

Joint Audit on  
the Performance  
of the Interreg  
Italy-Malta  
Programmes: the  
Results Achieved  
in the 2014-2020  
Programming  
Cycle and an  
Outlook on the  
2021-2027  
Programme



CORTE DEI CONTI



National  
Audit  
Office

MALTA



Joint Audit on the Performance of the Interreg Italy-Malta  
Programmes: the Results Achieved in the 2014-2020  
Programming Cycle and an Outlook on the  
2021-2027 Programme

July 2025



### Corte dei Conti – Italia

This report has been prepared in accordance with Article 3 of Law No. 20 of 14 January 1994 and in compliance with the International Standards of Supreme Audit Institutions (ISSAIs), for submission to Parliament and the relevant administrative authorities.



Guido Carlino  
Presidente della Corte dei Conti

Corte dei Conti  
25 July 2025

### National Audit Office – Malta

The report has been prepared under sub-paragraphs 8(a)(ii) of the First Schedule of the Auditor General and National Audit Office Act, 1997 for presentation to the House of Representatives in accordance with sub-paragraphs 8(b) of the First Schedule.



Charles Deguara  
Auditor General

National Audit Office  
25 July 2025

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## List of **Abbreviations**

AA	Audit Authority
ARPA	Agenzia Regionale per la Protezione dell’Ambiente
CA	Certifying Authority
CdC	Corte dei Conti – Italy
CPR	Common Provisions Regulations
DRSRT	Dipartimento Regionale Sviluppo Rurale e Territoriale
EC	European Commission
ERA	Environment and Resources Authority
ERDF	European Regional Development Fund
ESIF	European Structural and Investment Funds
ETC	European Territorial Cooperation
EU	European Union
FCU	Financial Control Unit
FLCs	First Level Controllers
FPD	Funds and Programmes Division
IAID	Internal Audit and Investigations Department
IIM	Interreg Italy-Malta
ISSAIs	International Standards for Supreme Audit Institutions
JEMS	Joint Electronic Monitoring System
JS	Joint Secretariat
KPI	Key Performance Indicators
MA	Managing Authority
MNCA	Maltese National Co-ordination Authority
MOU	Memorandum of Understanding
MPA	Marine Protected Areas
NAO	National Audit Office
NGOs	Non-Governmental Organisations
SAI	State Audit Institution
SMEs	Small and Medium-Sized Enterprises
SSP	Small-Scale Project
TO	Thematic Objectives
UM	University of Malta
VOs	Voluntary Organisations

# Foreword

Italy and Malta enjoy a relationship characterised by deep-rooted political, cultural, social and commercial ties, as well as shared historical experiences and traditions. This strong link between the two countries, which goes beyond their geographical location, was further strengthened by Malta's accession to the European Union in 2004.

The relationship between the two countries also extends to their State Audit Institutions (SAIs).

In April 2024, the Corte dei Conti (Court of Auditors – Italy) and the National Audit Office- Malta continued to strengthen their cooperation and formalised it through a bilateral Memorandum of Understanding (MoU). In the context of this bilateral agreement, the two SAIs agreed to carry out a joint audit on the Interreg V-A Italy-Malta 2014-2020 Programme, with the aim of evaluating the results achieved in the implementation of the Programme, and to examine the prospects of the new 2021-2027 Programme.

A team of auditors from both institutions engaged in joint planning, evidence gathering and risk analysis, enabling a harmonised application of the International Standards of Supreme Audit Institutions (ISSAIs), operating on the basis of a shared interpretation of the European Union (EU) regulatory framework.

The audit activity, culminating with the publication of this report, has strengthened the institutional synergy and the professional capacity of the SAIs through knowledge transfer and alignment of methodology.

The success of the initiative, evidenced by the renewed intent between the Corte dei Conti and the National Audit Office to expand their professional exchanges and collaborative practices in the various areas of auditing, bodes well for the future commitments. To this end, both SAIs will continue their work to raise the quality and impact of controls on public management as well as ensure an optimal and responsible use of resources for the benefit of the citizens and their respective region.



Guido Carlino  
President  
Corte dei Conti



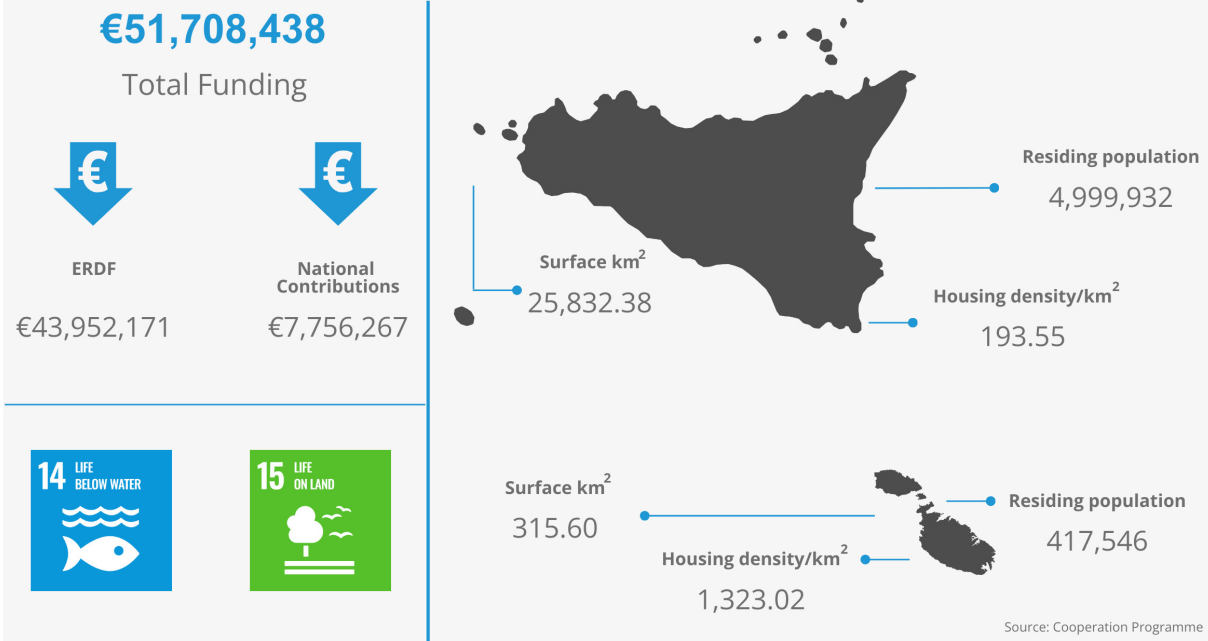
Charles Deguara  
Auditor General  
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# Key Facts

## The 2014-2020 Interreg Italy-Malta Programme

### The IIM Programme at a glance



#### Priority Axis 1 - Strengthening research, technological development and innovation

Priority Axis 1.1 - Enhance the activities of innovation and research to improve the quality of life and the utilization of the cultural heritage



Share of Funds



Total Projects

#### Priority Axis 2 - Promoting competitiveness in the cross-border area

Priority Axis 2.1 - To promote the creation and the enhancement of enterprises (micro, small and medium) in the intervention field of the cooperation area



Share of Funds



Total Projects

Priority Axis 2.1 - To promote the mobility of workers in the cooperation area through collaborative networks



Share of Funds



Total Projects

#### Priority Axis 3 - Protecting the environment and fostering an efficient use of resources

Priority Axis 3.1 - To contribute towards the arrest of the loss terrestrial and marine biodiversity in the area, maintain and reactivate the ecosystem and the protected area



Share of Funds



Total Projects

Priority Axis 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



Share of Funds



Total Projects

#### Priority Axis 4 - Technical Assistance

Priority Axis 4.1 - To guarantee support actions aimed at the implementation of the programme, thereby improving the efficiency and effectiveness of the programme's management and surveillance system



Share of Funds

### The implementation at a glance



Public notices published

3



Total Projects Funded

33



Total Beneficiaries

158



Total certified expenditure

€47,786,342

as at December 2024



# Executive Summary

## Why this Joint Audit?

This Joint Review is the result of a Memorandum of Understanding signed in 2024 by the Supreme Audit Institutions of Italy and Malta, with the aim of strengthening their cooperation. The initiative focused on the Interreg V-A Italy-Malta Programme, an EU-funded programme that promotes bilateral cooperation between the two countries.

The audit sought to determine the extent to which the Interreg V-A Italy-Malta 2014-2020 Programme has achieved its objectives and the prospects for the 2021-2027 programming period. Four projects aimed at supporting and raising public awareness of biodiversity conservation and ecosystem restoration were evaluated.

## Key Observations

This Joint Audit concluded that the Interreg V-A Italy-Malta 2014–2020 Programme played a pivotal role in fostering cross-border collaboration between Sicily and Malta, while facilitating the realisation of EU Cohesion Policy goals. By funding 33 projects, the programme contributed to the region’s economic and social cohesion. As of December 2024, the total eligible expenditure incurred amounted to €47,786,342, constituting an absorption rate of 92 per cent of the Programme’s allocated resources, according to the data provided by the Certifying Authority. Programme Authorities are expecting this figure to increase to 97 per cent.

The Programme’s achievements reflect effective cross-border cooperation and the ability to translate strategic objectives into concrete results. In terms of outputs and results, the four reviewed projects essentially met their main objectives and generated benefits consistent with the IIM Programme’s targets.



The Joint Review also identified opportunities to improve the Programme's efficiency by adopting simplification measures and to standardise processes relating to the control system adopted and a continuous implementation of the IT system.

The creation of synergy between EU-funded programmes, support for capitalisation initiatives and a concrete commitment to ensuring compliance with environmental, social and gender criteria are key factors for the success of territorial cooperation. The attention given in the 2021-2027 programming to the issues of capitalisation, sustainability, digital transformation and administrative simplification will be crucial to maximise the effectiveness of the new programme and to ensure, also through the strengthening of cross-border coordination, sustainable, consistent and lasting results in the Italian and Maltese territories.

### Recommendations

This Joint Review recognises the significant efforts made by the authorities responsible for the Interreg Italy-Malta Programme in managing it, although improvements are needed to maximise its strategic impact and operational efficiency.

In light of this, we recommend that the relevant authorities actively promote synergy between EU-funded initiatives in Sicily and Malta, to strengthen the programme's impact, sustainability and effectiveness beyond the programming period. Furthermore, we recommend facilitating wider participation in the programme by local authorities, NGOs and businesses, and encouraging activities that capitalise on the results achieved. Specific guidelines to improve the quality, accuracy and consistency of project indicators remain essential to strengthen monitoring and evaluation frameworks.

At an operational level, those responsible for the programme should ensure that calls for proposals are published in a timely manner and speed up the process of allocating funds to optimise absorption. Continued investment in IT systems is necessary to improve operational efficiency and decision-making. Administrative procedures must also be simplified, and control levels harmonised in both countries. Finally, the importance of disseminating information on activities carried out under the programme should be emphasised to promote awareness of the value created for citizens and territories, and to attract new initiatives.

## Chapter 1

# Terms of Reference

### 1.1. Audit scope and objective

- 1.1.1. An exercise by the Court of Auditors – Italy (CdC) and the National Audit Office- Malta (NAO) determined the scope of this Joint Audit by identifying the common concerns between the two regions, as well as the financial materiality involved. To this end, this audit focused on the Interreg Italy-Malta (IIM) 2014–2020 Programme’s implementation and the results achieved, with particular attention to Priority Axis 3.1. This Priority Axis aims 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.
- 1.1.2. The IIM 2014–2020 Programme awarded 11 projects under Priority Axis 3.1. SAIs Italy and Malta selected two main projects to serve as a case study for this Review. These projects were the SiMaSeed<sup>1</sup> and the Corallo.<sup>2</sup> Additionally, the audit focused on the derivations and the continuation of the aforementioned projects, by also extending the analysis to SiMaSeed PLUS<sup>3</sup> and Corallo +SI.<sup>4</sup> These projects were selected as they provide a broader perspective on biodiversity by identifying one project that focuses on land biodiversity and another on sea, projects from different calls and a lead partner from the two countries. In addition, this Review sought to evaluate the design of the 2021-2027 Programme to determine the extent to which it built on the experience gained towards addressing future challenges.
- 1.1.3. This audit aimed to determine the effectiveness of the management of the Italy-Malta Programme, looking at:
- i. the 2014–2020 Programme’s contribution to the overall strategy of European Territorial Cooperation (ETC);
  - ii. the actions implemented through the 2014–2020 Programme, critical issues identified and the results achieved; and
  - iii. the implementation status and the potential of the 2021-2027 Programme to address common cross-border challenges.

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<sup>1</sup> SiMaSeed Project Title: Protecting biodiversity in Sicily-Malta Natura 2000 sites through Seed Banks and population reinforcement.

<sup>2</sup> Corallo Project Title: Correct Enjoyment (and Awareness Raising) of Natura 2000 Locations.

<sup>3</sup> SiMaSeed PLUS Project Title; Safeguarding the environment and protecting the natural heritage in Sicily and Malta through the conservation of seeds and restoration of species/habitats of the Natura 2000 network.

<sup>4</sup> Corallo +SI Project Title; Corallo Capitalisation project for Smaller Islands, Natural Parks and Marine Protected Areas.

## **1.2. Audit Methodology**

1.2.1. This Study employed a comprehensive blend of methodological approaches, in line with the international best practices, designed to ensure a thorough examination of the subject under review. The following refer:

- i. **Adherence to ISSAIs** – The audit was performed in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), namely ISSAI 5800 (Guide on Cooperative Audit) and ISSAI 3000 (Performance Auditing) in combination with ISSAI 400 (Compliance Auditing).
- ii. **Documentation Review** – This included a thorough analysis of the regulatory framework and the IIM Programmes 2014-2020 and 2021-2027, as well as supporting documentation.
- iii. **Semi-Structured Interviews** – Discussion meetings were held with Programme Management Authorities, Programme beneficiaries and project partners. The two SAIs also sought to engage the perspective of the external stakeholders, through the scheduling of a number of meetings.

## **1.3 Entities under Review**

1.3.1. During the Audit, the Programme Authorities under review were the Managing Authority (MA), the Audit Authority (AA), the Joint Secretariat (JS) and the Certifying Authority (CA), which are based in Sicily. Moreover, this Review carried out meetings with the Maltese National Co-ordination Authority (MNCA) within the Funds and Programmes Division (FPD), based in Malta.

1.3.2 Meetings and site-visits were carried out with the representatives of the Corallo, Corallo +Si, SiMaSeed and SiMaSeed PLUS projects, and with external stakeholders. These meetings and site-visits have made it possible to acquire a broader and more articulated view of the IIM Programme as well as fundamental elements for validating and consolidating the information obtained from the documentary sources.

## **1.4. The Audit Approach**

1.4.1 The entire Audit process was characterised by a continuous sharing of information with the Italian and Maltese Programme Authorities, from defining the audit plan to sharing the final findings and conclusions. Inspired by the criteria of agility and informality, this approach allowed the initial Audit plan to be adapted to new issues of interest that emerged during meetings with the Programme Authorities and stakeholders.

1.4.2 The creation of a positive working environment inspired by trust and responsibility enabled the Joint Audit Report to be delivered in just over a year from the time the audit plan was presented to the heads of SAIs of Italy and Malta. This achievement is the result, on the one hand of the joint team's intense collaboration and, on the other, of the effective information flow established with the authorities and key stakeholders, which was characterized by the highest transparency and collaboration.

## 1.5. Report Structure

1.5.1. Following this introductory Chapter, the Report proceeds to discuss the following:

- i. **Chapter 2** assesses the main features of the IIM 2014-2020 Programme and the results achieved.
- ii. **Chapter 3** examines the management of the IIM 2014-2020 Programme and the main challenges encountered in its implementation.
- iii. **Chapter 4 and 5** are dedicated to the analysis of the SiMaSeed and Corallo projects. This analysis also extends to initiatives to capitalise<sup>5</sup> on the results achieved by the projects.
- iv. **Chapter 6** examines the features and main new elements of the IIM 2021-2027 programme, highlighting its opportunities and prospects for a more efficient and effective management of territorial cooperation.
- v. **Chapter 7** outlines the conclusions reached by this Report and presents nine recommendations.

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<sup>5</sup> Throughout this Report, the term Capitalisation relates to the IIM Programme's strategy which includes integrating results from past initiatives into current and future projects, fostering a more efficient and effective approach to addressing common challenges in the cross-border area.

## Chapter 2

# An Overview of the Interreg Italy-Malta 2014-2020 Programme

### 2.1. Introduction

2.1.1. The IIM Programme operates under the European Territorial Cooperation objective of European Union's (EU's) Cohesion Policy, which seeks to strengthen economic, social, and territorial cohesion across the Union. Embedded within a wider architecture of EU-funded mechanisms, it fosters cross-border cooperation to address joint challenges and leverage shared opportunities. This structure reflects the EU's fundamental principles of solidarity, partnership, and sustainable, inclusive development. The IIM programme is mainly funded by the European Regional Development Fund (ERDF), which serves to enhance the economic, social, and territorial cohesion within the EU, and, to a less extent, by national resources. Over two decades, the ERDF specifically allocated more than €120 million to address the cross-border challenges between Italy and Malta.

### 2.2. The IIM Programme provides opportunities to strengthen regional collaboration between Italy and Malta

2.2.1. Within the ERDF platform, the Interreg programmes play a pivotal role in facilitating territorial cooperation among EU member states and their regions. They provide opportunities to implement peer-to-peer exchange projects in a wide range of relevant areas, including research and innovation, environmental protection, competitiveness and quality employment.

2.2.2. The IIM 2014-2020 is an operational programme of the ETC goal, part of the cross-border cooperation component, foreseen by Article 2(1) of Regulation (EU) No 1299/2013. This provision also states that the cross-border cooperation between adjacent regions aims to promote *"integrated regional development between neighbouring land and maritime border regions in two or more member States, or between neighbouring border regions in at least one member State and one third country on external borders of the Union other than those covered by programmes under the external financial instruments of the Union"*.

