absence, from 2019, of the definition of the Annual Plan of Communication Activities. It is precisely this case that confirms the need for a more systematic monitoring of communication activities with the aim, hopefully, of recovering as many as possible the delays that occurred during the start of the Programme.

In relation to activity group 2 "Web Services", one of the most critical elements is the failure to activate the website dedicated to the Interreg Program "V-A ITALY MALTA", which in the start phase was partially offset by the implementation of a tile dedicated to the 2014-2020 Program in the frame of the 2007-2013 Program website. Although the frame of indicators related to web services activity overall shows a trend that would seem in line with the final target to 2023, the indicator for access to the site registers a not particularly good performance in 2018 and 2019, which if confirmed in the following years may not allow the final target to be reached.

<sup>25</sup> MC written procedure started on 5/4/2016 (ref. 6288) and ended on 21 April 2016 (ref. 7284). At the MC meeting on 14-15 December 2017, the strategy was changed.

With regard to the other component of web services, that is, that of social media, there is a picture substantially in line with what is expected in December 2019 and, if the trend is partially increased for the next few years, it is reasonable to assume that the achievement of the final targets for 2023 should not be a critical element.

In relation to the block of activities 3 "Publications and information materials" the analysis of the indicators also showed a partial misalignment with the forecasts with specific reference to "Electronic Newsletters realized" and "Thematic reports realized and distributed", for which there is no progress from the beginning of the program to December 2019, compared to an intermediate step to 2018 in which part of the planned activities were expected to be realized. Although this circumstance is likely to be linked to the slippage of the implementation timetable already outlined in this evaluation report, in the opinion of the evaluator it is appropriate that these communication outputs should be carried out in a timely manner in order to provide the public with specific information on the progress of the Programme, raising public awareness of the contribution of Cohesion Policy in terms of the socio-economic growth objectives of the entire reference area for transnational cooperation..

With regard to the block of activities 4 "Events and seminars", appear rather symptomatic with respect to the partial implementation of the Programme Communication Strategy some obvious discontinuities between the various dimensions of the communication and the implementation cycle of the Programme. More specifically, a particularly significant deviation from forecasts should be recorded both with reference to the "Periodic meetings between the Managing Authority and the Maltese National Coordination Authority realized" and that relating to the "Other meetings/seminars with authority of the program". The values recorded for both indicators show, in fact, a small number of meetings also in relation to their time distribution compared to the top phases that characterize the implementation cycle of the Programme. Similarly, in light of the implementation status of the Programme and the remaining possible time, it should also be noted that the intermediate event planned for 2018 is not being implemented and is presumably also the result of the overall slippage of the CP implementation timetable.

Specifically with regard to the communication and information activities addressed to the beneficiaries, from the analysis of the values recorded for the specific reference indicator "Periodic meetings/meetings to support beneficiaries in the implementation of the operations carried out" is noted instead an achieved value still far from the target value at the end of the programming cycle, which however, more than a critical implementation issue it appears to record a possible overestimation of the target, also in light of the fact that high support activities towards beneficiaries have been carried out in greater numbers than expected in the form of seminary activities on the implementation and management of projects.

Finally, with reference to the n. 5 block of activities that is "Media", the analysis of the indicators also confirms a partial delay in the implementation of the planned activities with specific reference to all the expected indicators. If the indicator for press announcements in national/regional call newspapers no longer appears fully achievable in the light of the state of implementation of the procedures for selecting the operations already carried out, in addition to other indicators shown above, there is a partial delay with reference to the 2018 interim deadline, which again would seem necessary to fill in order not to affect the objectives of the end of the programme.

