



# Operational Programme II Cohesion Policy 2007-2013

*Empowering People for More Jobs and a Better Quality of Life*

Annual Implementation Report

2011



Operational Programme II – Cohesion Policy 2007-2013  
European Social Fund (ESF)  
*Investing in your future*



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## List of Acronyms

AA	Audit Authority
AIR	Annual Implementation Report
CA	Certifying Authority
CDRT	Centre for Development Research and Training
CEO	Chief Executive Officer
CF	Cohesion Fund
CION	European Commission
CSGs	Community Strategic Guidelines
DCC	Departmental Contract Committee
DG	Director General
DG EMPL	Directorate-General Employment, Social Affairs and Inclusion
DoC	Department of Contracts
DOI	Department of Information
EAFRD	European Agricultural Fund for Rural Development
EAP	Employment Aid Programme
EC	European Commission
ECDL	European Computer Driving Licence
EEA	European Economic Area
EES	European Employment Strategy
EFF	European Fisheries Fund
EIB	European Investment Bank
ERDF	European Regional Development Fund
ESF	European Social Fund
ESG	Evaluation Steering Group
ETC	Employment and Training Corporation
EU	European Union
FTE	Full Time Employment
GCC	General Contracts Committee
GPP	Green Public Procurement
GRTU	General Retailers and Traders Union
IAID	Internal Audit Investigation Department
IB	Intermediate Body
IBSC	Intermediate Body Steering Committee
ICT	Information Communication Technology
ICMCH	Heritage Malta- Institute of Conservation and Management of Cultural Heritage
IEG	Integrated Employment Guideline
IMCC	Inter-Ministerial Co-ordination Committee
IMU	Information Management Unit

INIO	Informal Network of Information Officers
IP	Intellectual Property
IS	Information Systems
IT	Information Technology
ITT	Instructions to Tenderers
IWB	Interactive White Boards
JER	Joint Employment Report
KNPD	Kummissjoni Nazzjonali Persuni b'Dizabilita'
LIIP	Local Informal Information and Publicity Network
LLEEP	Lifelong Learning for Enhanced Employability for Parents
LM	Line Ministry
LN	Legal Notice
MA	Managing Authority
MC	Monitoring Committee
MCAST	Malta College for Arts, Science and Technology
MCCEI	Malta Chamber of Commerce, Enterprise and Industry
MCST	Malta Council for Science and Technology
MCESD	Malta Council for Economic and Social Development
MEUSAC	Malta-EU Steering and Action Committee
MEDC	Ministry of Education, Culture, Youth and Sport
MEEF	Ministry for Education, Employment and the Family
MEU	Management Efficiency Unit
MEPA	Malta Environment and Planning Authority
MHEC	Ministry for Health, the Elderly and Community Care
MHRA	Malta Hotels & Restaurants Association
MITA	Malta Information Technology Agency
MITC	Ministry for Infrastructure, Transport and Communications
MoP	Manual of Procedures
MPSC	Ministerial Project Steering Committee
MQF	Malta Qualifications Framework
MRA	Malta Resource Authority
MRRA	Ministry for Resources and Rural Affairs
MS	Member State
MT	Malta
MTA	Malta Tourism Authority
MTE	Mid-Term Evaluation
NCPE	National Commission for the Promotion of Equality
NGO	Non-Governmental Organisation
NRP	National Reform Programme
OHS	Occupational Health and Safety
OP	Operational Programme

OPI	Operational Programme I
OPII	Operational Programme II
OPM	Office of the Prime Minister
PA	Priority Axis
PC	Personal Computer
PPCD	Planning and Priorities Co-ordination Department
PPR	Project Progress Report
PPS	Principal Permanent Secretary
PSAB	Projects Selection Appeals Board
PSC	Project Selection Committee
R&D	Research and Development
RTDi	Research, Technological Development and Innovation
S&T	Science and Technology
SAMB	State Aid Monitoring Board
SFD	Structural Funds Database
SOE	Statement of Expenditure
STEPS	Strategic Educational Pathway Scholarships
TA	Technical Assistance
TAF	Training Aid Framework
TED	Training Educators for Diversity
TFEU	Treaty on the Functioning of the European Union
TNA	Training Needs Analysis
TSSM	Training Subsidy Scheme MCAST
ToR	Terms of Reference
UK	United Kingdom
UOM	University of Malta
VAT	Value Added Tax
VET	Vocational Education and Training
YEP	Youth Employment Programme