2.2.3. The Regulation also prescribes that the operation selected under cross-border cooperation shall involve beneficiaries from at least two participating countries, at least one of which shall be from a Member State.<sup>6</sup> An operation may be implemented in a single country, provided that

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<sup>6</sup> Regulation (EU) No 1299/2013 Article 12(2).

cross-border impacts and benefits are identified. In the context of the ETC, the IIM Programme provides an opportunity to establish fruitful collaborations between universities, companies, scientific centres, local institutions and the Non-Governmental Organisations (NGOs), fostering a collaborative dynamic between different actors with the aim of improving the results of the funded projects.

- 2.2.4. Due to its characteristics, in particular the specific objectives of the Programme and the proximity of Italy and Malta, the IIM Programme represents a valuable opportunity for experimentation, learning, exchange of knowledge and experience, promotion of innovative projects with potential for scalability and capitalisation. In short, it represents a platform to strengthen cross-border cooperation through the strong involvement of public and private partners from different countries, thus ensuring greater integration into the EU environment.

### 2.3. The structure to implement the IIM follows the EU legislative framework

- 2.3.1. The EU's Common Provisions Regulation (CPR) for the 2014-2020 period, clearly define the programme management function and the interactions between the different entities. These regulations identify the following main roles:

- i. The **Managing Authority (MA)** is responsible for the overall management of the Programme. For the period in scope, prior to programme commencement in 2004, it was agreed that this function falls under the governance structure of the Sicilian Region and within the Regional Department for Programming, located in Sicily.
- ii. The **Maltese National Co-ordination Authority (MNCA)**, forms part of the Funds and Programmes Division (FPD) within the Office of the Prime Minister. The role of this Authority is to mirror the role of the Managing Authority on a national level.
- iii. The **Certifying Authority (CA)** is responsible for the drawing up and submission of payment applications to the Commission. The CA has to certify that these payment applications were derived from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the Managing Authority.
- iv. The **Audit Authority (AA)**, which is located in Sicily, carries out audits on the management and control systems, on an appropriate sample of operations and on the annual accounts. This function is supported in Malta by the **Internal Audit and Investigations Department (IAID)**.
- v. The **Joint Secretariat (JS)** which is located in Sicily, serves as the technical arm of programme management. The JS provides its support to the Managing Authority, the Maltese National Co-ordination Authority and Programme beneficiaries hailing from both regions.

- 2.3.2. Table 1 illustrates the interaction between the institutional functions, Programme beneficiaries, and external stakeholders across the various stages of the Programme's lifecycle.

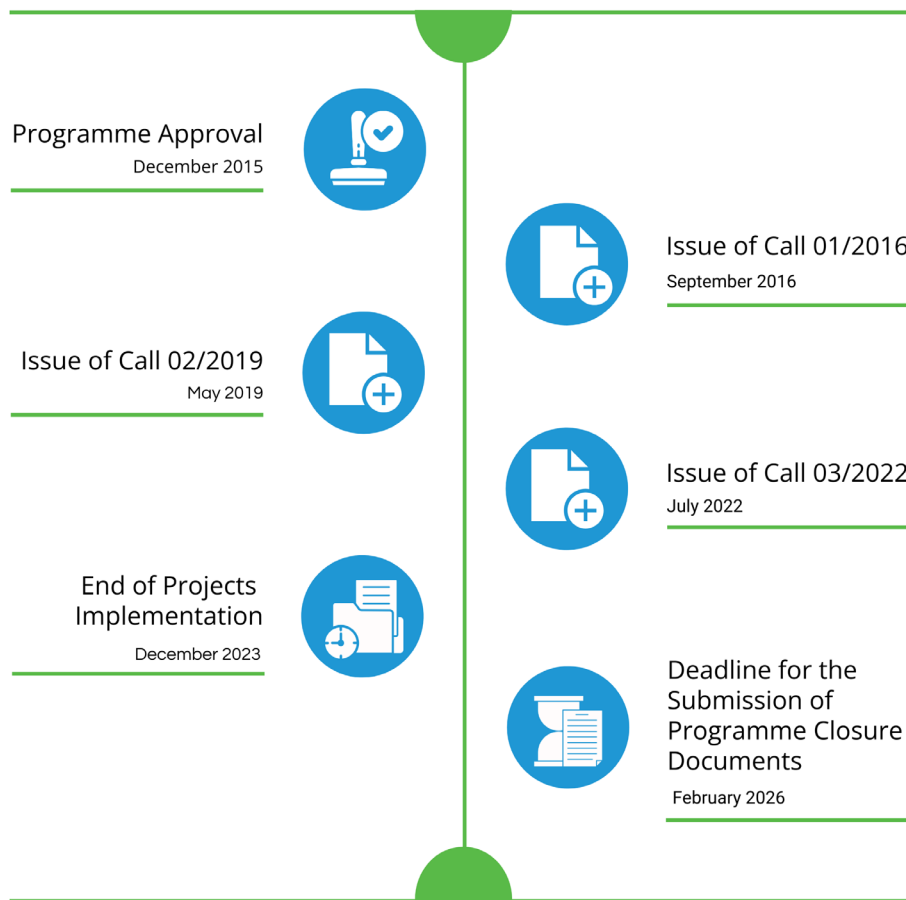
**Table 1: Primary actors in the implementation of the IIM Programme**

	Contributing Function					
Process	Managing Authority/ Maltese National Co-ordination Authority	Joint Secretariat	Certifying Authority	Audit Authority	Programme Beneficiaries	External Stakeholders
Programme Design	✓	✓				✓
Project Calls	✓	✓			✓	
Projects Selection	✓	✓				
Implementation and Monitoring	✓	✓			✓	
Certification of Expenditure			✓			
Audits on management, controls and expenditure				✓		
Capitalisation and Sustainability of Outputs					✓	

2.3.3. The Programme’s administrative structure permits for a high degree of separation of responsibilities throughout the Programme and projects’ life cycle. The Glossary of this Report provides a more detailed description of the aforementioned roles. Moreover, it provides a broader description of all the stakeholders involved and their respective responsibilities as defined by the EU to manage the programme.

2.3.4. The IIM 2014-2020 Programme was approved by the EC through decision notice C(2015) 7046 in 2015 and modified in 2021. Following the first project call launched in 2016 for the acquisition of project proposals, two more were published in 2019 and 2022, respectively. The period for project implementation ended in December 2023, while the deadline for the submission of programme closure documents is scheduled for February 2026. Figure 1 refers.

Figure 1: The IIM 2014-2020 Programme implementation timeline



- 2.3.5. Throughout the 2014-2020 programming period, the IIM Programme funded a total of 33 projects.<sup>7</sup> The following sections provide an overview of the projects implemented under each of the Programme’s Priority Axes, highlighting their thematic focus and contribution to the Programme’s strategic objectives.
- 2.3.6. Priority Axis 1 “Promoting smart and sustainable growth through research and innovation” funded eight projects over the course of the programming period. With a budget of €10,565,520, this Priority Axis focused on strengthening innovation and research activities to improve the quality of life and the use of cultural heritage.
- 2.3.7. A concrete example of activities carried out in this context is the Bythos project, which uses products from the fish processing industry to promote new value chains and reduce organic waste.

2.3.8. This project financed the creation of a joint biotechnology laboratory in Sicily and Malta and the identification of protocols for the extraction of biomolecules from fish waste, which are particularly sought after in the cosmetics, pharmaceutical and food sectors. Residual organic matter not suitable for the above extraction was converted into sustainable fish feed. Figure 2 shows the areas where work relating to this project was carried out.

2.3.9. The activities carried out aimed to promote integration between research and the business world and to make the management of the waste disposal cycle in the fisheries and catering sector more sustainable.<sup>8</sup>

2.3.10. Another six projects were funded under Priority Axis 2 "Promoting competitiveness in the cross-border area". This Priority focuses on increasing both the number and competitiveness of micro, small and medium-sized enterprises by promoting entrepreneurship, boosting employment and increasing labour mobility in the fields of environmental protection, quality of life and citizens' health. The total budget allocated to this Priority Axis was €11,068,516.

Figure 2: Bythos implementation area<sup>9</sup>



<sup>7</sup> 15 projects were selected under the Call 1/2016, 11 under the Call 2/2019 and the remaining 7 projects through the Call 3/2022.

<sup>8</sup> In October 2024, the Bythos project won the European Commission's RegioStars Award 2024, a European label of excellence for EU-funded projects that demonstrate the impact and inclusiveness of regional development.

<https://italiamalta.it/progetti/funded-projects/bythos/?lang=en>.

<sup>9</sup> Source: Managing Authority. Interreg V-A Italy-Malta – European Territorial Cooperation at the centre of the Mediterranean. The results of the Programme.

Figure 3: Move On implementation area<sup>11</sup>



2.3.11. One of the projects funded under Axis 2 was Move On, which focused on cross-border mobility in the cooperation area.

2.3.12. In particular, the project financed vouchers for 100 young people to benefit from internships in organisations located on the other side of the cooperation area, thus moving from Sicily to Malta or vice versa. Figure 3 shows the areas where work relating to this project was carried out.

2.3.13. The project implementation also aimed for the creation of a cross-border network of category associations, companies, research centres and public organisations, thus promoting the integration of the Sicilian and Maltese labour markets.<sup>10</sup>

2.3.14. The remaining 19 projects were funded under Priority 3 “Protection of the environment and promotion of the efficient use of resources”. This Priority supported activities aimed at protecting and restoring biodiversity and promotes measures to mitigate the effects of both climate change and natural and man-made risks. The total budget allocated to this Priority Axis stood at €26,544,990.

<sup>10</sup> <https://www.moveon-italiamalta.it/media/>

<sup>11</sup> Source: Managing Authority. Interreg V-A Italy-Malta – European Territorial Cooperation at the centre of the Mediterranean. The results of the Programme.

2.3.15. An example of the activities financed by Axis 3 is the Calypso South project, which supports innovative technological systems to mitigate the above-mentioned natural and anthropogenic risks.

2.3.16. Specifically, this project extended the existing network based on a High Frequency radar system for monitoring sea surface currents and waves. This enabled the entire area of Malta and the south-eastern area of Sicily to be covered. Figure 4 refers.

2.3.17. The project has aimed to the strengthening of interventions following dangerous and/or potentially polluting events in the channel between Sicily and Malta and to the improvement of navigational safety.<sup>12</sup>

Figure 4: Calypso South implementation area<sup>13</sup>



<sup>12</sup> <https://italiamalta.it/progetti/funded-projects/calypso-south/?lang=en>.

<sup>13</sup> Source: Managing Authority. Interreg V-A Italy-Malta – European Territorial Cooperation at the centre of the Mediterranean. The results of the Programme.

## **2.4. Stakeholder involvement was extensive in the programme design phase, but proved rather limited in the implementation phase**

2.4.1. EU Regulation 1303/2013 mandates stakeholder participation in Programme drafting. The list of stakeholders mainly comprises public authorities, economic and social partners, as well as civil society. The MA, with the support from the JS and the MNCA, extended the categorisation of stakeholders to ensure that the broad categories identified in the regulations are better defined. This effort enhanced the quality of feedback received as well as ensured the appropriate targeting of stakeholders. Through this approach, the key entities responsible for the management of the Programme ensured the comprehensive representation of key stakeholders in discussions related to the relevance of the selected thematic objectives in line with the EC's overarching investment priorities. These consultations also served to design the outputs and results expected.

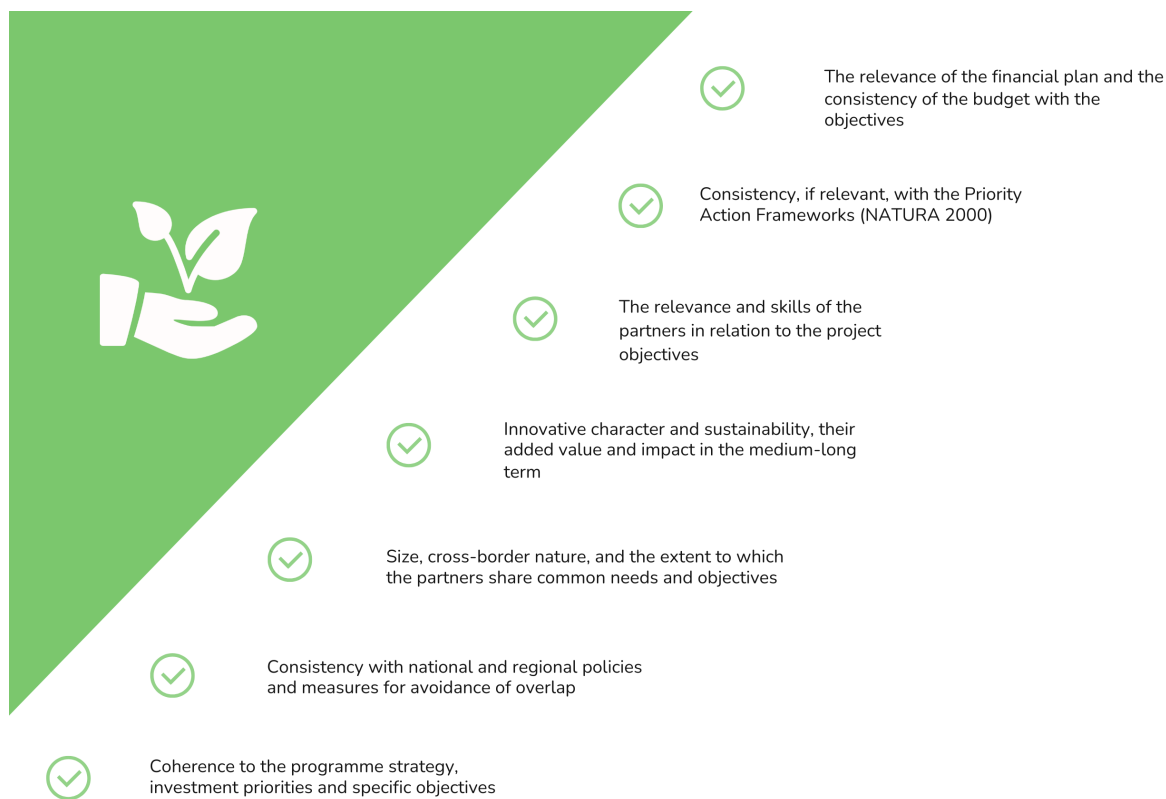
2.4.2. Nonetheless the following materialised:

- i. The thematic objectives for the 2014-2020 Programme were selected prior to the stakeholder meetings. These factors may have prevented the identification of other areas where the IIM Programme may have also been effective. For the 2021–2027 programming period, the MNCA carried out high level consultations for each priority, which was then followed by round table discussion specific to the Italy-Malta Programme.
- ii. The approach adopted for drafting the calls for project proposals at a later stage, whilst compliant with EU regulations, reveals a lack of involvement and meaningful participation by stakeholders in the relevant decision-making process.

## **2.5. The IIM project selection criteria have changed over time to allow a more flexible management approach**

2.5.1. The project selection criteria is derived from EU regulations. Figure 5 depicts the EU criteria adopted during the 2014–2020 programming period.

**Figure 5: EU criteria for projects' selection under the 2014-2020 programming period**



2.5.2. Figure 5 shows that the EU adopts a comprehensive project evaluation by assessing implementation capacity, cross-border relevance, sustainability, and alignment with programme objectives. The EU regulation does not provide weighting per parameter and such a task is entrusted to Programme Authorities to reflect regional needs. The aforementioned design approach allowed for more flexible programme management.

2.5.3. An evaluation of the calls for proposals issued in 2016 and 2019, namely Call 1 and Call 2, noted that the minimum scoring which enables eligibility for funding was reduced from 53 per cent to 35 per cent of the total available marks respectively. These adjustments on the scoring and weighting parameters were intended to enhance responsiveness to beneficiary profiles while ensuring better alignment with Programme targets, but the potential risk exists that the quality of the projects would be somewhat compromised.

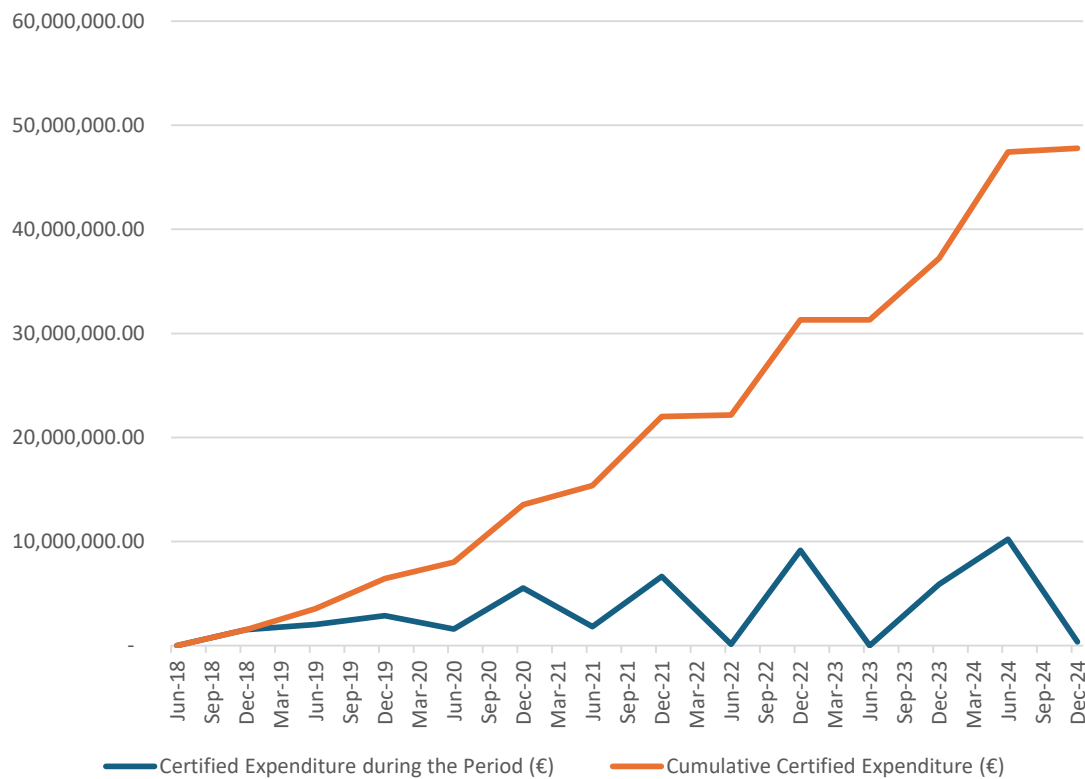
## **2.6. The IIM Programme absorbed 92 per cent of the allocated funds**

2.6.1. As at December 2024, the Programme's absorption rate achieved a rate of 92 per cent according to data provided by the Certifying Authority. This result should still be considered provisional until the deadline for submission of the closure documents in February 2026. It demonstrates a robust capacity for effective fund utilisation and project delivery. During the contradictory procedure, the Managing Authority noted that, due to the programme's adherence to the flexibility rules of the STEP regulation (EU Reg. 2024/795), the final absorption rate is expected

to reach 97 per cent of available resources. The overall performance of the IIM 2014-2020 Programme, when compared to other ETC programmes, can be considered as successful.