Table 24 Output Indicators from IPC Communication Strategy

Activities	Indicator	Units of measure	Target (2023)	2015	2016	2017	2018	2019	2020	2021	2022	2023	Tot	Delta
1. Program startup tasks	Communication strategy approved by the MC	N.	1		1	1							2	1
	Communication plan	N.	7			1	1						2	-5
	Cooperation program logo approved by MA and MNCA	N.	1	1									1	-
	Image Manual written	N.	1	1									1	-
	Launch event of the cooperation programme	N.	1	1	1								2	1
2. Web services	Section 14-20 created within the site of 07-13program	N.	1	1									1	-
	2014-2020 program site created	N.	1										0	-1
	List of beneficiaries published	N.	14	2			2	1					5	-9
	Documents published on the site	N.	400		86	112	125	167					490	90
	News published on the site	N.	200		25	9	24	36					94	-106
	New site access	N.	100.000		13.152	25.379	147	133					38811	-61.189
	Posts posted on Facebook	N.	500	43	16	10	50	38					157	-343
Posts posted on Twitter	N.	500	34	7	10	50	38					139	-361	
3. Publications and information materials	Manuals for the use of beneficiaries realized and published	N.	10		1		5	3					9	-1
	Thematic brochures created and published	N.	5					15					15	10
	Infographic materials made and published	N.	5					3					3	-2
	Information panels and totems	N.	7	4									4	-3
	Electronic newsletters made	N.	26										0	-26
	Thematic reports produced and distributed	N.	5										0	-5
Final program catalog	N.	1										0	-1	
4. Events and seminars	Periodic meetings between the Managing Authority and the Maltese National Coordination Authority	N.	14					2					2	-12
	Other meetings/seminars with programme authorities	N.	7	1				1					2	-5
	Call launch events	N.	2		1			6					7	5
	Intermediate events of the programme realized	N.	1										0	-1
	Final events of the programme realized	N.	1										0	-1
	Consultation initiatives, information, training on the preparation of project proposals	N.	2		2	6	8						16	14
	Thematic seminars on the implementation and management of projects	N.	5				8						8	3
	Periodic meetings/meetings to support beneficiaries in the implementation of the operations carried out	N.	200				5	18	7				30	-170
	Participation of INTERACT themed seminars	N.	7				2						2	-5
	Annual meeting of the European Commission	N.	7				1	1					2	-5
Participation in events organized by other programs	N.	3		1		2	2					5	2	
Participation in thematic community events	N.	3			1		1					2	-1	
Organization Ec Day	N.	7		1	2	1	1					5	-2	
5. Average	Press announcements related to calls in regional and/or national newspapers	N.	2										0	-2
	Print announcements about CP events in regional and/or national newspapers	N.	10	4	1								5	-5
	Public on CP results in regional and/or national periodicals	N.	5										0	-5
	Press conferences	N.	3	1									1	-2

## 10. Summary of evaluation results

The **evaluation of the effectiveness and efficiency of the application submission and selection processes** has highlighted a relatively positive and partially better picture in the evolution between the first Notice of 2016 and that of 2019, for which, however, the selection activities are not completely concluded and for which therefore it is not possible to reach definitive evaluations. However, there are still some aspects that require a more decisive performance improvement.

Regarding the **preliminary information and communication activities of stakeholders**, the Programme continues to suffer from the accumulated delays in the implementation of its Communication Plan and has not yet achieved the result of equipping the Programme with a website entirely dedicated to programming 2014-2020. However, some activities carried out "in savings" have been put in place to ensure the necessary visibility to the Programme's actions and, above all, to meet the reporting obligations to the beneficiaries provided by the EU regulations. In this regard, in relation to both Notice 1/2016 and Notice 2/2019, several promotion events have been carried out on the territory of the entire area of cooperation. Compared to the events carried out at the first Notice, for the launch of the second Notice there is both an increase in the number of promotion events and the adoption of a more targeted strategy to encourage the participation of specific types of beneficiaries according to the different SOs covered by the presentation meetings. Compared to this approach, which, in principle, would appear as a driver, also because of the outcome of the first Notice, there is no quantitative evidence in terms of the participation of the specific categories of stakeholders. It should be noted, however, that the effort made by the programme's structures and in particular the support role offered by the Joint Secretariat in the stages of promotion and support for participation by stakeholders received a very positive overall assessment from the participants in the survey carried out in this assessment.

In relation to the **preparation of the documentation for the selection of progetti** projects, the evolution between the first and second Notices, appropriate simplification measures have been introduced, which in part facilitate the participation of potential beneficiaries and partly contribute to making the process of evaluating proposals more streamlined. The adoption of a *targeted call* approach has first created a more direct link between the Programme's strategy and actions that will hopefully be implemented by the proposers. In this sense, the *targeted call* should be able to ensure a more stringent consistency of the Programme's Expected Results. Further improvements to the application and selection process include simplifying the application form and the evaluation criteria set. Although there is no clear perception from potential beneficiaries of the simplification of procedures from the surveys carried out, from the evaluator's point of view the changes introduced are appropriate for the rationalisation of the process. On the other hand, the choice to reduce the threshold scores for the financing of operations is not shareable, thus being a potential element of weakness compared to the Programme's ability to select only high-quality projects.

In relation to the critical issues of the **application process**, the survey of the Actual and Potential Beneficiaries of the Programme did not highlight any particular weakness. In general, satisfaction is high both with respect to the support received by the program's facilities and in particular by the Joint Secretariat/Managing Authority and in relation to the documentation useful to the preparation of the proposal. The exception is the assessment expressed with respect to the information system for loading proposals. If, in fact, there is a broad convergence on the fact that the digitization of the process is facilitating, on the other hand, it is not suitable for the current IT procedure to meet the needs of users in terms of simplicity and flexibility, so as to make its experience inappropriate. Users want a substantial upgrade of the platform and how applications are uploaded. On the other hand, the interface for managing projects in implementation would also require additional maintenance to address the ongoing issues. Further in-depth study aimed solely at the co-project of the platform may be useful.