# 1 – Introduction

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OPERATIONAL PROGRAMME

Objective Concerned: Convergence

Eligible area covered: Malta

Programming period: 2007 - 2013

Programme Number (CCI No): 2007/MT051PO001

*Programme Title:* Operational Programme II – Empowering People for More Jobs and a Better Quality of Life (Cohesion Policy 2007-2013)

ANNUAL IMPLEMENTATION REPORT

Reporting year: 2011

Date of approval of the annual report by the Monitoring Committee:  
15<sup>th</sup> June 2012

## 2 – Overview of the implementation

### 2.1 Achievement and analysis of the progress

Whilst in 2010 the implementation of projects started to gain momentum, in 2011 implementation started to peak with sixty-four (64) operations<sup>1</sup> approved projects, forty (40) of which were at an advanced stage of implementation and another seven (7)<sup>2</sup> completed by end of year. The total funds committed under the Programme as at end of year stood at €108,790,458<sup>3</sup> (public eligible) representing 83% of the OP's financial allocation. This intense level of activity has resulted in concrete results being registered in terms of participants of ESF projects accessing employment, gaining certification and/or qualifications as well as a number of research projects being completed and ready to feed into relevant policy areas. In fact, in 2011 achievements were registered in twenty-one (21) output indicators and all result indicators.

From the financial aspect, the Programme has also managed to make strong headway in 2011 with €13,336,609 paid<sup>4</sup> in 2011 (16% increase over 2010<sup>5</sup>) bringing the total cumulative payments as at the end of year to €26,790,504 (public eligible). During 2011, the MA carried out 155 unique Article 13 checks with a total of 1759 hours spread over 350 visits<sup>6</sup>. These statistics are clearly indicative of the increased level of activity on the ground by Beneficiaries and stakeholders alike and in fact the Programme has managed to not only attain its first N+3 year target but also exceed it, by 49%.<sup>7</sup>

In order to maintain this success in 2011 the Managing Authority focused on ensuring a sufficient pipe-line of new projects. Although there were no new calls in 2011, the Project Selection Committee (PSC) concluded the selection of project proposals submitted under Calls 6 and 7 (spilling over from 2010). This resulted in nineteen (19) new projects being approved amounting to close to €33,000,000. At the same time, in order to commit the balance of the OP, a pre-announcement for the submission of new proposals under PAs 2, 3 and 4 was issued during the last quarter of 2011<sup>8</sup> with calls expected to be published in the first half of 2012. Moreover, apart from the seven (7) projects that concluded all the activities and also processed all the related payments, an additional, seven (7) projects had finalised all the activities, but still had not processed all the payments<sup>9</sup>.

Tenders launched in 2011 were less than in previous years. This was expected considering that most of the projects under implementation in 2011 had concluded most of the larger procurement. Contracting continued to resent the usual challenges. In 2011, seven (7) appeals were filed with DoC resulting in delays in the

<sup>3</sup> Figure includes committed amount for TA and Aid Schemes

<sup>4</sup> Amount includes irregular payments recovered during 2011 which amounts to €110,662. Therefore the actual paid amount in 2011 was €13,225,946.60.