2.6.2. Overall delays in the Programme’s implementation,<sup>14</sup> have directly impacted the timeline of funds absorption, as portrayed in Figure 6. Proactive disbursement schedules aided by a solid monitoring function are essential for equitable Programme output delivery. A forward-looking financial strategy can ensure that Programme objectives are met efficiently, over the entire period scope.

**Figure 6: Schedule of certified expenditure over the 2014-2020 programming period**



2.6.3. Improvements in the timing and management of calls for proposals, as well as support for adequate financial planning and robust monitoring to identify delays and provide information for corrective action, are essential to ensure that the results of programmes are fairly distributed.

<sup>14</sup> Further information about the delays experienced is discussed in Section 3.3.

## **2.7. When considering the IIM 2014-2020 Programme, the national contribution is greater than the 15 per cent co-financement element**

2.7.1. IIM projects are financed through a mechanism where 85 per cent of costs are secured through ERDF funds, with the remaining 15 per cent co-financed through national contributions. However, an in-depth analysis shows that the co-financement element increases, when the total project lifecycle costs are factored in.

2.7.2. It should be noted that the regional authorities in Sicily and the national authorities in Malta took a number of actions in support of programme management that were not recorded separately. In particular, we refer to the following:

- i. **Administrative expenses** – The IIM 2014-2020 allocated three million euros in ERDF contribution for technical assistance to support the MA and the MNCA in overseeing Programme implementation. While this funding covers essential functions, it does not fully meet operational demands, including staffing, office maintenance, and coordination with higher-level entities.
- ii. **Public Administration Support** – The additional support of public entities is not covered through IIM funding. An example in this regard, is the Environment and Resources Authority (ERA) in Malta commitment to IIM 2014-2020 projects. The Authority contributed technical expertise to the beneficiaries amounting to €94,000 in activities such as impact assessments.
- iii. **Additional Co-Financing** – The Programme promotes the use of supplementary financial resources to strengthen project operations. Of the reviewed projects, Corallo +SI demonstrated this practice where the Agenzia Regionale per la Protezione Dell’Ambiente (ARPA) Sicilia contributed €9,000 of own funds to capitalise on an igloo<sup>15</sup> structure for dissemination events. Such contributions reflect a proactive approach to maximising project impact.

## **2.8. During the 2014-2020 IIM programme the adoption of simplification measures was rather limited**

2.8.1. Simplification measures enhance efficiency by reducing administrative burdens and thus allowing resources to be increasingly allocated towards project implementation. In turn, this effort will further aid the EU to attain its objective of having result-oriented budget implementation processes geared at maximising the funding’s impact.<sup>16</sup>

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<sup>15</sup> The Igloo was procured to serve as an interactive attraction where Corallo partners displayed visual outputs of the projects, including footage of the marine life in the target areas, on a large scale.

<sup>16</sup> European Union, 2016. Simplified Cost Options in the European Social Fund. Promoting simplification and result-orientation.

- 2.8.2. Simplified reporting and control mechanisms reduce redundancy and costs while maintaining compliance with regulatory frameworks. This promotes more sustainable and cost-effective project management, making it accessible even to the least structured entities.
- 2.8.3. This Review came across two major simplification initiatives which were incorporated in the 2014-2020 Programme. These mainly relate to:
- i. the switch to electronic submission of documentation promoting more efficient information sharing practises; as well as,
  - ii. incorporation of optional<sup>17</sup> flat rate costs on staff costs, as well as mandatory flat rates on office and administrative expenditure.<sup>18</sup>
- 2.8.4. This Joint Review did not identify any other simplification measures that are plausible within the regulatory framework, such as the lump-sum payments option. The foregoing may have limited the participation of a wider and larger numbers of beneficiaries as advocated by the pertinent EU regulations.<sup>19</sup> During the course of this Review, the Audit team observed these circumstances in other EU funded programmes such as the Horizon 2020 and Interreg Euro-MED Programmes.
- 2.8.5. Throughout the Analysis, the audit team observed that most beneficiaries are public sector entities, while NGOs and private entities are in the minority. This is due to administrative and management burdens that are sometimes considered excessive by smaller organisations, as well as the difficulty of accessing the bank and/or insurance guarantees required for funding advances. Mitigation action by the MNCA in relation to these circumstances are discussed further in 6.3.1.
- 2.8.6. Encouraging greater use of simplified cost options could also be a means of making programme management more efficient. Following this approach, the Programme Authorities will gradually shift their focus from control activities to quality of results, thereby reducing administrative costs and improving effectiveness of actions on the ground.

## **2.9. The IIM monitoring function requires more effective tools to enhance oversight and responsiveness**

- 2.9.1. Monitoring is a systematic process that tracks project progress against predefined objectives, timelines, and performance indicators. It ensures timely identification of deviations, enabling corrective actions to maintain efficiency and effectiveness. By providing real-time insights, it enhances accountability, resource optimisation, and projects success.

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<sup>17</sup> This element was changed to mandatory for projects under Call 03/2022.

<sup>18</sup> Administrative expenditure in this context refers to general office expenses such as IT infrastructure and utilities.

<sup>19</sup> Regulation (EU) 1299/2013 (3).

2.9.2. During the 2014-2020 programming period, the monitoring function was not fully supported by an adequate IT system.<sup>20</sup> Consequently, the following situations materialised:

- i. Considering the IT system malfunctions, and the consequent criticism, the MA has increased direct contacts with beneficiaries via email, telephone and video conferencing. It cannot be excluded that some implementation delays may have gone unnoticed in this context, preventing the timely adoption of corrective measures.
- ii. The absence of a defined post-implementation monitoring framework could have influenced the assurance provided by Programme Authorities on the long-term sustainability of project outputs.

2.9.3. The robustness of the monitoring framework should be considered essential not only to promote accountability of implementing entities and ensure the safeguarding of achievements, but also to strengthen stakeholder confidence in the strategic oversight of the programme.

## **2.10. Some conflicting statements and 'grey areas' need to be overcome in order to promote the long-term sustainability of project outcomes**

2.10.1. The lack of a post-implementation monitoring framework raises concerns about the assurances given by the MA regarding the long-term sustainability of the project results. In this respect, the MA contended that a monitoring plan to verify the maintenance of the investments financed will be put in place only after 31 July 2025,<sup>21</sup> taking into account the five-year period following the last payment made by the Managing Authority.

2.10.2. For a better understanding of the issue, it should be noted that the grant agreements signed between the MA and the Lead Partners stipulate that the latter must ensure that the results produced and acquired under the projects are not diverted from their original function for at least five years after the final payment to the beneficiaries.

2.10.3. However, the final reports of the projects include a recommendation from the JS to the project partners to ensure the full functionality of the investments for five years after the closure of the IIM 2014-2020 Programme. Therefore, two different starting dates for the calculation of the above-mentioned five-year period are defined in the project documents.

2.10.4. This discrepancy may lead to uncertainty and misunderstandings regarding the duration of the obligations to be fulfilled by the partners. In this regard, we emphasise the importance to clarify the effective date of the five-years bond and to establish a clear monitoring framework. This will ensure the coherence of the programme and the stakeholder confidence in sustainability of the achieved results. In this regard, during the contradictory procedure, the MA indicated that it will clarify to all the beneficiaries of the IIM programme, by means of a specific circular

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<sup>20</sup> For the 2021-2027 IIM programme, this issue is being addressed through the introduction of the JEMS.

<sup>21</sup> This being the expected Programme closure date.

letter, that the aforementioned deadline will run from the date of the last payment made to the project's lead partner.

- 2.10.5. With reference to the ownership of tangible project outputs, this rests with the respective beneficiaries, unless otherwise specified in the grant agreements. While the MA is entitled to use and disseminate outputs to promote the Programme, there is no evidence of structured efforts to ensure their accessibility or use by third parties.
- 2.10.6. The Review revealed a limited willingness of Programme beneficiaries to share data and outputs with external stakeholders. An exception to this statement relates to one instance encountered during audit work where an agreement between a beneficiary and an external stakeholder to share the project's outputs.<sup>22</sup>
- 2.10.7. The use of public funding should promote the availability, accessibility and reusability of data and knowledge for all and support the process of scientific knowledge creation and communication.
- 2.10.8. The establishment of such an environment requires a specific commitment from the main programme actors to identify and overcome shortcomings in the management of intellectual property rights and the dissemination of research data. The persistence of 'grey areas' can hinder the sharing of results between project partners and access by potential third parties, thereby limiting the sustainability and impact of the financed initiatives.

## **2.11. Conclusion**

- 2.11.1. The IIM 2014-2020 Programme has provided beneficiaries with significant opportunities, fostering cross-border collaboration through a variety of areas addressed. The active participation of stakeholders, particularly during the preparation phase of the Programme, was crucial to its implementation, ensuring that funded projects align with territorial priorities and deliver tangible benefits.
- 2.11.2. During the Programming cycle, project selection criteria evolved to enhance effectiveness. This adaptability, combined with high levels of fund absorption, has maximised the Programme's impact.
- 2.11.3. The Review highlighted the need to simplify administrative procedures and reduce the bureaucracy for beneficiaries. In this respect, the introduction of consistent and appropriate measures could facilitate the participation of less structured organisations in calls for proposals.
- 2.11.4. Further efforts in enhancing ownership of outputs and disseminating results will be crucial for sustaining long-term benefits beyond the Programme's lifecycle. Some recent experiences show the potential of the Programme to foster initiatives for sharing project results. However, there is still a need to overcome some inconsistencies and 'grey areas' that hinder the creation of an environment of data sharing and open innovation.

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<sup>22</sup> The agreement signed between ARPA Sicilia and Marevivo is discussed in Paragraph 6.6.5.

## Chapter 3

# The Challenges in Managing the Interreg Italy-Malta 2014-2020 Programme

### 3.1. Introduction

3.1.1. The IIM Programme is governed by the management framework established under EU regulations. The roles and responsibilities of Programme Authorities are defined in Regulation (EU) No 1303/2013. For the 2014–2020 and the 2021–2027 programming cycles, the function of Programme Managing Authority has been entrusted to the Planning Department of the Presidency of the Sicilian Region.

### 3.2. Programme management is efficient amidst resource constraints

3.2.1. The MA, the MNCA, the CA, and AA oversee multiple EU-funded programmes. The JS is dedicated exclusively to the IIM Programme. The JS plays a critical role in executing the functions of programme coordination and monitoring as well as project selection. Despite a constrained workforce, these entities uphold operational efficiency and regulatory compliance by strategically prioritising programme management based on evolving operational needs.

### 3.3. The Programme Authorities responded in a timely manner to the COVID-19 related challenges

3.3.1. The Programme Authorities of the IIM Programme demonstrated adaptability in responding to the unprecedented challenges resulting from the Coronavirus Disease of 2019 (COVID-19) pandemic. The MA issued two administrative circulars<sup>23</sup> aimed at supporting the project beneficiaries during the pandemic emergency. Moreover, several online meetings were set up between the Programme Authorities and beneficiaries, in order to ensure the continuation of the projects and activities undertaken.

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<sup>23</sup> Administrative circulars 1/2020 dated 5 May 2020 "Interreg V Cooperation Programme – Italy-Malta – operational indications for extensions of Call 01/2016 projects and proposal of COVID-oriented actions" and 2/2020, dated 28 May 2020 "Interreg V Cooperation Programme – A Italy-Malta – operational indications for extension of the Call 01/2016 projects and proposal of Covid-oriented actions – supplementary clarifications". Circular 1/2020 sets out the following provisions: 1) the possibility of requesting an extension for the targeted activities closing date; 2) the right to use any savings deriving from activities that could not be carried out due to Covid-19, 3) counteract, contain and adapt to the Covid-19 epidemic through projects aiming specifically at "Quality of life and health of citizens". As a result, 13 reallocation proposals - out of 15 approved projects- were submitted to the MA and approved by the Programme Steering Committee meeting on 30 July 2020.

3.3.2. Through strategic reallocation of resources, digital transformation and targeted emergency interventions, Programme Authorities ensured Programme continuity while addressing critical socio-economic as well as public health needs. The following refers:

- i. **Strategic reallocation of resources resulted in the projects' addressing real-time concerns:**  
To mitigate the pandemic's impact, the Monitoring Committee of the IIM Programme approved significant financial reallocations in September 2020, ensuring that funds were directed towards the most pressing needs of that time.
- ii. **Programme Authorities embraced digital transformation to counter the effects of the COVID-19 pandemic:** Recognising the significant challenges posed by travel restrictions and lockdown measures, the Programme Authorities responded swiftly by digitalising communication systems. The transition to online formats not only safeguarded Programme implementation, but also enhanced efficiency, adaptability, and resilience in the face of unprecedented constraints.

#### **3.4. The IT system revealed some weaknesses which affected the Programme's and projects' implementation**

3.4.1 IT systems enhance communication and operational coordination, facilitating real-time data sharing as well as decision-making and monitoring. Nevertheless, the IT system adopted by the MA for the management of IIM 2014-2020 exhibited a number of weaknesses. While acknowledging the efforts made by the MA in addressing these critical issues, the following should be noted:

- i. The Ulysses programme management software did not fully meet the reporting and monitoring requirements of the IIM Programme. These circumstances led to some delays in uploading documents, the generation of unreliable data which required additional verifications, and load pressures when transmitting voluminous information.
- ii. Weaknesses in the IT system affected the effectiveness of Programme and projects monitoring. The IT systems in place during the implementation period under review did not permit for real-time reporting. In addition, there was a lack of alignment between projects and Programme's progress data which makes it more challenging to perform accurate reporting.

3.4.2 These circumstances led to the MA, to switch to a new system, the Joint Electronic Monitoring System (JEMS) for the 2021–2027 programming cycle. This system is still in its early stages of implementation. In the interim, the Programme Authorities are utilising the platform *Sicilia Digitale*, which is temporarily supporting the management of the first call of the 2021-2027 Programme until JEMS is fully operational.

### **3.5. The need to ensure compliance with the Italian public accounting laws has slowed down the establishment of Programme management bodies for the IIM 2021–2027 programme**

- 3.5.1. Based on the results of the Review, some constraints imposed by compliance with the Italian accounting rules have had an impact on the implementation of the Programme.
- 3.5.2. During the Audit, the Italian Programme Authorities noted that, according to Italian Accounting Regulation, in the first part of the year, payments cannot be made on account of unused resources from the previous year until the procedures for the ordinary re-accounting of the outstanding assets and liabilities existing on 31 December of the previous year have been completed<sup>24</sup> and the general statement of accounts of the Region have been approved. It has been reported that any delay in the completion of this procedure has an impact on the ongoing management of the expenditure.
- 3.5.3. Another restriction was the prohibition on hiring staff until the approval of the annual accounting documents.<sup>25</sup> The application of this rule has made it impossible to recruit the experts on the JS and has necessitated an extension of contract pertaining to the members of the previous Programme. As a result, the 2021-2027 IIM Programme did not recruit new JS staff until 1 February 2025.
- 3.5.4. The transnational nature of the IIM Programme would require more efforts to ensure the continuity of all contractual activities, possibly through the introduction of measures for greater flexibility in the management of payments.
- 3.5.5. In the circumstances it is advisable to adopt amendments to the schedule of activities in good time, with the consequent rescheduling of multiannual expenditure commitments. This would allow the amount of outstanding commitments to be reduced within the limits of what is actually foreseen to be spent in the reference year, making the appropriations to be available in the financial year in which they are to be used.
- 3.5.6. It should also be noted that the Italian accounting law allows for the partial recalculation of unused appropriations during the first months of each financial year. The use of this option makes it possible to overcome any obstacles to the payments on appropriations committed in the previous financial year.<sup>26</sup>
- 3.5.7. Finally, given the transnational nature of the Programme, consideration should be given to the possibility of amending the applicable national accounting rules in favour of cross-border programmes, that is by extending the scope of derogations already existing for other EU funded programmes, or introducing specific accounting rules for ETC initiatives to ensure greater flexibility and timeliness in the management of payments.

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<sup>24</sup> Article 3(4) of Legislative Decree No 118/2011.

<sup>25</sup> Article 9, paragraph 1-quinquies, of Legislative Decree No. 113/2016.