With regard to the **time of investigation of the projects**, the examination of the operations of Notice 1/2016 required a total of 236 working days, with an average time for the examination of each individual operation was 0.4 working days for the eligibility phase and 1.9 for the quality assessment phase. The selection activity of the 2/2019 Notice is still ongoing, but on the basis of the status it is possible to observe that the time of the

evaluation process is more compacted than the first call. In general, the actual time spent on the selection of operations is in line with the average time required to ensure a careful examination of the project applications and in accordance with the standard time of the actual recognition for the conduct of similar activities, but the progress of the process appears to be discontinuous which, to a large extent, seem to depend on administrative activities related to the evaluation (e.g. soccorso istruttorio, counter-deduction examination, etc.). A partial reduction in the overall time of selection procedures can be achieved by rationalising the organisation of the work of the Executive Committee and by reshaping the current allocation of powers.

Compared to the effectiveness of the **implementing tools**, the financial draft of the Notice 1/2016 returns a leopard spot picture with SO that received a good level of response from the territory and SO with weaker draft. The weak drafting of Axis 2 SOs is consistent with the lower participation of certain types of beneficiaries who tend to be interested in this type of actions. This is an area of intervention in some ways innovative with respect to the tradition of the Programme, which, on the other hand, has recorded a significant response rate from the territory in the core areas of innovation and environmental protection. The distribution of the nature of applicants further confirms the prevalence of Universities and Research Centres, together with Public Authorities and SMEs in less of the main beneficiaries of the Programme. Under The 2/2019 Notice, there is a greater balance between the types of candidate beneficiaries, thanks in part to the strong participation of associate partners. Compared to the average quality of the projects financed, the analysis of the scores attributed shows that if high-quality proposals have been financed for SO 1.1, for the remaining SOs, and especially for the Axis 2 projects, the lower adherence by the territory to the Notice has limited the ability to choose on the proposals from the financial, resulting in the admission to financing of good quality proposals but with scores well away from the levels of excellence defined in the allocation scale. In relation to Notice 2/2019, however, the results of the selection of operations are not yet available.

When selecting projects, procedures explicitly take into account the **horizontal principles**. The set of criteria provides for a specific criterion for the assessment of horizontal priorities (equal opportunities, non-discrimination and sustainable development) but, by aggregating the three dimensions of assessment into a single criterion, it is not adequately specific. On the other hand, at least in The Notice 1/2016 which provided for ad hoc criteria for assessing the consistency of proposals with respect to intercepted investment priorities, in light of the marked decline of actions with respect to the principle of sustainable development, the Programme appears well aligned for the selection of interventions consistent with this principle. On the other hand, it should be strengthened, even with specific interventions by the Executive Committee to safeguard equal opportunities and non-discrimination.

The **programme MA management structures** have been affected by exogenous processes that have weakened its overall administrative capacity and required the adoption of temporary solutions to meet the limited amount of human resources responsible for the management and control of the selected operations. It seems essential, in order not to cause delays in the implementation of the program, to proceed promptly to the strengthening of administrative structures, identifying the leaders responsible for the COO and the CU of the program. The analysis of management systems shows the qualified technical and operational support provided by the Joint Secretariat, which represents the key structure for the implementation of the programme and for the improvement of processes.

Several solutions have been adopted in the implementation of the programme to reduce the **administrative burden on candidates and beneficiaries**. The actions put in place by the Managing Authority involved the submission activities, auditing and reporting activities and monitoring activities. In particular, efforts were made to simplify the application form, electronic transmission of beneficiary information, the adoption of simplified cost options and define manuals and support *templates* for proposers and beneficiaries. There is still space to further improve the action of the MA, including in the next programming cycle, for example by verifying the possibilities of re-modulating monitoring activities in the hands of beneficiaries and supporting their communication activities through dedicated kits.

On the other hand, with regard to the **mechanisms for engagement of the partnership and stakeholders**, it has emerged that the procedures adopted by the MA are in line with those adopted at European level by other cooperation programmes and in line with the forecasts contained in the European Code of Conduct on

Partnership within the ESI Funds. In order to achieve a strengthening of the partnership's involvement in the implementation of the programme, the possibility of redefining the selection process of partners could be considered to improve adherence with the criteria set out in the European Code of Conduct and to agree with the partners of the partnership a working plan relating to the activities of information, consultation and participation to be jointly put in place.