<sup>5</sup> The payments processed through SFD in 2010 amounted to €11,439,207.99

<sup>6</sup> Out of these 350 visits, 52 were physical spot checks and the remainder (i.e. 298) were documentary checks. Twenty (20) MA officers carried out these checks dedicating a combined total of 2,945 hours

<sup>7</sup> Commitment in 2011 totalled to €12,352,941 (€10,500,000 EU share), whilst expenditure certified as at the end of 2011 amounted to €15,648,076

<sup>8</sup> Issued on 1<sup>st</sup> December 2011

<sup>9</sup> ESF 3.43, ESF 3.71, ESF 3.52, ESF 3.54, ESF 3.66



evaluation process.<sup>10</sup> This has had a considerable impact on the timely conclusion of contracting and the actual implementation of ESF operations. Furthermore, ESF is usually characterised by a larger number of Departmental Tenders<sup>11</sup> and this fragmentation results in a slower progress in the contracting. By December 2011, overall contracting stood at €57,880,170 representing 56% of the amount committed, out of which the IB had signed grants with enterprises amounting to €14,762,031<sup>12</sup> (public eligible).

Another important highlight for 2011 relates to the implementation of the indirect costs on a flat rate basis. Apart from signing the relevant addenda to the Grant Agreements, the MA designed a working note on how to implement the flat rate<sup>13</sup> and a claim for reimbursement template. Other achievements during the year concerned evaluation activities, namely the finalisation of the Mid-Term Evaluation (MTE); the revision of the Evaluation Plan for a better alignment to the status of implementation; the submission of the Cohort Study's Inception Report and the design of the tender dossier for the combined Thematic Evaluations.

## 2.1.1 Information on the physical progress of the Operational Programme

### Project Selection Process

- ***Calls for Project Proposals***

During the year under review, there were no new calls for proposals. The focus in 2011 was to conclude evaluation of project proposals received under calls launched in 2010.<sup>14</sup> These calls addressed all priority axes and their related focus areas of intervention and were directed towards public entities, local councils, voluntary organisation and civil society organisations. Thirty-four (34) project proposals with a total value of €49.9 million were submitted under Call 6,<sup>15</sup> whilst twenty-eight (28) proposals with a total value of €19.3 million were submitted under Call 7.<sup>16</sup>

Regarding the pre-announcements issued, the MA adopted the recommendation of the mid-term evaluation (MTE), and identified the relevant focus areas giving preference to specific actions in an effort to direct investment on those sectors that registered a low take-up. In this regard, under PA 2<sup>17</sup> the call was restricted to only one focus area '*Continuous Training and Education*' giving priority to projects addressing environment/green skills; RTDi-related skills as well as projects focusing on the employability and adaptability of older workers between 40-55 years. Under PA 3<sup>18</sup>, two focus areas of interventions were selected '*Female participation in the labour market*' and '*Addressing labour market distortions and ensuring that work pays*'. In this context, it was announced that within focus area '*Female participation in the labour market*', preference will be given to initiatives promoting skills for women returning to work, provision of childcare studies and piloting of innovative working arrangements; whilst within focus areas '*Addressing labour market distortions*

<sup>10</sup> Two of the appeals were still pending by end of year

<sup>11</sup> The tender value would be less than €47,000

<sup>12</sup> There was an over-commitment of grants signed under ESF 3.64 (EAP) that is not included in this figure

<sup>13</sup> The MA issued the working note on 12<sup>th</sup> January 2012 (Date referring to circulation email of finalised template.)

<sup>14</sup> Call six (6) addressing PA 1 and 3 and Call seven (7) addressing PA 2 and 4

<sup>15</sup> Fifteen (15) proposals with a total value of €27.6 million were submitted under PA 1 and nineteen (19) project proposals with a total of €22.3 million under PA 3 respectively

<sup>16</sup> Twelve (12) project proposals with a value of €12.1 million were submitted under PA 2 and sixteen (16) proposals with a value of €6.9 million were submitted under PA 4

<sup>17</sup> Indicative financial threshold under PA 2 was set at €4 million

<sup>18</sup> Indicative financial threshold under PA 3 was set at €7.5 million

and ensuring that work pays preference will be given to initiatives addressing the optimisation of social benefits; bringing those at the furthest edges closer to the labour market through training, work assignments, etc and promoting healthy and safe environments at work. A similar approach was also adopted for PA 4. Also in line with one the recommendations of the MTE and considering the priorities listed for the planned calls, a short information session for the applicants was held on 15th December 2011 which attracted fifty (50) participants.