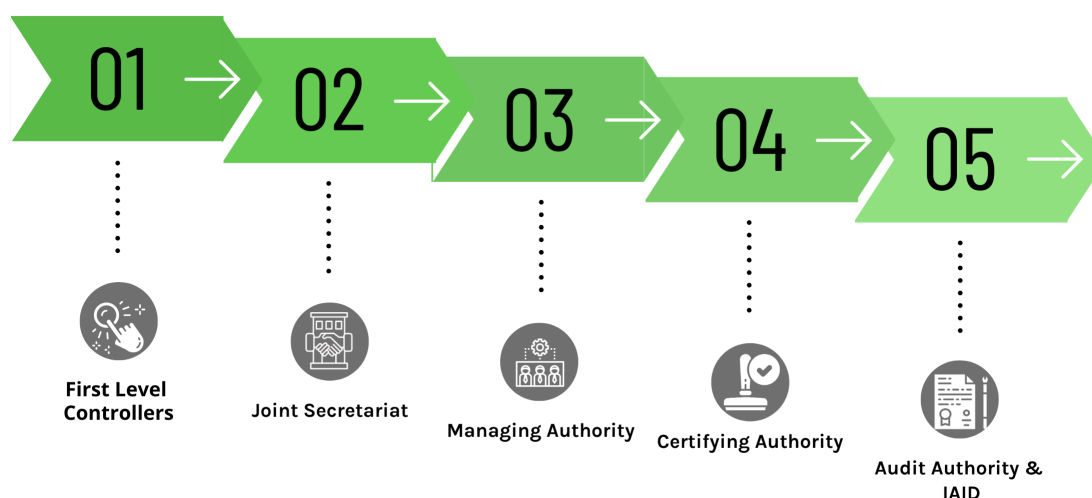
<sup>26</sup> Court of Auditors of the Region of Sicily, deliberation No. 92/2025/PAR.

### 3.6. While the control system has ensured a reasonable level of assurance, better coordination and the use of harmonised criteria would have ensured higher standard of EU resources protection

3.6.1. During the IIM 2014-2020 implementation, the Programme's residual global error rate remained below the two per cent threshold permitted by EU regulations. Nevertheless, in view of the importance of monitoring mechanisms relating to the deterrence of misuse of funds, the audit team deemed it necessary to carry out an in-depth analysis of the measures adopted by Programme Authorities.

3.6.2. The verification of expenditure involves a comprehensive process, beginning with First Level Controllers and culminating in final reviews conducted by the Audit Authorities. Figure 7 refers.

Figure 7: Levels of review and auditing conducted in relation to IIM reimbursements



3.6.3. The MA is responsible for implementing measures which serve to prevent, detect and correct irregularities affecting the sound financial management of the EU budget on the basis of the management and control system adopted by the programme. To this end, the Interreg framework designates the MA and the MNCA as the responsible entities for recovering funds if any partners in Sicily or Malta fail to reimburse unduly received amounts, whether due to corrections or errors in the disbursement process.

3.6.4. In the context of the IIM Programme, each participating member State also designates an audit body to verify activities in the respective territories.<sup>27</sup> This Review highlighted several coordination issues between the Italian and Maltese parties as denoted hereunder:

- i. The first-level control systems, entrusted to external auditors, lacks harmonisation, as well as may lead to inconsistencies in the protection of EU funds and the treatment of

<sup>27</sup> Art. 23(4) of Reg. 1299/2013.

beneficiaries. The absence of continuous information exchange between the Italian and Maltese programme Authorities further exacerbates these issues.

- ii. This Study revealed that the Audit Authorities were not fully aware of the control methodologies and practices adopted in the two Countries. During the 2014-2020 programming period, the number of coordination meetings between the AA and the IAID to ensure an adequate level of uniformity of audits was rather limited. Moreover, the Review showed that the IAID, due to limited resources available did not maintain sufficient knowledge of the working methods in force by the AA throughout the entire programming period.
- iii. Critical variances in control methodologies and risk monitoring procedures exist. The Italian and Maltese Authorities adopted different approaches in the use of data mining and risk assessment tools. In addition, there is a lack of harmonised anti-fraud strategy in both countries. This situation is particularly evident with regards to the implementation of controls on double-funding<sup>28</sup> and conflict of interest<sup>29</sup> risks. These circumstances materialised due to the limited use of ARACHNE<sup>30</sup> and the non-use of a unique project identification code by Maltese Authorities.

3.6.5. It is worth noting that both the AA and the IAID have expressed their willingness to improve the control system in the 2021-2027 programming period. These include joint intention to organise in person meetings on regular basis, exchanges of administrative staff and joint audits of the operations to improve their knowledge of each other's working methods. The effective implementation of these intentions will represent a significant step forward in the harmonisation of controls with benefits for the correct and effective implementation of the Programme. In this context, the 2024 meeting<sup>31</sup> between representatives of the AA and the IAID is a notable development, as it established key understandings that will be formalised in the Programme Controls Manual 2021–2027. Within this context, the MNCA is currently undertaking a comprehensive revision of its training programme for the first-level-controllers. This initiative is specifically aimed at enhancing harmonisation across all control systems and addressing any potential inconsistencies.

## 3.7. Conclusion

3.7.1. The Audit of the Interreg Italy-Malta Programme Management has shown that the IIM addressed EU requirements and has ensured an adequate implementation of the Programme objectives in all key areas. Programme resilience was tested during the pandemic whereby digital advancements and resource utilisation helped to maintain progress.

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<sup>28</sup> Art. 191 of Reg. 2018/1046.

<sup>29</sup> Art 61 of Reg. 2018/1046.

<sup>30</sup> The European Commission has developed ARACHNE. This is a risk-scoring tool addressed to the managing authorities and intermediate bodies for projects funded by the ESF, ERDF and Cohesion Fund. The design and use of ARACHNE is aligned Regulation EU No 1303/2013 as a framework for effective and proportionate anti-fraud measures.

<sup>31</sup> The meeting was held in Palermo on 22 July 2024.

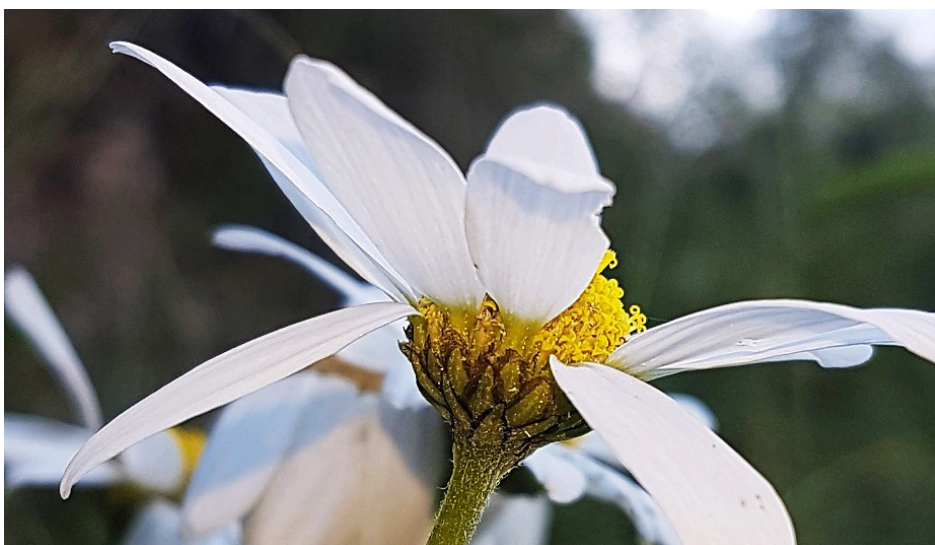
- 3.7.2. Nevertheless, this Review has also identified areas that require to be further strengthened. The Ulysses IT system revealed some limitations which may have hindered the Italy-Malta 2014–2020 programming period from reaping the full benefits of digitisation. The expected replacement of the IT system to JEMS, availed by many Interreg Programmes could help to reduce administrative burden and improve real-time monitoring.
- 3.7.3. The Review showed that the implementation of the Programme has been affected by limitations imposed by compliance with Italian national accounting rules. Given the international nature of the IIM Programme, every effort should be made to speed up accounting operations, also considering the possibility of including a special regime to ensure proper contracts management and faster payments.
- 3.7.4. Strong financial management practices have been central to ensuring compliance with EU regulations. The financial controls, including audits, verification procedures, and reporting mechanisms, have minimised risks of mismanagement. Although this Audit has identified a number of areas for improvement, it is to be noted that any financial irregularities has always remained within the required thresholds.
- 3.7.5. In relation to the audit control systems, better protection of the EU's financial interests would require continuous dialogue between the Programme Authorities as well as the adoption of a common minimum standard in both territories, in particular to prevent fraud and corruption, without prejudice to additional control to address national rules or specific risks.

## Chapter 4

# The SiMaSeed project - Protecting biodiversity in Sicily-Malta Natura 2000 sites through Seed Banks and population reinforcement of endangered species

### 4.1. Introduction

- 4.1.1. The SiMaSeed project was funded under the IIM 2014-2020 Programme- Priority Axis 3- Protecting environment and fostering efficient use of resources,<sup>32</sup> Specific objective 3.1- *To contribute towards the arrest of the loss of terrestrial and marine biodiversity in the area by maintaining and reactivating the ecosystems within the protected areas.*
- 4.1.2. The project aimed to address the problem of the progressive loss of terrestrial biodiversity caused by climate change and anthropogenic pressure on particularly sensitive areas of the Sicilian and Maltese territory, through a combined approach between on-site conservation methods (repopulation of native flora), and conservation methods carried out at dedicated facilities (germplasm banks). To this end, project activities included the strengthening of the two pre-existing germplasm banks located at the University of Catania and University of Malta as well as the creation of a third bank on the island of Gozo.



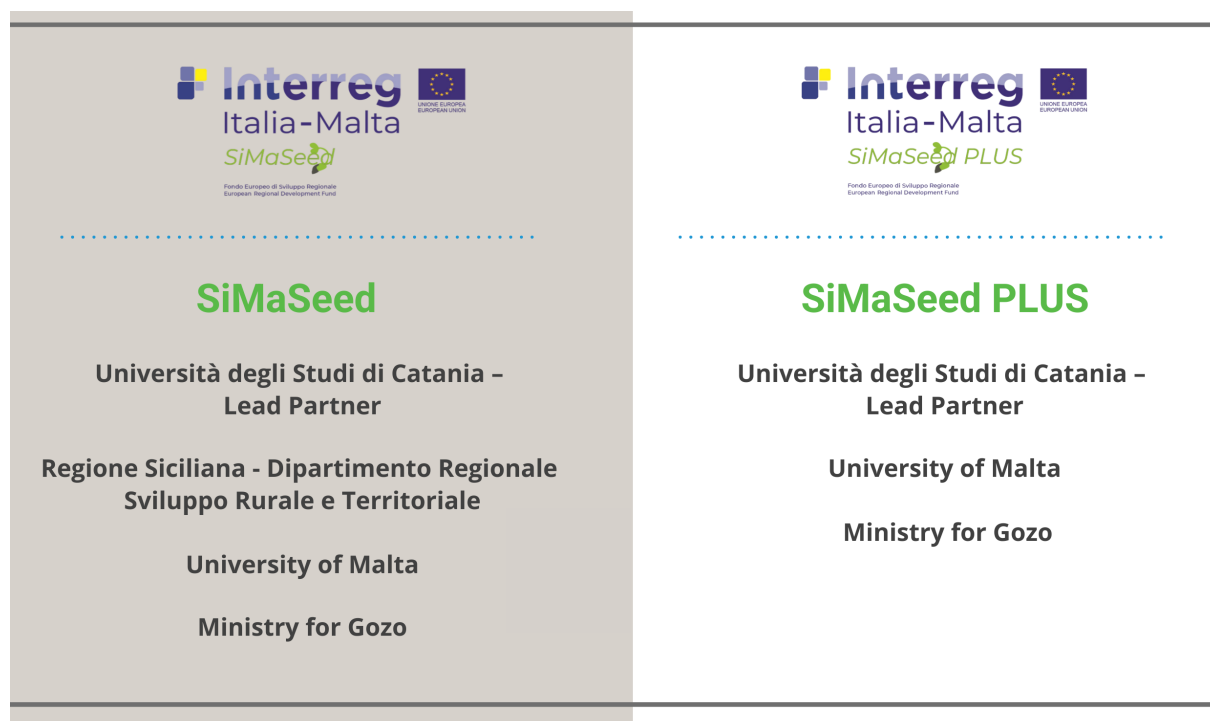
Source: SiMaSeed Facebook Page <https://www.facebook.com/profile.php?id=100061181930650https>

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<sup>32</sup> Axis 3 specifically addresses to projects related to Thematic Objectives 5 “Promoting climate change adaptation, risk prevention and management” and 6 “Preserving and protecting the environment and promoting resource efficiency” of the EU 2014-2020 Programming period.

- 4.1.3. The SiMaSeed project, funded under Call 1/2016,<sup>33</sup> has been implemented by an Italian-Maltese partnership with the University of Catania acting as Lead Partner and including the following additional entities: the Sicily Region- Regional Department for Rural and Territorial Development for Sicily and the University of Malta as well as the Ministry for Gozo in Malta. Figure 8 refers.

Figure 8: Project partners contributing in SiMaSeed and SiMaSeed PLUS



- 4.1.4. The project was initially designed to be carried out over a period of 36 months between January 2018 and December 2020. The project activities commenced on 1 March 2018 and was formally concluded on 27 October 2021, with a total duration of 44 months. Following the latest changes made to the project documents, the budget was of €1,630,847 of which €1,386,220 was financed through the ERDF co-financing mechanism (85 per cent). The remaining €244,627 amounting to 15 per cent of the total expenditure was funded through national public financing.

- 4.1.5. The project closing report shows that SiMaSeed project achieved all the planned results, as defined in the final revision of the project proposal. The total certified expenditure amounted to €1,551,857.

<sup>33</sup> Notice 1/2016 with a one-step procedure was issued in September 2016 to select project proposals under the Specific Objectives 1.1, 2.1, 2.2, 3.1 and 3.2 of the Interreg V- A Italy Malta Programme- Axes I, II and III. The project was approved by the Steering Committee of the Programme on December 4-5, 2017. The Managing Authority and the University of Catania, as lead partner of the Italian Maltese partnership signed the Subsidy contract on May 25, 2018.

## **4.2. SiMaSeed was one of the two projects' proposals selected under Call 01/2016 of Priority Axis 3.1**

4.2.1. The SiMaSeed project was selected under Call 01/2016, under Priority Axis 3.1. This Call carried a total allocation of €32 million, out of which €11.4 Million were allocated to Priority Axis 3.1 (about 36 per cent). With reference to the mentioned Priority Axis, beneficiaries submitted 21 project proposals. To this end, only two projects were selected, namely SiMaSeed and Harmony, for a total budget of €2.9 million.

4.2.2. Delays in the project selection process postponed the commencement of the project implementation. Moreover, restrictions imposed by the pandemic influenced the implementation. In this regard, the project completion date was delayed. These limitations particularly affected the sowing and germination activities, which are closely linked to the seasonality and biological cycles of plants.

4.2.3. The slowdown in project activities during the two-year period between 2020 and 2021 also emerges from the analysis of the output relating to the production of native species and its annual implementation. To this end, in the abovementioned two-year period considered as a whole, a lower number of plants was produced when compared to the entire output for 2019.

## **4.3. Operational challenges encountered by one of the partners led to a reduction of the project budget**

4.3.1. The original SiMaSeed budget amounted to €1,808,377. In July 2020, in the context of the extension of the project duration, a new financial plan was approved and €106,187 were transferred from the budget of the Dipartimento Regionale Sviluppo Rurale e Territoriale (DRSRT) to the University of Catania. In addition to the transfer of budgets, the outputs expected were also transferred to the responsibility of the University of Catania. The aforementioned department faced certain implementation criticalities right from the start of the project, linked to administrative delays in the recruitment procedures of the two researchers and of some 'forest workers' to be employed in the SiMaSeed activities. Pandemic-related limitations resulted in increased difficulty in the recruitment process.

4.3.2. In September 2021, the financial plan underwent a further change related to the budget of the Sicilian Region - Regional Department for Rural and Territorial Development. This change resulted in a 9.7 per cent reduction in the total project budget compared to the one approved in July 2020. Table 2 illustrates the changes that occurred between the original funding request and the one last approved in 2021.

**Table 2: Allocation of project budgets between the beneficiaries**

Partner	Beneficiary	Original Financing Request (€)	Final Approval 2021 (€)
PP1 / Lead Partner	University of Catania	608,463	713,150
PP2	University of Malta	486,800	486,800
PP3	Regione Sicilia-DRSRT	381,485	99,268
PP4	Ministry for Gozo	331,629	331,629
<b>Total</b>		<b>1,808,377</b>	<b>1,630,846</b>

**4.4. Despite the financial changes that have occurred during project implementation, the certified expenditure is lower than the final approved budget**

4.4.1. According to the final report of the SiMaSeed project, the total certified expenditure amounts to €1.55 million, resulting in an absorption rate of around 95 per cent of the final approved budget in September 2021. The financial corrections requested by the Audit Authority amounted to €8,590.

4.4.2. Table 3 displays the breakdown of the budget as approved in September 2021, for each project partner, and the related expenditure.

**Table 3: Financial data of the SiMaSeed project**

Partner	Last approved budget (€)	Certified expenditure (€)
PP1 / Lead partner	713,150.14	709,303.55
PP2	486,800.00	470,583.34
PP3	99,267.58	81,214.05
PP4	331,629.00	290,755.62
<b>Total</b>	<b>1,630,846.72</b>	<b>1,551,856.56</b>

Source: SiMaSeed project closure report.

4.4.3. Table 3 illustrates a near-equitable allocation of financial resources between the two regions, thereby reinforcing the Programme’s strategic capacity to foster balanced cross-border contributions.