In the analysis **of the efficiency of decision-making mechanisms**, a division of powers has emerged between the Joint Secretariat, the Executive Committee and the Monitoring Committee that could be re-modulated in order to simplify procedures and appropriately focus the activities of these bodies. In particular, the current allocation of powers to the Executive Committee, in the opinion of the evaluator, could be recalibrated in order to increase the functionality of the operations selection mechanism.

In relation to **the Programme's ability to achieve the expected results**, the state of implementation highlights a differentiated picture in relation to the indicators envisaged by the CP that in some cases appear already achieved while in others they still appear far from the default target. In addition, in the COVID 19 emergency scenario, the implementation of the CP is affected by the elements of uncertainty and risk factors that involve the entire programming cycle of the ESI Funds. At the Performance Framework level, if the values of the realization indicators resulting from the observation to 2018 appear largely compliant with the target, financial indicators show very insufficient data, with a negative peak of Axis 2 showing a value of 6.3% of the target. However, in order to assess the CP's ability to achieve its expected results in 2023, it should be considered that there is a clear quantitative and temporal misalignment, occurred at the interim survey deadline in 2018, between the values of the financial indicators and the resources already allocated through the first round of admission to financing and that therefore, the CP can achieve the final spending targets - like those of the results - in extent to which the organizational choice of concentrating the admission to financing of projects, aimed at maximizing financial efficiency in the allocation of resources, corresponds to the same efficiency in the physical and procedural progress

Compared to the Programme's strategy in **terms of coordination with other EU instruments**, the degree of integration of the Programme with other EU instruments such as the mainstream programmes of the Sicilian Region and the Maltese State or the Direct Management Programmes such as HORIZON 2020, COSME, Life 2014-2020, Erasmus-for-all or with cooperation programmes that insist on the same area is somewhat complex, but rather modest. Only with respect to the ENI Italia Tunisia PO it is observed an appreciable sharing of the strategic plan even if there are no formal coordination mechanisms at the level of Notices for the selection of projects. Compared to the mainstream programmes, and especially the ESFS, there is generally a coherence of the strategic framework that descends from the common regulatory framework with a more accentuated coordination with respect to the themes of innovation thanks to the strategic framework offered by the Smart Specialisation Strategies. On the other hand, there is no appreciable integration with respect to direct-run programmes

With regard to the preliminary dissemination of the programme's actions in the **new cooperation area**, participation in the Programme by the territories that fall within the scope of the eligibility area planned for the 2014-2020 programming cycle, and therefore of the Provinces of Messina and Enna, stands at levels substantially in line with that of the remaining Sicilian provinces - except for the provinces of Palermo and Catania - for that it concerns the capacity of the project to express planning performance. In relation to the success rate of partners from the new eligible provinces, in Messina's case the same is substantially in line with those of the average of the Programme as a whole, whereas in Enna's case the success rate is 100%. However, this figure is not particularly significant given the small number of projects submitted. On the other hand, the data of the 2/2019 Notice do not appear to confirm this figure, leading to the belief that participation in the Partner Programme from these territories has not yet consolidated into a trend of applications with consolidate data.

Finally, the analysis of the effectiveness of the **Communication Strategy**, highlighted how, although from the point of view of quantitative analysis, for some of the indicators of implementation such as those related to web services (site and social web) it is possible to appreciate an overall positive progress and there are no particular criticalities in relation to the achievement of the targets at the end of the Program – except for the

number of new accesses to the site – the verification of the progress of the indicators highlights a less positive picture with reference to "electronic newsletters realized" and "thematic reports made and distributed" but also more generally than the number of meetings held with the stakeholders of the Programme, both in the context of the coordination between MA and the Maltese National Coordination Authority and with respect to the other authorities of the Programme, but also with regard to the periodic meetings/meetings to support beneficiaries in the implementation of the operations carried out. More generally, there is a partial delay in the implementation of much of the communication activities planned for the interim step of the Programme to 2018 and overall more investment in the institutional communication of the Programme is needed. The not postponeable actions must be mentioned in the creation of the dedicated site, which is not yet implemented.

## Annex 1: List of subjects consulted

Date	Name	Function	Mode
23/04/20	Ms. Carmen Dalli	Member of the Monitoring Committee	Written contribution
22/04/20	Dr Chiara Di Bella	Member of the Joint Secretariat	Distance interview
22/04/20	Dr. Ilva Parlato	Member of the Joint Secretariat	Distance interview
22/04/20	Dr. Marco Sambataro	Co-ordinator of the Joint Secretariat	Distance interview
04/05/20	Dr Vincenzo Petruso	Member of the Executive Committee	Distance interview
28/02/20	Dr. Piera Spanò	former Manager Serv. VI of the Regional Planning Department	Presential interview

## Annex 2: Information about the participants in the online questionnaire