- **Project Selection Outcome**

During 2011, the Project Selection Committee (PSC) met fifty-one (51) times<sup>19</sup> resulting in (19) approved projects<sup>20</sup> and three (3) projects on the reserve list, committing around 62% of the funds available under the different calls.<sup>21</sup> As in previous years, under Call 6 the PSC continued to request further clarifications in writing in its attempt to ensure a more comprehensive assessment of the project proposals. In this regard, seventeen (17) clarification letters were issued under Call 6. However, in July 2011, and in order to reduce the delays registered in the selection process, the PSC undertook some revisions in both its membership and procedures which were implemented as from Call 7. A decision was taken so to increase the number of the PSC members from three (3) to four (4) and designate two (2) alternate Chairpersons should the Chair not be available. In addition, the PSC members agreed to revise the required quorum for the rating and the ranking sessions, considering sufficient the presence of three (3) members (rather than four (4)) and to make use of the written procedure in cases when the physical quorum cannot be reached. The second change introduced in 2011 and implemented from Call 7 onwards is to limit written clarifications related to the eligibility issues. The PSC still maintained the option to hold clarification meetings whenever this was deemed appropriate. All unsuccessful applicants were informed through a rejection letter. All unsuccessful applicants had the right to appeal to the Project Selection Appeals Board (PSAB). In fact, during 2011 three (3) appeals were filed with the competent authority<sup>22</sup>. All three (3) appeals were evaluated by the Appeals Board and subsequently rejected.

### **Progress in Programme Implementation**

- **Territorial Earmarking: progress on implementation of the 10% commitment for Gozo.**

During 2011 the MA saw a significant increase in projects' commitment with regard to Gozo. The additional effort made by the MA to include specific sections for Gozo activities in the application form paid off as applicants were sensitised and encouraged to actively consider activities in Gozo. In this regard eighteen (18) out of the nineteen (19) projects approved in 2011 have a financial commitment to implement specific activities targeting Gozo and Gozitans, amounting to €5,028,100.06 - 15.24% of the total public eligible amount committed under calls 6 and 7.

<sup>19</sup> Twenty-eight (28) times for Call 6 and twenty-three (23) times for Call 7

<sup>20</sup> Twelve (12) under Call 6 and seven (7) under Call 7

<sup>21</sup> Total value of approved projects is € 33,077,569 whilst funds available under the calls amounted to €53.5M (€30M under Call 6 and €23.5M under Call 7)

<sup>22</sup> One appeal from the rejected proposals of Call 6 (PA 3) and the other 2 appeals were from the rejected proposals of Call 7 PA 2

Furthermore the commitment amount under the two aid schemes<sup>23</sup> continued to increase significantly exceeding the original forecasted commitments on Gozo. As at end 2011, 554 grants were signed with enterprises based in Gozo amounting to €2,372,076<sup>24</sup> for both EAP and TAF. One-hundred-thirty-six (136) new commitments were made in favour of Gozo in 2011 under EAP bringing the total to 486 Gozitans of the 2,193 employees that benefitted from EAP (up to end of 2011). It is also worth noting that two-hundred-twenty-five (225)<sup>25</sup> of the nine-hundred-ninety-seven (997) employers that benefitted from EAP are from Gozo. In the case of TAF, thirty-six (36) new commitments were made in favour of Gozitan companies in 2011, bringing the total to sixty-eight (68) as at end of year.