**4.5. Expenditures and controls are essentially in compliance with EU and national regulations**

4.5.1. In Italy, first-level controls were performed by internal auditors from the office in charge within the Sicily Region administration and in Malta by an external auditing firm under the responsibility of the Financial Control Unit within the FPD. The service in charge of first-level controls in Italy

also conducted a periodic review of the project on ARACHNE. To this end, the ARACHNE platform was not available to the Maltese FLCs, since access is only provided to national institutions. Additional controls were carried out in Italy by the AA and in Malta by an external auditing firm under the supervision of the IAID.

- 4.5.2. Overall, the SiMaSeed project's expenditure was found to be essentially regular, in line with the overall performance of the Programme. In this context, the review of controls denotes that:
- i. controls systems provided sufficient and timely action in response to the detection of the irregularities; and
  - ii. the financial value of irregularities captured were of an immaterial amount.

***Irregularities denoted were immaterial***

4.5.3. The main irregularity detected under second level controls review refers to compliance with public procurement rules. This scenario relates to the tender procedure for the purchase of equipment (laboratory incubators) by the University of Malta.

4.5.4. The aforementioned irregularity resulted in a limited financial impact of €2,945. The detection of the irregularity led to the correction of the aforementioned amount in the accounts submitted to the EC.

***The system ensured appropriate corrective actions in response to detected irregularities***

4.5.5. Emanating from the Review of the SiMaSeed project, the EC detected that a sub-sampling method followed by the IAID did not comply with EU guidelines. However, following this finding and subsequent investigations, the Commission accepted the recalculation of irregular amounts and the error rate proposed by the AA. Consequently, the Programme Authorities reduced the final reimbursement amount of this project by a further amount of €2,831.02.

4.5.6. The ETC regulation provides that additional controls are carried out under the responsibility of the AA and the IAID, respectively in Italian and Maltese territory. However, the criticalness identified by the EC has highlighted the need to strengthen the coordination of activities and methodologies of the two Authorities.

- 4.5.7. To limit the risk of new errors and strengthen the controls, the AA and the IAID have recently agreed that:
- i. any sub-samples extracted from the IAID will be sent to the AA in advance for appropriate verification; and
  - ii. that all IAID audit reports will be submitted to the AA before they are finalised.

#### **4.6. SiMaSeed has met its targets albeit encountering significant challenges**

- 4.6.1. According to the data presented in the Project final report, SiMaSeed achieved all the targets set in the last approved project proposal both for output and result indicators. During project implementation, the main activities were:
- i. **Collection and conservation of seeds belonging to Natura 2000 habitat species.** Within this framework, the partnership defined common criteria for selecting, in both territories, the plant species and habitats from which to collect germplasm and carried out seed collection from species living in Natura 2000 habitats. At the end of the activity, the seeds were stored, and 693 accessions were preserved.
  - ii. **Technological upgrading of 2 germplasm banks (at the University of Catania and the University of Malta) and creation of a new germplasm bank on the island of Gozo.** The collected seeds were transferred to these germplasm banks for cleaning, qualitative and quantitative characterisation, and selection for short and long-term storage. At the end date of the project, 39 germination protocols were adopted.
  - iii. **Propagation of the target species in Sicily and Malta.** This action was undertaken by means of the macropropagation technique, which produced 28,127 seedlings belonging to 20 target species, and the micropropagation technique which produced 15,345 wild orchid seedlings. In addition, the use of deoxyribonucleic (DNA) barcoding led to the identification of 23 species.
  - iv. **Repopulation in pilot areas of previously selected and propagated plant populations.** This action served to strengthen endangered, rare or structural populations in Natura 2000 habitats. The repopulation covered a total area of 490 hectares in south-eastern Sicily and Malta. In addition, specific workshops on innovative techniques in this field were carried out, which resulted in the training of 50 technicians specialised in restocking.
- 4.6.2. Appendix I outlines the output and the result indicators, denoting the target and the final values.
- 4.6.3. The project achieved the pre-determined targets, in many cases, exceeding the initial forecast. It should be noted that some output indicators changed during project implementation. Key changes include the target number of seedlings of native species restored that was reduced from 40,000 to 28,000.
- 4.6.4. Furthermore, the lack of a quantitative indicators, such as the percentage of plantlets rooting after a certain date, limits the assessment of the overall effectiveness of the project and the availability of useful information that can be used for the formulation of new projects.

#### **4.7. The SiMaSeed project outputs were capitalised through the SiMaSeed PLUS initiative**

- 4.7.1. The results obtained by the SiMaSeed project were capitalised through the SiMaSeed PLUS.

The project was financed under Call 3/2022 of the IIM 2014-2020 Programme concerning the capitalisation of results of projects financed under the same Programme.<sup>34</sup>

4.7.2. The objectives of the Call 3/2022 that focuses on capitalisation were as follows:

- i. obtain additional results (ready-to-use);
- ii. increase the impact by extension or replication (scaling up); and
- iii. integrate results into policies and programmes (mainstreaming and embedding).

4.7.3. To this end, SiMaSeed PLUS aimed at increasing the impact of the SiMaSeed project by replicating and extending the previous project experience (scaling-up).

4.7.4. The SiMaSeed PLUS project was implemented by a partnership of the University of Catania as Lead Partner together with the University of Malta and the Ministry of Gozo. The project started on 2 January of 2023 and ended on 31 October of the same year. The project's total duration was of ten months.<sup>35</sup> The total project budget was of €471,711 of which €400,954 were financed through the ERDF with additional national contributions amounting to €70,757. The total certified expenditure on the project was of €460,700 resulting in an absorption rate of around 98 per cent of the approved budget.

4.7.5. Following on from SiMaSeed, this capitalisation project continued to strengthen the germplasm banks established through previous programming periods. Furthermore, it increased seed collections and extended conservation actions in areas included in the Natura 2000 Network. Key activities during the project included the following output targets:

- i. The eradication of invasive species, conservation and enhancement of Natura 2000 network species and habitats. The project addressed two habitat restoration efforts as well as the enhancement of interventions which were previously implemented in Sicily and Malta. This effort addressed a total of 35 hectares, improving or reintroducing endangered or extinct species to the areas.
- ii. Empowering three germplasm banks involved in SiMaSeed, both by providing advanced technology equipment and tools to improve germplasm management, and by enhancing the seed collections in these banks.

4.7.6. According to the data presented by the MA in the project's final report, the SiMaSeed PLUS project achieved all the objectives set out in the last approved project application form, both for output and result indicators. Appendix I refers.

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<sup>34</sup> Call No. 3/2022 was approved by Decree No. 463 of 14 July 2022. The final ranking lists were approved by the Monitoring Committee at its meeting of 27 December 2022 and were ratified on the same day by means of Decree No. 1279/2022. On 28 December 2022, the Managing Authority notified the University of Catania, as lead partner of the SiMaSeed PLUS project, of the project's eligibility for funding. The subsidy agreement between the Managing Authority and the said Lead Partner was signed on 30 December 2022.

<sup>35</sup> The project duration, originally planned for 9 months, was extended by one month at the request of the lead partner due to the extreme temperatures recorded in the summer of 2023, which threatened to jeopardise the reinforcement/reintroduction activities of the project's target species. However, the total budget did not change during implementation.

## 4.8. The projects partners dissemination efforts exceeded project obligations

4.8.1. The communication and dissemination of the results and activities carried out is essential to promote the exchange of experience and to enhance the transfer of knowledge and skills arising from the projects themselves. Throughout the SiMaSeed project, several meetings were held to stimulate scientific research and related activities and to facilitate the sharing of good practices. This adjacent QR code provides more information about the dissemination of project results.



4.8.2. The results of the project were presented during specialised conferences. These conferences were not limited to the Sicilian and Maltese regions, but were also held outside the Programme's cooperation area, for example in Spain. In addition to the webpage provided by the Programme Authorities through their official website, the University of Catania has created a website dedicated to SiMaSeed, which includes also the scientific publications (publicly available) based on the data collected during the project.<sup>36</sup>

4.8.3. With regards to the SiMaSeed PLUS project, the beneficiaries conducted a total of ten workshops as well as provided opportunities for seminars and internships. These were designed to communicate the project's activities to various target groups, including organisations, students, young scientists, professionals and stakeholders (environmental organisations, nurseries amongst others). The results of SiMaSeed PLUS were presented during specialised conferences, which sought to extend the project's outreach to countries also beyond the EU, such as Australia. In addition to the website dedicated to SiMaSeed, the University of Catania set up a second dedicated website for SiMaSeed PLUS to promote the activities and provide interested stakeholders with the opportunity to download the scientific publications produced through the capitalisation project.

4.8.4. The results obtained by the two projects have also been disseminated by the Managing Authority of the Programme through a set of actions, including:

- i. the creation of a page dedicated to the projects on the institutional website of the Interreg Italy-Malta Programme;
- ii. the release of a Programme newsletter to the main stakeholders of the cross-border area and to some European and national institutions, also dedicated to the SiMaSeed PLUS project; as well as
- iii. the creation of a video and an information catalogue on the main achievements of the projects.

<sup>36</sup> <https://www.simaseed.unict.it/pubblicazioni/>;  
<https://www.simaseed.unict.it/materiale-di-comunicazione/>.

#### **4.9. The sharing of knowledge and expertise of SiMaSeed projects is extended to other Programmes and initiatives**

- 4.9.1. The activities performed under the SiMaSeed projects are part of a wider context of knowledge sharing on biodiversity, embracing different Programmes throughout various programming periods.
- 4.9.2. The members of the SiMaSeed and SiMaSeed PLUS partnerships have previously been involved in other projects on biodiversity conservation. Most of these projects were funded under other Interreg Programmes run in the 2000-2006 and 2007-2013 programming periods, with the involvement of organisations from various Member States.<sup>37</sup>
- 4.9.3. Moreover, the Germplasm banks of the University of Catania and the University of Malta are participating in the project Life SeedForce – Using seed banks to restore and reinforce the endangered native plants of Italy, under the 2014-2020 Life Programme.<sup>38</sup> This project involves 15 partners from 4 Member States (Italy, France, Malta and Slovenia).
- 4.9.4. The participation of the partners in projects throughout different programming periods and involving different Member States facilitates the transnational dissemination of good practices, enhancement of knowledge and strengthening of profitable long-term partnership. This, in turn, creates a favourable environment for improving the quality and results of new projects.

#### **4.10. Conclusion**

- 4.10.1. The SiMaSeed project has successfully contributed to the preservation and enhancement of plant biodiversity within Natura 2000 sites in Sicily and Malta. By focusing on both ex-situ and in-situ conservation strategies, the project has addressed critical challenges associated with the protection of endemic and endangered Mediterranean plant species.
- 4.10.2. One of the key achievements of SiMaSeed was the reinforcement of a seed banking system that allows for the long-term preservation of plant genetic resources. This initiative not only safeguards rare and vulnerable species but also provides a vital resource for future restoration efforts. The collection and storage of seeds ensure the availability of native species for reintroduction and habitat reinforcement, thereby mitigating biodiversity loss due to environmental degradation and climate change. Moreover, the SiMaSeed PLUS initiative that is an extension of the original

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<sup>37</sup> In some cases, the partners were involved in projects financed in the 2000-2006 programming period. For instance, the University of Catania acted as a partner of the project Genmedoc-Network of centers of preservation of the genetic material of the flora in the Mediterranean areas, financed under the Programme Interreg IIIB Medocc 2000-2006. The mentioned project contributed to setting up Genmeda, a network of seed banks and conservation centres of genetic resources of the Mediterranean flora, counting 27 members and 4 associated members in 14 Countries. Both the University of Catania and the University of Malta are members of the Genmeda network. Moreover, the University of Catania is part of Ribes, the Italian network of seed banks.

<sup>38</sup> The Programme for the Environment and Climate Action (Life) is managed by the European Climate, Infrastructure and Environment Executive Agency on behalf of the European Commission.

SiMaSeed project, focused on enhancing existing equipment to bolster environmental restoration efforts. To this end, the analysis of SiMaSeed and SiMaSeed PLUS implementation activities confirms that both projects have achieved their target outputs effectively and in line with approved objectives.

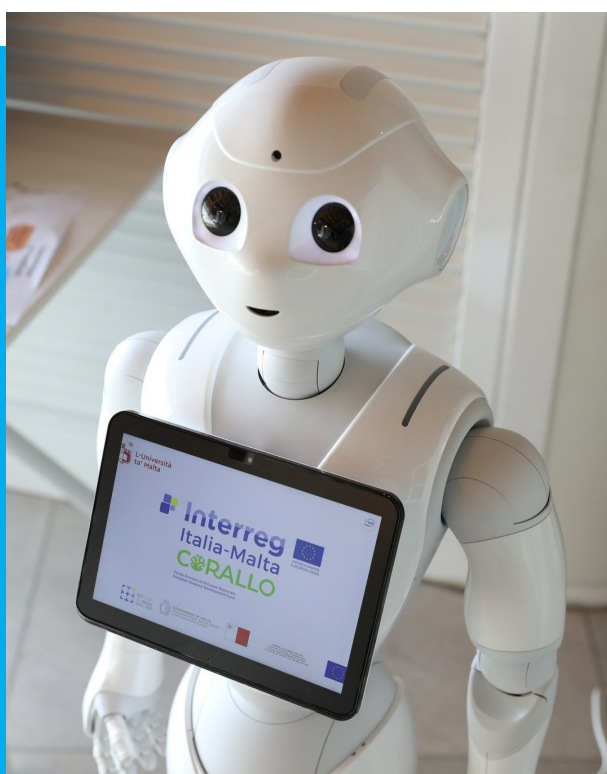
- 4.10.3. Corrective measures were introduced promptly where issues arose during project implementation, indicating proactive project governance and a capacity for responsive adaptation. These actions, although limited in scope, were sufficient to mitigate potential risks and preserve project integrity. This approach ensured that the achievement of outputs was not compromised and that all deliverables retained their intended value and relevance. This situation is further accentuated as the SiMaSeed Project was affected by the COVID-19 restrictions.
- 4.10.4. Furthermore, the University of Catania and the University of Malta have successfully disseminated the results achieved in academic fora for the conservation of endemic flora and habitat restoration, thereby extending the reach and impact of the projects' outputs.
- 4.10.5. In conclusion, both projects have demonstrated the capacity of the IIM to promote a sharing of knowledge and expertise on biodiversity beyond the Programme; this process has amplified the effectiveness of the results obtained by the single projects and creates good conditions for profitable international relationships, mainly in the institutional and scientific sectors.

## Chapter 5

# Correct Enjoyment (and Awareness Raising) of Natura 2000 Locations

### 5.1. Introduction

- 5.1.1. The Corallo project built upon the expertise and methodologies developed under the 2007–2013 IIM Programme, leveraging insights from PANACEA<sup>39</sup> and BIODIVALUE.<sup>40</sup> This continuity exemplifies how, in some cases, projects within the IIM framework evolve across successive programming periods, ensuring that outputs are capitalised upon.
- 5.1.2. The Corallo project, which represents 11 per cent of the total budget for Priority Axis 3.1, was led by the University of Malta (UM) and approved under Call 02/2019. Its capitalisation project, Corallo +SI, was funded under Call 03/2022 and was led by the Consorzio Plemmirio of Sicily.
- 5.1.3. At the design stage, the Corallo’s and Corallo +SI’s budget was estimated at €1,591,573 and €1,001,736 respectively. Both project budgets are inclusive of national contributions and own financing. To this end, the projects initially secured funding exceeding €2.59 million.<sup>41</sup> Such financial materiality contributed for these projects to be considered as one of the case studies under review.



Source: Corallo-ItaliaMalta Facebook Page <https://www.facebook.com/CORALLO.ItaliaMalta>

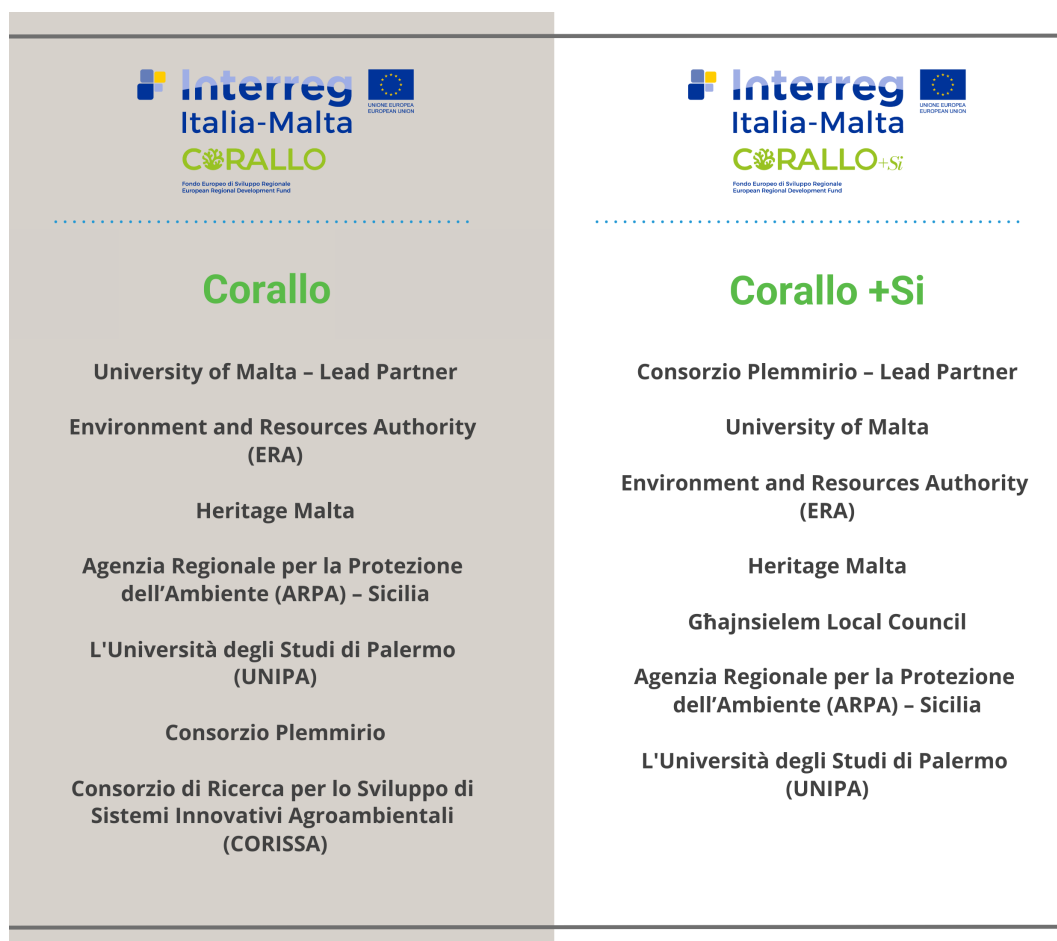
<sup>39</sup> The PANACEA project primarily aimed to enhance the scientific management of biodiversity assets within MPAs in Sicily and Malta. This was pursued through the adoption of best practice standards established in selected MPAs and the establishment of environmental education centres to support awareness and capacity-building efforts.

