



**Fifth Protocol**  
**relating to**  
**Economic, Technical and Financial**  
**Assistance**  
**between**  
**the Government of Malta**  
**and**  
**the Government of the Italian Republic**

The Government of Malta and the Government of the Italian Republic,  
hereinafter referred to as the "Contracting Parties",

driven by the common desire to intensify the traditional relations of friendship  
and economic and cultural co-operation existing between the two countries  
and to facilitate the conditions leading to a rapid accession of Malta to the  
European Union,

have agreed as follows:

## **Article 1**

1. The Government of the Italian Republic, intent on contributing directly to the continued improvement of the economic, social and cultural environment of Malta in the light of its integration in the Union, will put at the disposal of the Maltese Government grant contributions up to a total amount of 75 million Euros spread over the three year period 2003-2005.
2. These contributions will be used to finance programmes and projects in the economic, cultural and social sectors, identified and agreed upon by the Contracting Parties on the basis of the proposals presented by Malta and listed in the following article 2.
3. With the aim of achieving a rapid integration of Malta within the European Union, the Contracting Parties furthermore commit themselves to intensify their cooperation on an on-going basis in the sectors of transport and the fight against pollution and to continue the negotiations for the conclusion of agreements on the preservation of the artistic heritage, the protection of investments, surveillance and cooperation at sea, and tourism.
4. They will furthermore endeavour to encourage initiatives aimed at facilitating the economic, industrial and technical cooperation between commercial enterprises of the two countries, with special emphasis to those economic sectors that are mainly export-oriented and likely to create new employment opportunities.

## **Article 2**

1. The funds referred to in article 1 will be put at the disposal of the Maltese Authorities for the amount of 35.000.000 Euros for the year 2003, for the amount of 30.000.000 Euros for the year 2004 and for the amount of 10.000.000 Euros for the year 2005. These will be utilised to contribute to the implementation of the following projects in the sectors indicated below:

### ***Infrastructure***

- 1.1 Modernisation of the Road Network Programme;
- 1.2 Malta North Sewerage Treatment Plant;

### ***Cultural and Educational***

- 1.3 Italian Chair of Mediterranean and European Union Studies;
- 1.4 Scholarship awards for Maltese students;
- 1.5 Rehabilitation of 16th Century Organ at St. John Co-Cathedral;
- 1.6 Restoration of the Chapel of the Italian Language at St. John's Co-Cathedral;

### ***Environmental Protection***

- 1.7 Setting up of a Collection and an Incineration Unit at the Civil Abattoir;

### ***Food Safety***

- 1.8 Meat Deboning, Curing and Packing Establishment;
- 1.9 Grading and Cold Storage Facility;

### ***Maritime Surveillance***

- 1.10 Strengthening of the Maltese Capability of Maritime Control;

### ***Health***

- 1.11 Design, supply and installation of equipment and provision of services for Mater Dei Hospital;

1.12 Procurement of an Information Technology System for Mater Dei Hospital;

1.13 Research in the Field of Health on Mental Retardation.

2. The Contracting Parties agree to carry out a technical and economic evaluation of the above listed projects and that the cost of this exercise will be charged to the financial resources of this Protocol. Such costs will not exceed 1% of the total value of the Italian contribution for each individual project, and will not exceed, in any case, 50,000 Euros for each project. The indicated percentage may be increased to a maximum of 4% in the case of projects for which the total Italian contribution, per project, will not exceed 600,000 Euros.
3. The Italian side will indicate to the Maltese side those Institutions and Agencies that will be able to provide technical assistance in a manner to be agreed upon by the Contracting Parties through diplomatic channels, including also the implementation aspects of the programmes and projects to be financed, the monitoring modalities, as well as the relative allocation and schedule of payments in accordance with the phases of implementation of the same projects. These details will be included in one or more exchanges of Notes between the two Ministries of Foreign Affairs to be finalised as soon as possible and in any way not later than six months from the entry into force of this Protocol. Subsequent amendments concerning project payments will be made, upon agreement, by following the same procedure and within the deadlines set out in article 4.
4. The Maltese Government undertakes to furnish to the Italian Government an annual report on the results attained in the execution of the projects specified in this Protocol, with particular emphasis on the technical and economic details of their progress.
5. Following the implementation of the projects contemplated in this agreement, the Contracting Parties commit themselves to continue with their cooperation in different forms, in line with the new and closer relationship that is likely to develop between the two countries in the light of Malta's accession to the European Union.

### Article 3

1. The funds of this Protocol will be disbursed as a refund to cover payments already made by the Maltese authorities in favour of entitled beneficiaries in accordance with the programmes and projects agreed upon, on submission of the appropriate documentation, duly certified or confirmed by the competent Maltese authorities, and following confirmation of the actual implementation of the programme or project or, where such is the case, its related phases, as defined in the exchange of Notes referred to in article 2. The Italian Government will not reimburse expenses which are not contemplated in the present Protocol, in the exchange of Notes referred to in article 2 or in other international commitments which bind both Contracting Parties.
2. With regard to those projects that are implemented through the execution of works or through the provision of services, a rate not exceeding 15 per cent of the funds specified in article 1 may be allocated to cover local expenses for works and labour carried out by the Maltese Authorities in respect of agreed programmes and projects. However, in the cases of works in which a significant utilisation of labour or materials available in Malta is foreseen, the specified percentage may be increased to 30% of the above mentioned funds.
3. For the same category of projects, once a contract has been finalised, in accordance with modalities to be specified in the exchange of Notes referred to in article 2, an advance payment, not exceeding 20% of the total Italian contribution to the project, may be disbursed following a specific request by the Maltese Authorities.
4. The allocation of works and the adjudication and award of contracts shall be carried out by the Maltese authorities in conformity with their internal laws and regulations.

#### Article 4

The sums allocated for the projects under article 1, and which are not effectively disbursed in the year indicated, may be utilised for the same projects in the subsequent years, provided that the relative amendments in the schedule of payments are agreed upon, in accordance with the procedure set out in article 2, paragraph 3, within the 31 December of the respective year of reference, and in any case before the 31 December 2005.

#### Article 5

1. This Protocol shall enter into force on the date of receipt of the second of the two notifications by means of which the Contracting Parties shall have officially communicated to each other that the respective Constitutional procedures for its ratification have been completed.
2. This Protocol may be renounced through diplomatic channels at any time and the renunciation shall come into effect three months after notification to the other Contracting Party. Claims for reimbursements relating to contracts awarded under the terms of this Protocol before the above mentioned renunciation will be considered and honoured by not later than the 31st December 2005, unless otherwise indicated in article 3, paragraph 1.

IN WITNESS WHEREOF the undersigned Representatives, being duly authorised by their respective Governments, have signed the present Agreement.

Done at Rome on the 28 day of December 2002, in two copies, each in the English and Italian Languages, both texts being equally authentic.

For the Government  
of Malta



For the Government  
of the Italian Republic