Up to December 2011, there were four (4) Gozo based *mainstream* projects (of which one (1)<sup>26</sup> closed during the year under review) as well as a further thirty-five (35) projects having a Gozo component (that either target activities in Gozo or Gozo participants) of which three (3) closed during 2011. As at end of 2011 the total commitment for Gozo (including commitment under the aid schemes) was of €9,540,260<sup>27</sup> equivalent to 7% of the OP allocation, an increase by 127%<sup>28</sup> when compared to 2010. Reaching the target of 10% of the OP remains a goal of the Programme and all efforts are being made to attain it, however given the inherent difficulties due to the small population coupled with the effects of the economic crisis and the resulting impact on jobs in such small and isolated economies, more efforts and closer monitoring will be necessary to ensure that: first commitments already made result in implemented actions and secondly that the commitments continue to increase in new projects. In this regard, in 2011, the MA has enhanced the SFD in order to allow for the tracking of specific Gozo expenditure, making it easier for the MA to keep tabs on this cost. It should also be remembered that besides those projects that have a specific commitment on Gozo the majority of ESF projects are equally targeted towards Maltese and Gozitan citizens. With regards to these latter projects, the commitment on Gozo, where applicable, can only be determined at the end of the projects' activities. Under the four (4) projects<sup>29</sup> with a Gozo dimension that were completed in 2011, the disbursements related to Gozo amounted to €73,172.

- **Aid Schemes implemented under Article 107 of the Treaty**

Under OPII there are two aid schemes, the Training Aid Framework (TAF) and the Employment Aid Programme (EAP), both managed by the Employment and Training Corporation as the IB. In 2011, the implementation of the two schemes approved under ESF, namely the Employment Aid Programme (EAP) and the Training Aid Framework (TAF) registered significant improvements particularly with regards to the commitment and disbursement of funds when compared to previous years. This was the result of the simplification process, which was undertaken in 2011, particularly in the case of TAF and in the case of EAP, the changes to the EAP criteria, which were concluded in 2010 but which entered into effect in 2011.

By December 2011, in the case of TAF, the Employment and Training Corporation (ETC) the total amount of applications approved were 2448 for a total of €6,562,031. It is worth noting that although initially as per

<sup>23</sup> ESF 2.65 – Training Aid Framework, ESF 3.64 – Employment Aid Programme

<sup>24</sup> Public eligible: TAF - €214,076 and EAP €2,158,000

<sup>25</sup> In 2011 seventy-nine (79) Gozitan employers benefitted from EAP.

<sup>26</sup> ESF 2.7

<sup>27</sup> Indicative commitment amount (not actual payment).

<sup>28</sup> Committed amount in 2010 was around €4,200,000.

<sup>29</sup> ESF 1.21; ESF 1.31; ESF 1.40; and ESF 2.7

Annex I to the Covenant it was expected that 475 undertakings will be supported, three years after the launch the number of supported undertakings is 2448, five (5) times more than what was expected. By December 2011 the number of claims processed by ETC were 481 providing assistance to more than 1,500<sup>30</sup> individuals.

One reason for this could be the outcome of the financial crises, which may have stimulated undertakings to invest more in training. As will be further explained in Chapter 3, the training followed by these trainees varied from basic courses in first aid to qualifications leading to an MQF level 7 certification in Business Administration. It is also worth noting that 90% of the training courses sponsored under TAF were for general training, which provides trainees with transferable skills, hence increasing their adaptability and employability both within the same company and elsewhere. The areas of finance and IT were amongst the most common requests received by the IB. This reflects the need for more specialized and qualified persons in those areas where there is an increasing demand in the labour market, due to the growth in both these sectors in the last years. In the same year, the IB saw an increase in the number of applications received by self-employed persons. In 2010, the number of applications received from self-employed persons amounted to thirty-seven (37), while in 2011 fifty-seven (57) applications were received. This goes in line with the government's drive to encourage entrepreneurship as well as the need for small enterprises (such as self-employed) to continue to invest in human capital in order to remain competitive.