<sup>40</sup> The BIODIVALUE Project primarily sought to develop data-driven tools and operational instruments to assist local authorities and industry stakeholders in mitigating the adverse environmental impacts of pollution stemming from industrial, commercial, recreational, and fisheries-related maritime traffic within the Straits of Sicily.

<sup>41</sup> Following minor adjustments to the projects, the total budget decreased to €2.57 million.

- 5.1.4. The Corallo project enhanced the visibility and perceived value of Natura 2000 sites through the deployment of innovative, technology-driven outreach methodologies. Central to its effectiveness was the utilisation of multimedia infrastructure, including immersive audiovisual content and interactive digital installation, which enabled the project to communicate complex ecological concepts in an accessible manner. By targeting key coastal communities and educational institutions across Malta and Sicily, the project effectively fostered environmental stewardship and facilitated knowledge transfer regarding the ecological and socio-economic significance of protected marine and terrestrial habitats.
- 5.1.5. The cross-border cooperation between Maltese and Sicilian partners not only enhanced institutional capacity but also ensured the transnational dissemination of best practices in environmental education and conservation. The projects outputs, including digital content and educational tools, have supported long-term environmental awareness and contributed to the sustainability of projects results beyond their formal closures.
- 5.1.6. The project partners responsible for the Corallo projects bring extensive experience and a proven track record within the IIM Programme. Figure 9 outlines the participating partners in both projects.

Figure 9: Project partners contributing in Corallo and Corallo +Si



## **5.2. Various logistical challenges affected the timely completion of the Corallo project**

5.2.1. At project design, the implementation timeframe of the Corallo project was from 1 September 2020 to 28 February 2023. The implementation of the project experienced general delays due to external and internal factors, with the Corallo project concluding in August 2023, six months after the initial expected closure date. The major delays and subsequent approval of changes to the implementation programme can be attributed to the following external factors:

- i. 2021 – limitations imposed by COVID-19 restrictions with effects cascading onto the subsequent years; and
- ii. 2022 – industrial actions in the land transportation resulted in delays for beneficiaries to receive the required equipment.

5.2.2. The Maltese beneficiaries have argued that, the disparities in procurement regulations between Italy and Malta also impinged on the extent to which the Corallo project could be concluded in a timely manner.<sup>42</sup> The Maltese beneficiaries argued that the rather limited threshold in force for direct awards in Malta (four times lower than in Italy) and the complex administrative procedures involved in acquiring goods contributed to the apparent prolonged periods of inactivity.

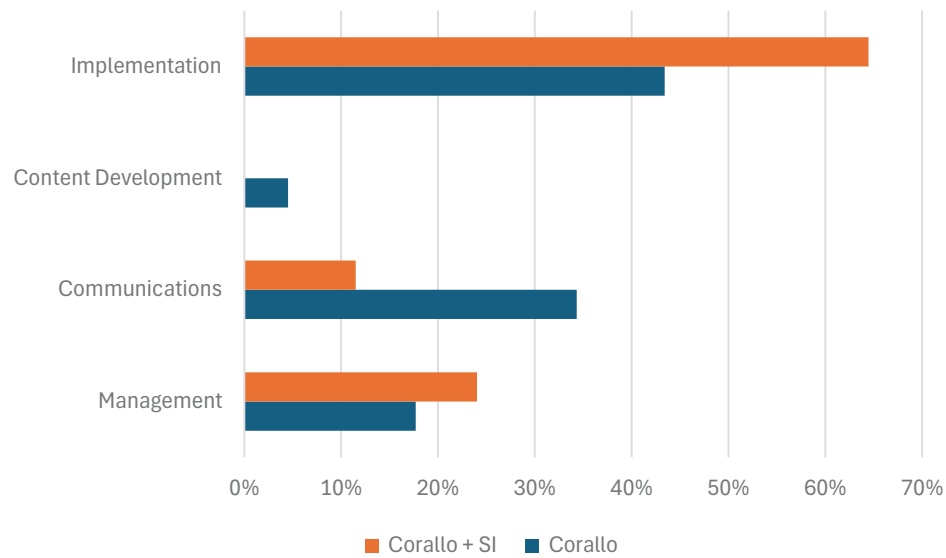
## **5.3. The overall financial management of the projects was efficient and compliant with EU and national regulations**

5.3.1. The work packages of the IIM Programme are based on three pillars, namely, management, communications and implementation. The Corallo project further defined the implementation pillar by adding a specific work package for content development. The distribution of funds between the various Work Packages is portrayed in Figure 10.

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<sup>42</sup> The IIM Programme allows beneficiaries to follow their national procurement frameworks, with Italian entities adhering to the Codice dei Contratti Pubblici (Decreto Legislativo 18 Aprile 2016, n.50) and Maltese entities governed by Subsidiary Legislation 601.03. Italian regulation was repealed and replaced by Decreto Legislativo 31 Marzo 2023, n. 36.

**Figure 10: Distribution of Corallo and Corallo +SI budgets by work packages**



5.3.2. Figure 10 shows that a significant share of the total budget, were directed towards Communication. This pillar supports the projects’ principal objective which aims at increasing awareness of Natura 2000 sites.<sup>43</sup>

5.3.3. Expenditure vetting process on the projects’ expenditure confirmed compliance with programme regulations, as it did not identify any significant events of ineligible costs. Corrections were limited to one per cent of the total expenditure. This value is in line with the acceptable error rate set by the EU which stands at two per cent.<sup>44</sup> The revised Corallo and Corallo +SI projects total budget stood at €2,572,638 with certified expenditure totalling €2,384,863.

5.3.4. Implementation expenditure was proportionally distributed across the sites addressed,<sup>45</sup> with expenditure relating to implementation work packages amounting to €762,992.38 in Sicily and €542,958.92 in Malta.

**5.4. Delays in project implementation led to incurring a significant amount of the eligible expenditure during the last phase of the initiative**

5.4.1. The Corallo project was set to span between November 2020 and February 2023. However, the project implementation timeframes were extended to August 2023. The Corallo +SI project was approved to run between January to October 2023. This situation resulted in the two projects running con-currently during 2023.

<sup>43</sup> Natura 2000 is a network of protected areas across the European Union, the purpose of which is to conserve Europe's most valuable and threatened species and habitats. The EU regulations oblige member states to ensure the protection and management of terrestrial and marine sites.

<sup>44</sup> European Commission, 2014. Guidance for the Commission and Member States on a common methodology for the assessment of management and control systems in the Member States. EGESIF\_14-0010-final 18.12.2014.

<sup>45</sup> Seven sites in Sicily and five sites in Malta.

5.4.2. EU regulations recommends that projects incur a consistent level of costs throughout their duration. This did not fully materialise for the Corallo project, as expenditure peaked during the last phase of the initiative, from July 2022 onward. This period coincided with the implementation period of the Corallo +SI. This mainly occurred due to the major delays experienced in the projects' implementation as outlined in Paragraph 5.2.1, and which were outside the control of the beneficiaries.

## 5.5. The Corallo and Corallo +SI projects attained the pre-determined outputs and targets

5.5.1. The attainment of Programme and project outputs revolves around pre-determined targets. To this end, Programme Authorities ensure that the selected projects collectively achieve the overall Programme targets. During the implementation phase, Programme Authorities review and monitor project outputs, which are subsequently presented in project specific final reports. Appendix II highlights the output and result indicators for both Corallo and Corallo +Si.

5.5.2. Appendix II shows that Corallo and Corallo +SI have attained the pre-determined outputs and results. Nonetheless, given the inherent subjectivity in measurement of some outputs, such as those relating to educational campaigns, the absence of clearly defined Key Performance Indicators (KPIs), and the potential for varying interpretations, this becomes problematic to conclusively confirm the extent to which the outputs can be correlated to intended outcomes.

5.5.3. Both projects aimed to enhance awareness and responsible enjoyment of Natura 2000 sites in Malta and Sicily by promoting their unique biodiversity through educational and entertainment tools. To this end, the project partners conducted a number of activities, including Scuba-diving events at the sites addressed and other more generic educational campaigns such as the one conducted at the National Museum of Natural History in Mdina, Malta. In addition, Corallo partners sought to engage additional audiences through participation in the Public Service Fair in Malta, the Mediterranean Lighthouse event in Palermo as well as interviews on international news platforms including Euronews. The adjacent QR code provides additional information about events relating to the Corallo projects.



## 5.6. Conclusion

- 5.6.1. The Corallo and Corallo +SI projects have contributed to the IIM Programme's biodiversity awareness objectives, generally demonstrating effective knowledge dissemination strategies through the integration of advanced technologies. However, it also faced some challenges throughout its implementation.
- 5.6.2. While the structured leadership and centralised decision-making facilitated strategic alignment to the Programme objectives and resource allocation, the Corallo project experienced some delays primarily due to external factors. Despite these delays, the beneficiaries effectively utilised the allocated budget.
- 5.6.3. Both the Corallo and Corallo +SI produced tangible benefits aligned with its pre-determined goals. Nonetheless, in some instances, KPIs and project targets were not appropriately defined to measure project outputs.
- 5.6.4. The Corallo initiative has set a precedent for future biodiversity-focused projects under the IIM framework. This result paves the way for the outputs and outcomes of the projects to serve as inputs in new EU co-funded projects.

## Chapter 6

# The 2021-2027 Interreg VI-A Italy-Malta Programme

### 6.1. Introduction

- 6.1.1. The Interreg IIM 2021-2027 Programme was approved by the EC in December 2022.<sup>46</sup> The preparation of the Programme started in 2020, when a specific task force was set up.<sup>47</sup> In the first half of 2021, the task force approved the partnership’s consultation path, with the identification of the methods for involving stakeholders in its preparation.
- 6.1.2. This Review serves to examine the design of the IIM 2021–2027, with a view to outline its evolution from the 2014–2020 programming period. Building upon the structural and strategic foundations of the preceding programming period, the current Programme introduces significant enhancements aligned with EU Cohesion Policy priorities, the European Green Deal, and the Digital Agenda.
- 6.1.3. It reflects a more robust policy architecture, designed to optimise cross-border cooperation, address emerging transnational challenges, and unlock novel opportunities for a wider group of potential beneficiaries. By integrating a more results-oriented framework and targeted thematic concentration, the Programme not only reinforces cohesion policy coherence but also ensures greater responsiveness to regional development needs.
- 6.1.4. This Chapter identifies observations relating to communication, synergy and complementarities, suggesting good practices which Programme Authorities and beneficiaries could adopt to enhance the impact of the IIM Programme in terms of efficiency and sustainability.

### 6.2. The new IIM Programme reflects the emerging needs of the Sicilian and Maltese regions

- 6.2.1. Toward understanding the needs of the region as well as in compliance with the CPR (EU) 2021/1060, IIM Programme Authorities undertook a series of public consultations. These consultations served to define the objectives for the 2021-2027 period.

<sup>46</sup> Commission Implementing Decision of 13 December 2022 approving the Cooperation Programme “(Interreg VI-A) Italy-Malta” for support from the European Regional Development Fund under the European territorial cooperation goal (Interreg) in Italy and Malta, CCI 2021TC16RFCB035, Brussels 13 December 2022, C(2022) 9624 final.

<sup>47</sup> The composition of the task force provided for the presence of at least three and up to five decision-making representatives from each Member State, as well as the presence of a representative of the European Commission, of experts and/or observers with an advisory role and representatives of the Managing Authority and the Joint Secretariat.

6.2.2. The first public consultation was based on a “thematic’ approach, aiming at collecting suggestions, ideas and proposals on possible actions to be included in the new Programme.<sup>48</sup> In 2022, following the definition of the programme operational arrangements, indicators and financial allocations, the second public consultation was conducted. This second outreach focused on obtaining public feedback on the draft Programme. The public consultation ended on 30 June 2022 with the confirmation of the strategic structure of the Programme.

6.2.3. Table 4 outlines the four priorities of the Programme and their respective specific objectives.

**Table 4: Priorities and specific objectives of the 2021-2027 Interreg Italy-Malta Programme**

Programme priorities	Programme specific objectives
1 – A smarter area of cooperation to promote research and innovation and the development of skills for smart specialisation	<ul style="list-style-type: none"> <li>– Developing and enhancing research and innovation capacities and the uptake of advanced technologies in the cross-border area</li> <li>– Develop skills for smart specialisation, industrial transition and entrepreneurship in the cross-border area</li> </ul>
2 – A resilient cooperation area, which strengthens the protection and preservation of nature also through the efficient use of resources	<ul style="list-style-type: none"> <li>– Promoting climate change adaptation, disaster risk prevention and resilience in the cross-border area</li> <li>– Promoting the transition to a circular economy in the cross-border area</li> <li>– Enhancing the protection and preservation of nature, biodiversity, green infrastructure and reducing pollution in the cross-border area</li> </ul>
3 – An area of efficient cooperation in social capital through the role of culture and sustainable tourism in economic development	<ul style="list-style-type: none"> <li>– Enhancing the role of culture and sustainable tourism in the cross-border area in economic development, social inclusion and social innovation</li> </ul>
4 – An area of cooperation with better governance between Italy and Malta	<ul style="list-style-type: none"> <li>– Enhance the efficiency and effectiveness of cooperation in the cross-border area</li> </ul>

Source: Information from the Operational Programme Interreg Italy-Malta 2021-2027.

6.2.4. The four-priority axis outlined above denotes similarity in scope when compared to the IIM 2014-2020 Programme, with objectives relating to research and innovation, climate change and environmental protection. The IIM 2021-2027 Programme also introduces emerging themes, such as the need for skills specialisation and social inclusion. This aspect reflects the Programme’s ability to adapt more to the current regional and European needs.

<sup>48</sup> 273 entities from both Italy and Malta participated in the consultation, including, inter alia, regional departments and ministries, environmental authorities, universities, research organisations, enterprises, non-profit and third sector associations, local authorities and associations. These entities were involved in five different thematic tables organised by the Joint Secretariat in November 2021, in agreement with the Managing Authority and the representatives of the States of Malta and Italy. The results of the consultation were communicated to the Monitoring Committee of the Programme in December 2021. Then, in the first quarter of 2022, the activity of consultation of both the authorities with environmental competences and of the community interested in the environment effects of the Programme was carried out, in order to elaborate the environmental report.

- 6.2.5. The total budget of the Programme is €57,604,031 out of which €46,083,225 are sourced from the ERDF at a co-financing rate of 80 per cent.<sup>49</sup> The remaining €11,520,806 are committed through national contributions.
- 6.2.6. The area of cooperation covered by the 2021-2027 Italy-Malta Programme is the same as for the 2014-2020 cycle.<sup>50</sup> The total Programme budget has increased when compared to the 2014-2020 cycle by 11 per cent, due to an increase of the national contribution rate to 20 per cent and a five per cent rise of the ERDF support.

### **6.3. The IIM Programme has experienced delays in its start-up phase**

- 6.3.1. Call 1/2023 was published in January 2024. According to the data provided by the Managing Authority, 53 project proposals were submitted, for a total amount of €77.6 million. The number of potential beneficiaries involved in the project proposals is 252. The available data reconfirms the trend noted in the previous programme of a limited participation of NGOs and private entities. To support more the NGOs, Malta through the Malta Council for the Voluntary Sector, operates the NGO Co-Financing Fund with the aim to support the co-financing obligations of the Voluntary Organisations (VOs) benefitting from funding from the EU institutions. The purpose of this fund is to ensure that VOs successful in the attainment of funding are not burdened with the excessive financial implications brought about throughout the awarded project.
- 6.3.2. The final ranking of the funded projects was partially approved on 17 December 2024, while the full ranking was expected to be completed by the end of May 2025, due to requests from the Managing Authority for the prospective partners to revise some project proposals.
- 6.3.3. While it is clear that there have been delays with respect to the planned schedule,<sup>51</sup> it must also be acknowledged that the procedure was affected by external events, such as the extension of the deadlines for the closure of operations under the 2014-2020 programming period. This situation led to the overlapping of the two programmes. Moreover, various external factors hindered the recruitment of the JS for the IIM 2021-2027 Programme until the end of 2024.<sup>52</sup>
- 6.3.4. The slow implementation of the first phase of the 2021-2027 cycle is a critical factor that could influence the levels of expenditure of the new Programme. As of December 31, 2024, the financial implementation of Interreg Italy-Malta appeared to be limited to administrative matters which could imply some degree of difficulties to comply with EU regulations stipulating consistent level of expenditure throughout the Programme's lifecycle.

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<sup>49</sup> In the 2014-2020 IIM Programme, the ERDF cofinancing rate was 85 per cent.

<sup>50</sup> For Italy: the entire Sicilian territory (25,832 square kilometres). For Malta: the entire Maltese territory (316 square kilometres).

<sup>51</sup> Call 1/2023 sets out an indicative timing of the different phases of the evaluation and selection procedures:

- phase 1 "Verification of the formal admissibility and eligibility requirements": 80 calendar days;
- phase 2 "Quality assessment of the project proposals (strategic and operational evaluation)": 150 calendar days; phase 3 "Eligibility for financing": 30 calendar days.

<sup>52</sup> Chapter 3, Section 3.5 refers.

## **6.4. The IIM 2021-2027 Programme introduces innovative elements**

6.4.1. The design of the 2021–2027 IIM Programme benefitted from the lessons emerging from the 2014–2020 programming period. Evaluations noted the need to strengthen the programme’s result orientation, enhance the long-term sustainability of funded interventions and ensure more structured stakeholder involvement throughout the project lifecycle. Furthermore, challenges related to project selection, thematic dispersion and administrative burden resulted in a shift towards a more focused and streamlined regulatory framework.

6.4.2. Some of the significant new elements of the 2021-2027 IIM Programme are reproduced below:

- i. The adoption of risk-based verification<sup>53</sup> mechanisms: This approach introduced in the new programming period represents a strategic shift in management of the Programme as first level controls are no longer carried on all expenditure unless exceptional circumstances arise. This measure aims to enhance efficiency by targeting verification efforts more effectively. This framework reduces the administrative burden on both Programme Authorities and beneficiaries by allowing them to focus more on delivering results in terms of quality and quantity. This approach also necessitates a significant operational shift for Programme Authorities and associated partners by requiring the adoption of more robust and adaptive verification methodologies.
- ii. The targeted inclusion of Small-Scale Projects (SSPs) is consistent with the objective of promoting accessibility and territorial cohesion. The provision of SSPs can enlarge the number of potential partners and bring less structured entities closer to the Programme, thereby increasing the opportunity to benefit from broader contributions and collaborations. The introduction of specific forms of monitoring can provide useful elements for measuring the contribution of small projects to the achievement of the Programme objectives.

## **6.5. The 2021-2027 IIM Programme requires a more accurate definition of the environmental, social and gender criteria to be used in the implementation of projects**

6.5.1. The European regulatory framework ensures the implementation of public policies aimed at promoting environmental, social and gender equality objectives.<sup>54</sup> The 2021-2027 IIM Programme, like the previous one, clarifies that the selection criteria in the project funding notices shall include an evaluation criterion regarding compliance with the horizontal principles stipulated in the European framework.<sup>55</sup>

6.5.2. The new IIM Programme promotes the implementation of the horizontal principles through the use of public procurement and encourages beneficiaries to use more quality-related and lifecycle cost

<sup>53</sup> Article 74 of the Common Provisions Regulation; Article 46(3) of Regulation 1059/2021.

<sup>54</sup> Regulation 1303/2013 takes into account the principles of equal opportunities, non-discrimination and sustainable development in the selection of initiatives. For the 2021-2027 cycle, Regulation (EU) 2021/1060 (CPR) states that the Member States and the Commission shall take appropriate measures to prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, implementation, monitoring, reporting and evaluation of programmes.

<sup>55</sup> Art. 9 of Regulation (EU) 2021/1060 and Art. 22(2) of Regulation (EU) 2021/1059.

criteria. The attention to environmental and social considerations, as well as innovation incentives, ensures the strengthen of the fundamental values of gender equality, non-discrimination and sustainable development, creating positive impacts in EU Member States.

6.5.3. Within this context, it is important to underline the need to clearly define the obligations undertaken by the beneficiaries as well as to establish an effective monitoring mechanism to review the commitments made through the signing of the funding agreement. This could include the introduction of specific checkpoints and the obligation for beneficiaries to report on the commitments undertaken, thereby creating the conditions for the pursuit of higher standards of accountability and sustainability as well as for measuring the results achieved in the area.

## **6.6. The 2021-2027 programming period offers opportunities to optimise the full potential of the IIM**

6.6.1. As mentioned before, the 2014-2020 IIM Programme dedicated Call 3/2022 specifically to the capitalisation of projects with the aim of achieving additional results, generate greater impact through extension or replication of experiences and integrate results into policies and programmes.<sup>56</sup>

6.6.2. Capitalisation is part of the IIM Programme's strategy which includes integrating results from past initiatives into current and future projects. It is also to be noted that well-implemented capitalisation actively preserves and maximises the value of the knowledge and results generated during the Programme ensuring that the results achieved are amplified to their full potential, whilst ensuring that the impacts resonate beyond its immediate scope.

6.6.3. The principles of capitalisation extend beyond the IIM Programme. The outputs derived from the IIM can offer opportunities for collaboration and the development of new projects, as demonstrated by the experiences outlined below:

- i. The Germplasm banks of the University of Catania and of the University of Malta are now involved in the SeedForce project, under the 2021-2027 Life Programme.
- ii. The Corallo project sought to maintain its outputs through the BlueNIGHTS initiatives. The latter events seek help citizens better understand the many faces of ocean science and research, and is funded by Horizon Europe.

6.6.4. The Review has also identified a new and broader capitalisation modality following outputs from projects implemented in the 2014-2020 IIM Programme, namely the reuse of projects outcome by third parties. In this regard it is worth mentioning the agreement recently signed between ARPA Sicilia and the environmental association Marevivo Sicily<sup>57</sup> to promote activities

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<sup>56</sup> Examples of capitalisation are represented by the following projects: Beyond Calypso, Remaco, Capsenhar, SiMaSeed Plus, Bythos Extend and Itama Cap.

<sup>57</sup> Marevivo's mission is the dissemination of environmental education and the protection of the marine and natural environment.

aimed at implementing, in collaboration with local educational institutions, innovative tools in the field of environmental education and awareness.

- 6.6.5. Notably, Marevivo, although not a project partner, is allowed to use the videos on the Sicilian seabed produced by ARPA Sicilia within the Corallo and Corallo +SI projects for its own educational initiatives, raising awareness among students and citizens. In this case, the primary drive toward capitalisation of project outcomes is being led by the Programme beneficiaries as well as external stakeholders, viewing the projects not as an end in themselves, but rather as an opportunity for sustaining outputs also through the involvement of third parties.

## **6.7. Results dissemination is a key factor to expand the network of project partners**

- 6.7.1. The above-mentioned agreement between ARPA Sicilia and Marevivo shows also that the involvement of multiple actors in the dissemination of projects results is suitable to enhance the coherence and robustness of the Programme communication, thus broadening its overall impact.
- 6.7.2. In any case, it is crucial to ensure that relevant information is complete and easily accessible to citizens, and to experiment with innovative approaches to raise awareness of the opportunities available to potential implementers. Effective dissemination of results should be seen as a strategic tool for better relations with stakeholders, citizens as well as potential beneficiaries and requires a strategy in line with the evolution of social interaction tools.

### **FOCUS 1. The Strategic Role of Communicating the results achieved by EU Funding Programmes**

A combination of various tools can be used to reach a wider target audience and to engage potential new implementers. These could include posting videos on social networks, organising dissemination events for specific target groups, sending out regular newsletters and carrying out thematic dissemination events on the results, possibly in coordination with other programmes' managing authorities.

For projects with greater community relevance, models for disseminating images and videos of projects, including those in progress, could be experimented with in storytelling form, which is particularly effective in communicating the "experience" of carrying out a project and delivering the results obtained to the local community.

This type of initiative could be an effective way to strengthen the communication of the results of projects carried out, and to increase the visibility of European actions by explaining the impact of territorial cohesion on people's lives and territorial development.

## **6.8. Complementarity and synergy between different EU Programmes present new perspectives to be explored**

- 6.8.1. The EU Regulation requests for actions connected within different programmes, in order to improve synergy between funding streams, promote integrated territorial development and maximise the added value of cohesion policy. Strengthened coordination also supports strategic alignment with the EU's objectives, reinforces multi-level governance and contributes to more effective and sustainable results in the management of European Territorial Cooperation, thus improving shared added value.
- 6.8.2. The legal framework of the cohesion policy<sup>58</sup> and relating implementing instruments entrust Member States and regions with the task of implementing complementary and synergetic initiatives between the different Union funds and financial instruments to optimise investments, avoid duplication and maximise the impact on the territories.
- 6.8.3. Notable, the ETC Regulation emphasises that Interreg programmes should consider complementarity and synergy with other programmes and funding instruments in the context of macro-regional and sea-basin strategies where the programme area is fully or partially covered by one or more of these strategies, including any opportunities offered by funds directly managed by the European Commission (EC), such as Life or Horizon Europe.
- 6.8.4. It should be recognised that a number of issues can hinder the achievement of valuable results in the implementation of complementarities and synergy. These include competition between programmes, misalignments in the start-up phase, the need for each programme to meet performance targets, uneven levels of administrative capacity and different implementation skills among beneficiaries.
- 6.8.5. During the 2014-2020 programming period, the Sicilian Region set up a “Permanent Table for the Coordination and Integration of the 2014-2020 Programming period”.<sup>59</sup> Various stakeholders, including national, regional and local authorities, as well as social and economic partners, have been involved, working together to ensure that the allocation and use of EU funds were in line with the strategic objectives set out in the Partnership Agreement and the operational programmes.
- 6.8.6. The establishment of such a coordinating structure was in response to the need to implement actions with a greater impact and ensure more clearly defined responses for the development of the territory, as well as to reduce the risk of overlapping and competition between EU programmes. However, the audit has shown that this coordination tool has not produced significant results in the 2014-2020 programming cycle. The Permanent Table met sporadically and did not record the implementation of specific synergy or complementarities between the different Funds. This body has not been confirmed for the 2021-2027 programming cycle.

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<sup>58</sup> See, e.g., Regulation (EU) 1303/2013, 2021/1959, 2021/1060; Italian Partnership Agreement on EU funds 2021-2027.

<sup>59</sup> DG No 208 of 10.7.2014.

- 6.8.7. Finally, during the 2021-2027 programming cycle, the Sicilian Region has established a Partnership Table<sup>60</sup> also present in the previous programming cycle. This is a consultative tool which aims to promote cooperation between institutions, professional associations, trade unions, and social organisations in political decisions on economic and territorial development planning. With over 50 members and a broad range of competencies, the Partnership Table can be considered as an advisory body rather than an operational structure, able to identify synergy and complementarities between funds and projects.

**FOCUS 2. Prospects for effective synergy and complementarity between EU and national funds in the 2021-2027 programming cycle.**

During the audit process, an exercise was carried out to identify the most effective measures to create synergy and complementarities between EU and national funds, on the assumption that the implementation of a critical mass of coordinated interventions could have a greater impact in the concerned areas.

As a result of this task, the Audit team concluded that in order to maximise the results achievable through synergy and complementarities between the various EU programmes, it is essential to adopt measures aimed at fostering structured dialogue among Managing Authorities and promoting the implementation of targeted initiatives.

Notably, the following measures have been identified:

- ✓ A clear commitment at the **highest level of governance** to promote synergy and complementarities between EU and national funds in order to achieve a greater impact on the territories.
- ✓ A **board of managing authorities** with a mandate to ensure specific cooperation objectives, to be achieved, for example, through synchronised calls for proposals, complementary initiatives, cross-capitalisation and scaled-up projects.
  - o a **support structure** aimed at mapping programmes, identifying ongoing projects and new calls for proposals, ensuring good communication between managing authorities and promoting thematic working groups to facilitate the exchange of ideas and proposals.
  - o a **strategic plan**, based on the specific needs and characteristics of the territories, to identify the sectors and areas suitable for developing synergy and complementarities, as well as potential project ideas.
  - o a **reference framework for monitoring** the progress of the initiatives, evaluating the results achieved and disseminating good practises.

<sup>60</sup> DDG No 443 of 26.6.2023.

### **The Interreg Italy–Malta participates in multi-programme cooperation projects**

- 6.8.8. The Managing Authority has recently taken initiatives that are in line with the recognised needs to enhance synergy and complementarities of territorial cooperation programmes. Notably, the Managing Authority has joined the “multi-programme” coordination mechanism made up of the Italy-France ‘Maritime’, NEXT-MED and Interreg Euro-MED Programmes in order to improve the cooperation between the Interreg programmes. This initiative aims to set up a multi-programme coordination mechanism and to launch a pilot project in the field of sustainable tourism involving the Interreg programmes operating in the Mediterranean.
- 6.8.9. It is also worth mentioning the participation of the Sicilian Region in the “*Sinergie*” initiative promoted by the Department for Cohesion Policy and the South, as the national coordinating authority for ERDF and ETC funds.<sup>61</sup> This project, involving five pilot regions, aims to carry out a comparative analysis of the experiences and the potential connections between the ETC, mainstream and directly managed programmes and to draw up operational guidelines for regions and autonomous provinces.

## **6.9. Conclusion**

- 6.9.1. The Interreg Italy–Malta 2021–2027 Programme marks a progression from the previous IIM programme, offering a more targeted and responsive framework in a continuous evolving context. By prioritising the green transition, digital innovation, and social inclusion, the Programme seems to address current territorial needs with enhanced focus and consistence.
- 6.9.2. This advancement, along with an increased total budget, provides a strong foundation for improved Programme impact. However, the need to accelerate implementation activities is evident, in order to make up for the delays that marked the initial phase of the 2021-2027 programming cycle. Achieving this objective will require the availability of adequate resources and also the full commitment of the managing authorities and the development of processes that ensure continuous improvement.
- 6.9.3. Capitalisation and coordination with other programmes remains limited. A policy framework based on the principle of shared governance is needed to maximise results and guarantee a more efficient use of EU funds. To this end, the adoption of a common strategy followed by consistent implementation should be seen as crucial to ensure relevant impact on people and territories.
- 6.9.4. Addressing this challenge is critical to ensure that the Programme delivers sustainable and coherent results. By reinforcing governance mechanisms and fostering the culture of continuous improvement, the IIM 2021-2027 Programme is well positioned to deliver tangible, lasting benefits under the European Territorial Cooperation.

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<sup>61</sup> Initiative supported by the Complementary Operational Programme Governance of National Programmes of the European Territorial Cooperation Objective 2014/2020 (ETC CAP).

## Chapter 7

# Concluding Remarks and Recommendations

- 7.1.1. The Interreg V-A Italy-Malta 2014-2020 programme has played a key role in strengthening cross-border cooperation between the Region of Sicily and Malta.
- 7.1.2. By funding 33 projects and involving 158 beneficiaries, comprising 96 Italian and 62 Maltese entities, the Programme contributed to the economic and social cohesion of the territories. To this end the Programme generally fulfilled its potential as a strategic tool for promoting regional development, environmental sustainability and economic growth in the Mediterranean area.
- 7.1.3. The Review showed that coordination efforts with other EU programmes to maximise the achievement of common objectives and promote a more efficient use of EU funds were limited. The Programme Authorities in both countries are expected to contribute to promote greater cooperation as well as to activate synergy and complementarities between all EU-funded programmes operating in Sicily and Malta.
- 7.1.4. The involvement of stakeholders in the initial design phase of the Programme has been crucial to its implementation as it ensured that the projects funded are in line with territorial cooperation and had the potential to deliver tangible benefits. However, there is a need to strengthen the involvement of local authorities, NGOs, and small and medium-sized enterprises to ensure better alignment with the needs of the territories and to enhance the innovation and sustainability of the interventions.
- 7.1.5. As at 31 December 2024, the certified expenditure of the IIM 2014–2020 Programme recorded an absorption rate of 92 per cent of the allocated funds. As declared by the Managing Authority during the contradictory procedure, the amount of certified expenditure is likely to increase, up to 97 per cent, due to the adherence of the IIM Programme to the STEP regulation.
- 7.1.6. The 2014-2020 programming period was affected by other external factors, particularly the COVID-19 pandemic, which presented circumstances that required rapid intervention in the management of the programme and projects. These adjustments ensured that the projects achieved their intended results while complying with health protocols. This Review concludes that both the Programme Authorities and the project beneficiaries responded effectively and efficiently to these emergent circumstances.
- 7.1.7. Except for some limitations outlined in this Report, the outputs and results achieved by the projects reviewed generally met their main objectives and generated significant benefits that

were consistent with their outputs envisaged by the IIM Programme. This implies that the Programme had a positive impact, demonstrating the effectiveness of the projects in addressing the identified regional needs.

- 7.1.8. A key aspect of programme effectiveness is the simplification of administrative procedures. Interreg cross-border initiatives are known to be more challenging than mainstream Programmes. This results from Authorities and project partners from different Countries having to deal with logistical arrangements as well as different administrative systems.
- 7.1.9. In order to reduce bureaucracy for Programme Authorities and beneficiaries, it would be desirable to streamline reporting models and fully exploit the potential of the new management system to implement the 'once only' principle, avoiding repetition of what has already been done or providing information that can be obtained directly from the authorities. Reducing the administrative burden will not only make the management of the Programme more efficient but will facilitate the creation of new partnerships.
- 7.1.10. Encouraging greater use of simplified cost options is of paramount importance in a logic that gradually shifts the focus of control activities from analysing the regularity of invoices to assessing the results achieved by projects. However, for the 2014-2020 programming period, their use remained rather modest and limited to the management of staff and administrative costs. For the new 2021-2027 programming cycle, the adoption of dedicated guidelines can be a tool to improve the efficiency and effectiveness of the programme.
- 7.1.11. The 2014-2020 IIM Programme made use of a management and monitoring software that revealed several shortcomings and malfunctions that were not effectively resolved. This led to the purchase of new software (JEMS) for the IIM 2021-2027 Programme, which is expected to be implemented in the near future. It is important to underline the strategic role of the new IT system, not only in simplifying administrative procedures, but also as a factor facilitating the participation of less structured organisations in calls for proposals, namely NGOs, local authorities and small enterprises in calls for proposals.
- 7.1.12. A strategic area for the success as the 2014-2020 Programme has been identified as the capitalisation of the results achieved. Within this context, capitalisation encourages the sustainability of projects, which has been a key focus of EU funded programmes, particularly in environmental and socio-economic terms. However, the long-term sustainability of such projects requires continued EU and national funding, the appropriate governance structures and the involvement of local stakeholders. These efforts would aim to ensure that the benefits of the projects extend beyond their full implementation, promoting lasting impact in favour of citizens and territories.
- 7.1.13. In conclusion, it should be recognised that the results of the 2014-2020 IIM Programme and the structure of the new 2021-2027 IIM programming cycle do not only reflect the intention to achieve effective cross-border cooperation, but also the ability to translate strategic objectives into concrete results. Going forward, a greater emphasis on capitalisation, better integration of sustainability strategies, accelerated digital transformation and the adoption of streamlined

administrative procedures will be crucial to ensure that future programmes continue to drive innovation, foster resilience and strengthen long-term regional development.