EAP recorded significant progress with a remarkable increase in the number of grants signed as well as in subsequent placements.<sup>31</sup> In this regard, requests to adhere to this scheme remained high with 1,833 applications received in 2011, representing 21% of the total amount of applications received under EAP. In fact the ETC actually managed to absorb the entire allocation (in terms of grant agreements signed) but decided to over commit in order to be able to absorb the impact of any commitments that are not eventually translated into payments. The EAP has experienced a noticeably high demand from the private sector and the scheme has also been successful in terms of sustainability which is reflected in the retention rate of participants, confirming the impact of the scheme on several client groups. Up to December a total of 85% (901) of the 1054 participants that completed their placement under the scheme were still in employment six months after the subsidy period.<sup>32</sup> Considering the results to date it is safe to consider that the 50% target in Covenant will be achieved and exceed if the current result are maintained throughout the scheme.

With regard to disbursements, under TAF, 481 claims were processed in 2011 amounting to €968,133 representing 11% of the committed amount under the scheme and a substantial increase when compared to 2010<sup>33</sup>, bringing the total amount paid under TAF to €993,270. The increase in disbursement under the scheme was primarily the result of the simplification process, which started in 2010. In 2011, the IB together with the relevant stakeholders, including the private sector representatives, were engaged in discussions in order to improve the implementation of the scheme. This resulted in the adoption of concrete measures, such as changes to the eligibility criteria and the evaluation process, a simplified application form and revised implementation and guidance notes as well as more simplified reimbursement procedures<sup>34</sup>. In this regard,

<sup>30</sup> In Air 2010, the amount reported was close to 7,500. The decrease is due to the fact that figures are now being quoted on the number of persons actually trained for which ESF support has been provided (that is, a claim for reimbursement has been submitted and processed by ETC) rather than applications received.

<sup>31</sup> As at the end of 2011, 4170 applications were received under EAP

<sup>32</sup> The 901 persons retained include nine (9) individuals who decided to open their own business.

<sup>33</sup> €25,136 were paid in 2010 under TAF

<sup>34</sup> Including other measures such as, applicants were given the option to claim the minimum wage (instead of the actual wage) which required less documents to be submitted at reimbursement stage.

an effort was made to streamline checks undertaken (remove repetition of the same checks at different stages of the payment process) in order to reduce the time lag between request for payment by the beneficiary and the actual payment. In order to strengthen the potential effectiveness of the simplification process, the IB organised five (5) information sessions to introduce the revised documents to businesses and their representatives.

Despite the efforts, some problems still persist and are still having an impact on the disbursement process. Applicants still do not submit their claims in time and complete, requiring the IB to ask for multiple clarifications and revisions to the request submitted. Common issues which would require clarifications include: pay slips; calculations presented; and costs sustained (discrepancies in the training cost). In an effort to limit the number of claims that need to be reviewed, in 2011, the IB started to hold one-to-one meetings with those undertakings that frequently submit TAF applications and those who submitted applications with the highest values. Other initiatives taken by the IB to encourage more applicants to submit their claims include contact made with enterprise representatives such as the Malta Chamber of Commerce, Enterprise and Industry (MCCEI). Despite the progress registered, continuous action is needed to ensure that beneficiaries submit correct and timely claims for reimbursement once training is concluded.

In the year 2011 payments under the EAP started to be processed. A total of 172 claims were processed in 2011, amounting to €714,445 representing 8.7% of the total amount of the scheme. Upon analysing the progress of claims received, ETC identified that claims received represent 70% - 75% of the claims due. In order to ensure full absorption of the funds under the scheme, the IB decided to continue committing funds as a buffer for potential unclaimed reimbursements. Whilst progress in disbursement started to be recorded during the year under review, this still did not reach the desired results. In fact, building on the results reached in 2011 on TAF, discussions on a simplified process for the EAP kicked off in 2011 and were concluded by the end of the same year.<sup>35</sup> An assessment of the results of the simplification process under EAP will be reported in AIR 2012.