7.1.14. In the light of the above, this Report proposes the following nine recommendations. These recommendations aim to improve the efficiency as well as the impact of the Interreg Italy-Malta Programme and also have the potential to be a useful instrument for ensuring greater cohesion, development and well-being in the two countries within the context of the European Territorial Cooperation:

1. Programme Authorities are to actively contribute to achieve wider synergy and complementarities between all the EU and national programmes operating in Sicily. Such an approach would further enhance the impact of EU-funded interventions in both the areas and ensure the sustainability and effectiveness of investments beyond the programming period.
2. Programme Authorities are encouraged to take measures to facilitate broader participation of project partners from local authorities, NGOs and small and medium sized enterprises. These mechanisms relate to all the possibilities offered by EU regulations and to the implementation of targeted engagement actions.
3. Programme Authorities are encouraged to enhance the quality, accuracy and consistency of Programme and project indicators as well as establishing project baselines. The publication of specific guidelines and more robust KPIs would facilitate monitoring and evaluation, promoting more efficient and transparent management of the resources allocated to European Territorial Cooperation.
4. Programme authorities should ensure the timely publication of the calls for proposals and reduce the time taken to allocate funds. This will encourage the better allocation of funds to be distributed throughout the programming cycle, minimising the risk of excessive accumulation of unused funds in the final stages of the Programme.
5. All necessary measures must be taken to streamline administrative procedures and avoid delays in contractual activities. This assumes greater importance when taking into account the transnational nature of the Programme. The need to ensure a common standard in safeguarding the financial interests of the EU and its Member States necessitates the harmonisation of control mechanisms across the areas covered by the Programme.
6. The Programme Authorities are to increase their efforts towards developing a more effective digital monitoring system. Digitalisation increases the accuracy and real-time accessibility of data, thereby improving decision making and operational efficiency. The forthcoming introduction of the JEMS system will be a significant step forward. It is also advisable that Programme Authorities make full use of the potential of the new IT system to further reduce administrative burdens and strengthen project monitoring.

7. The Programme Authorities should establish a specific framework for capitalising on the results of the projects to consolidate, disseminate and systematically re-use the derived outputs. Such a framework will enhance knowledge transfer, promote scalability as well as strengthen synergy and complementarities between projects and programmes, thereby improving the overall impact of the interventions.
8. Programme Authorities need to encourage sustainability throughout the project life cycle. This could be achieved by adopting operational instructions that allow for the integration of environmental, economic and social sustainability criteria from project selection to closure. A more accurate assessment of the results in terms of sustainability would require a clear definition of the project partners' obligations and the introduction of an appropriate mechanism for ongoing and ex post monitoring of those obligations.
9. The Programme Authorities are to increase the dissemination of the Interreg Italy-Malta results, considering their potential impacts on citizens and territories within the cross-border context. By adopting a multidimensional communication strategy, aligned with and open to synergy with other EU programmes, it will be possible to spread knowledge of the Programme's activities, facilitate the engagement of new potential beneficiaries, and foster the establishment of new partnerships.

# Glossary

## Thematic Objectives

The Thematic Objectives (TOs) of the 2014-2020 programming period set strategic priorities to guide the funding allocation under the European Structural and Investment Funds (ESIF). A total of eleven Thematic Objectives were selected, based on the European Union's Europe 2020 strategy, addressing key challenges such as competitiveness, sustainability, and social inclusion across Member States.

## Priority Axis of the Interreg Italy-Malta 2014-2020 Programme

### **Priority Axis 1 - Innovation and Research**

This Priority Axis aimed to strengthen regional innovative capacity by aligning innovation supply and demand through collaboration networks among research institutions, industries, and stakeholders. It focused on advanced sectors such as electronics, biotechnology, and health research, while also fostering innovation in cultural heritage and improving quality of life. This Priority Axis supports *TO1, namely Strengthening research, technological development, and innovation.*

### **Priority Axis 2 - Competitiveness**

Priority Axis 2 aimed to enhance Small and Medium-Sized Enterprises (SMEs) competitiveness in the cross-border area by supporting the growth of Sicilian and Maltese micro, small, and medium enterprises and promoting labour mobility. It fostered collaboration focusing on environmental protection, health, and quality of life. This Priority Axis contributed to the following Thematic Objectives:

- *TO3: Promoting the competitiveness of small and medium-sized enterprises, and*
- *TO8: Promoting sustainable and quality employment and supporting labour mobility.*

### **Priority Axis 3 - Protecting the Environment and Risk Management**

This Priority Axis aimed to mitigate risks from climate change and human activities by protecting marine and terrestrial biodiversity, promoting sustainable use of natural resources, as well as enhancing population resilience. This Priority Axis supported the following Thematic Objectives:

- *TO5: Promoting climate change adaptation, risk prevention, and management, as well as,*
- *TO6: Preserving and protecting the environment and promoting resource efficiency.*

### **Priority Axis 4 - Technical Assistance**

This axis aims to provide funding for programme management including its design, implementation, and monitoring. The beneficiaries of these funds are the Managing Authority and the Malta National Co-ordination Authority.

## **Roles and Functions within the Interreg Italy-Malta Programme Management Structure**

### **Managing Authority**

The Managing Authority (MA), located in Sicily, plays a key role in the implementation and smooth functioning of the Programme. The Managing Authority's roles can be summarised as follows:

- **Overall Management and Coordination:** The MA is responsible for the overall management and coordination of the program. It ensures that all activities are in line with EU regulations and policies.
- **Financial Management:** The MA submits the budgetary proposals to the European Commission and manages payments to beneficiaries.
- **Monitoring and Evaluation:** The MA is responsible for monitoring the progress of projects, ensuring that they are completed on time and within scope. It is responsible to assess the effectiveness and impact of the program.
- **Support to Beneficiaries:** The MA acts as a contact point for project applicants and partners throughout the lifecycle of projects.
- **Coordination with the Joint Secretariat (JS):** The MA works closely with the Joint Secretariat, which is responsible for day-to-day technical and operational support for the program, helping with project selection, communication, and reporting.

### **Maltese National Co-ordination Authority**

The Maltese National Co-ordination Authority (MNCA), forms part of the Funds and Programmes Division in Malta and oversees two specific functions:

- a. A regulatory role within Malta that extends to the monitoring and control of activities, verification of the procedures as well as expenses incurred by Maltese project partners.
- b. Coordination of the implementation of the Cooperation Programme on Maltese territory and a contribution to the general management of the programme in collaboration with the Managing Authority and the Joint Secretariat.

In addition, the Maltese National Co-Ordination Authority is responsible for promoting the Interreg Italy-Malta Programme in Malta, through the dissemination of information about funding opportunities, and the identification of success stories. Moreover, the MNCA is responsible to encourage participation from a diverse range of stakeholders.

### **Certifying Authority**

The Certifying Authority ensures the financial integrity and transparency of Interreg projects by certifying expenditures, managing payments, and ensuring compliance with the European Union's (EU's) financial rules. It plays a key role in safeguarding the financial interests of both the European Union and the

Programme beneficiaries in Sicily and Malta. For the 2021-2027 programming period, the certification of expenditure will be carried out by the Accounting Authority, a body functionally independent of the Managing and Audit Authorities.

### ***Audit Authority***

The Audit Authority ensures that audits are carried out on the management and control systems, on an appropriate sample of operations and on the annual accounts. Its reports include:

- an audit opinion on the annual accounts for the preceding accounting year,
- an annual report on the operations, sampling projects to assess eligibility of costs, compliance with EU and national rules, and correct accounting and documentation, and,
- an annual audit of the management systems to assess its effectiveness and adequacy of controls.

The Audit Authority is supported by a Group of Auditors appointed and designated for each member state participating in the programme.

### ***Joint Secretariat***

The Joint Secretariat assists the Managing Authority in carrying out its functions by facilitating, assessing, and ensuring that project selection is equitable and transparent. Also, it collects financial, and statistical data that are required for programme monitoring as well as for the interim and final appraisals. The Joint Secretariat also evaluates proposals for project modification at project level before presenting a technical report to other structures within the Interreg Italy-Malta Programme for approval. The Joint Secretariat is in charge of managing the information system.

### ***Executive Committee***

The Executive Committee is composed of representatives from each participating country. Its functions range from proposing the project selection criteria to, in collaboration with the Joint Secretariat, recommending projects to the Monitoring Committee. The Executive Committee is also responsible for the development of the Guide for Implementation. This document outlines the procedures for project presentation, execution, and monitoring.

### ***Monitoring Committee***

The Monitoring Committee is responsible for supervising the programme implementation processes and the progress registered in terms of the attainment of programme objectives. The composition of the Monitoring Committee has been agreed by the Member States participating in the Programme. The Committee is composed of an equal number of representatives, that is six Italian and six Maltese members. The Monitoring Committee convenes at least annually, and its decisions are taken either unanimously or by majority voting.

### ***Project Lead Partners***

Lead partners play a critical role in ensuring the smooth execution and management of projects. They are responsible for overseeing project coordination, financial management, and compliance with EU regulations. The lead partner acts as the primary liaison party between the project consortium and the Managing Authority. The lead partner also ensures that all partners meet their objectives and deadlines. They are

also responsible for accurate reporting, appropriate use of funds, and risk management. Furthermore, the lead partner is accountable for the overall success of the project, ensuring that it delivers the intended outputs and contributes to the achievement of the regional objectives.

### ***First-Level Controllers***

First Level Controllers (FLCs) check the validity, eligibility, and completeness of financial claims before they are submitted to the Managing Authority for further verification and onward transmission to the Certifying Authority.

For projects implemented in Sicily, first-level controls were initially carried out by the regional offices, while as from the second call for proposals of the 2014-2020 programming period, controls were entrusted to external auditors. The Managing Authority carries out sample checks on the first-level controls performed.

In Malta, first level audits are carried out by either external auditors or internal auditors of the project partners. In both cases, these are registered auditors formally appointed by the Maltese National Co-ordination Authority within the Funds and Programmes Division.

## Appendix I

# Output and Results Indicators for Projects SiMaSeed and SiMaSeed PLUS

Tables 1 to Table 4 outline the output and the result indicators, the target values and the final values.<sup>62</sup>

**Table 1: SiMaSeed Output indicators**

WP	Output indicator	Unit of measurement	Target values	Final values (2021)
WP3	3.1 – Seed storage	N.	400	693
WP3	3.2 Germination protocols	N.	20	39
WP3	3.3 – Updating and creation of Seed banks	N	3	3
	3.1 – Recovery and evaluation intervention of the zones of the Natura 2000 network			
WP4	4.1 – Production of native species – Plantlets of 20 targeted species produced	N.	28,000	28,127
WP4	4.2 – Production of wild orchids	N.	12,000	15,345
WP4	4.3 – Plant species identification through DNA barcoding	N.	20	23
WP5	5.1 – Surface of Natura 2000 habitat restored and restocked	Ha	400	490
	C – 0023 Surface area of habitats supported to attain a better conservation status			
WP5	5.2 – Monitoring and evaluation of the restoration intervention	Km2 SQ KM	4	4.9
WP5	5.3 – Skilled technicians in restocking activities	N.	18	50

Source: SiMaSeed project closure report.

<sup>62</sup> For ease of reference targets highlighted in green represent Programme-mandated objectives, while the remaining categories reflect specific targets designed by the respective projects.

**Table 2: SiMaSeed Result indicators**

Indicator	Unit of measurement	Target values	Final values (2021)
1 – Habitat biodiversity reinforced and monitored in Natura 2000 sites	Km2	4	4.9
3.1 – Protecting biodiversity in Sicily-Malta Natura 2000 network sites through Seed Banks and population reinforcement	SQ KM		
2 – Wild species seeds collected and stored	N.	200	374
3 – Short- and long-term conservation of seed accessions	N.	400	693
4 – Targeted plants and wild orchids species propagated – Ex situ production and seedling of 20 targeted species	N.	28,000	28,127
5 – Targeted plants and wild orchids species propagated – In vitro micropropagation of wild orchids species, rare and/or endangered	N.	12	12

Source: SiMaSeed project closure report.

**Table 3: SiMaSeed PLUS Output indicators**

WP	Indicator	Unit of measurement	Target values	Final Values (2023)
WP3	O.T. 3.1 – Number of areas affected by invasive species eradication/containment	N.	2	2
WP3	O.T. 3.2 Recovery and evaluation intervention of the habitat 3.1- Recovery and evaluation intervention of the zones of the Natura 2000 network	N	2	2
WP3	O.T. 3.3 – Surface covered by the improved/reintroduced species CO023 – Surface area of habitats supported to attain a better conservation status	Ha	35	35
WP4	O.T. 4.1 – Advanced technology equipment and tools that have been integrated/optimized	N.	3	3
WP4	O.T. 4.2 – Seeds collection	N.	10	44
WP4	O.T. 4.3 – Beneficial microorganisms to improve plant resilience to environmental stresses	N.	8	8

Source: SiMaSeed PLUS project closure report.

**Table 4: SiMaSeed PLUS Result indicators**

Indicator	Unit of measurement	Target value	Final value (2023)
1 – Surface affected by invasive species eradication/containment in zones of the Natura 2000 network	SQ KM	0.0011	0.0017
2 – Surface affected by habitat restoration, strengthening/reintroduction of native populations and monitoring activities	SQ KM	0.35	0.35
3.1 – Sites and protected areas developing joint actions for biodiversity protection			
3 – Integration and optimisation of the germplasm banks' equipment	N.	3	3

Source: SiMaSeed PLUS project closure report

## Appendix II

# Output and Results Indicators for Projects Corallo and Corallo +SI

Tables 1 to 4 highlight the output and result indicators for both Corallo and Corallo +Si.<sup>63</sup>

**Table 1: Corallo Output indicators**

WP	Output indicator	Unit of measurement	Target values	Final values (2023)
WP3	OT 1.1 – Needs/gaps analysis for identified Natura 2000 sites	N.	6	6
WP3	O.T 1.2 – SWOT analysis of the identified Natura 2000 sites	N.	6	6
WP3	O.T 1.3 – Action plan for the responsible use of Maltese and Sicilian N2K sites	N.	6	6
WP4	O.T 2.1 – Non-mobile/fixed outreach tools and resources intended for installation within Natura 2000 site visitor hubs/centres	N.	6	7
WP4	O.T 2.2 – Non-mobile/fixed outreach tools and resources intended for the design and development of a mobile exhibition	N.	6	6
WP4	O.T 2.3 – Digital ICT-based awareness-generating tools, including GAMING	N.	6	6
WP5	O.T 3.1 – Awareness campaigns (training seminars, awareness-raising demonstration activities, etc.) for the public of Natura 2000 sites in Malta and Sicily 3.1.3 – Awareness campaigns for the correct use of protected areas	N.	6	6
WP5	O.T 3.2 – Codes of Conduct for the promotion of responsible use of Natura 2000 sites by different end users/stakeholders in Malta and Sicily	N.	6	6

Source: Corallo final report, June 2024.

<sup>63</sup> For ease of reference targets highlighted in green represent Programme-mandated objectives, while the remaining categories reflect specific targets designed by the respective projects.

**Table 2: Corallo Result indicators**

Result indicator	Unit of measurement	Target values	Final values (2023)
1- Area of sites and marine protected areas that develop common actions for the protection of biodiversity			
3.1 – Protected sites and areas that develop joint actions for the protection of biodiversity	Kmq	100	458.89
2- Marine protected sites and areas that develop common tools, resources and facilities to raise awareness and sensitize end-users of N2K sites	N.	6	6
3- Protected marine and terrestrial sites and areas that formulate action plans for the correct use of the sites	N.	6	6

Source: Corallo final report, June 2024.

**Table 3 Corallo +SI Output indicators**

WP	Output indicator	Unit of measurement	Target values	Final values (2023)
WP3	O.T 3.1 – Immersive rooms and floors on the Smaller Islands in Sicily	N.	3	4
WP3	O.T 3.2 – Coral Branding for Natura 2000 sites – smaller islands	N.	3	3
WP3	O.T 3.3 – Corallo cross-border network	N.	1	1
WP4	O.T 4.1 – New sites affected by 3D videos and immersive technologies – Smaller Islands in Malta	N.	3	3
WP4	O.T 4.2 – Awareness campaigns targeting the smaller islands of Gozo and Comino 3.1.3 – Awareness campaigns for the correct use of protected areas	N.	6	6
WP4	O.T 4.3 – Wide-angle video to enable virtual extraction	N.	1	1

Source: Corallo +SI final report, December 2024.

**Table 4: Corallo +SI Result indicators**

Result indicator	Unit of measurement	Target values	Final values (2023)
1- Area of sites and marine protected areas that develop common actions for the protection of biodiversity	Kmq	100	435.01
3.1 – Protected sites and areas that develop joint actions for the protection of biodiversity			
2- Marine protected sites and areas that develop common tools, resources and facilities to raise awareness and sensitise end-users of N2K sites	N.	6	7
3- Protected marine and terrestrial sites and areas that formulate action plans for the correct use of the sites	N.	6	7

Source: Corallo +SI final report, December 2024