- **Indicators**

In terms of physical progress against targets, the tables below provide an overview of the achievements registered under the five Priority axes as at end 2011. It should be noted that achievements registered in previous years under some indicators have been slightly revised following official notifications from Beneficiaries, explaining the reason for the change. The MA continues to monitor the mechanism put in place by the Beneficiaries to collate data on indicators to ensure the correctness of data provided. As indicated in the introduction of this chapter the Programme is now registering its first achievements on a number of indicators, with some even exceeding targets set within the programme. Still, there are some indicators that have not registered achievement or are slow in achieving results and this is mainly due to the lack of approved projects addressing the specific areas. In order to address this issue, as explained above, the next calls will be targeted calls to address areas where results are not yet satisfactory. A detailed analysis of the achievements registered under output and result indicators will be provided in Chapter 3 of this report.

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<sup>35</sup> The changes came into effect beginning of 2012

**Table 1 - Physical progress of the OP for each quantified output and result indicator**

Priority axis 1 – Improving education skills				2007	2008	2009	2010	2011	Total
Output	A	Indicator 1: Number of persons participating in further or higher education & training programmes	Achievement	0	0	136	113	140	389
			Target	n/a	n/a	n/a	n/a	n/a	2,000
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 2: Number of persons participating in S&T or ICT in further or higher education & training programmes	Achievement	0	15	593	586	685	1,879
			Target	n/a	n/a	n/a	n/a	n/a	600
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 3: Number of persons participating in S&T or ICT capacity building education & training	Achievement	0	0	8	32	52	92
			Target	n/a	n/a	n/a	n/a	n/a	250
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	Indicator 4: Number of S&T or ICT actions/studies/campaigns/research activities carried out	Achievement	0	0	0	5	0	5	
		Target	n/a	n/a	n/a	n/a	n/a	n/a	
		Baseline	n/a	n/a	n/a	n/a	n/a	n/a	
	C	Indicator 5: Number of persons trained through capacity building courses	Achievement	0	0	110	1,202	380	1,692
			Target	n/a	n/a	n/a	n/a	n/a	750
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 6: Number of persons trained through supplementary courses, modules or credits for better skills matches	Achievement	0	213	188	214	3,551	4,166
			Target	n/a	n/a	n/a	n/a	n/a	3,000
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
Indicator 7: Number of actions supporting educational quality, relevance, structures, systems, campaigns and research		Achievement	0	0	1	4	6	11	
		Target	n/a	n/a	n/a	n/a	n/a	20	
		Baseline	n/a	n/a	n/a	n/a	n/a	n/a	
Results	A	Indicator 1: % of participants gaining a further or higher education & training qualification	Achievement	0%	0%	0%	4%	6%	10%
			Target	n/a	n/a	n/a	n/a	n/a	75%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 2: % of participants gaining a further or higher education & training qualification in S&T or ICT	Achievement	0%	0%	0%	30%	60.5%	90%
			Target	n/a	n/a	n/a	n/a	n/a	75%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 3: % of participants gaining a qualification/certification in capacity building education/training	Achievement	0%	0%	3%	3%	20%	26%
			Target	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	C	Indicator 4: % of participants gaining a qualification/certification <sup>36</sup>	Achievement	0%	0%	0.37%	12%	70%	83%
			Target	n/a	n/a	n/a	n/a	n/a	80%

<sup>36</sup> Including certificates of attendance

				Baseline	n/a	n/a	n/a	n/a	n/a	n/a
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Priority axis 2 – Broad target groups									
				2007	2008	2009	2010	2011	Total
Output	A	Indicator 1: Number of persons trained/supported	Achievement	0	0	4,773	14,025	15,284	34,082
			Target	n/a	n/a	n/a	n/a	n/a	45,000
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: Number of actions supporting educational structures, systems, campaigns and research	Achievement	0	0	0	0	0	0
			Target	n/a	n/a	n/a	n/a	n/a	5
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 3: Number of undertakings supported	Achievement	0	0	220	1,118	1,110	2,448
			Target	n/a	n/a	n/a	n/a	n/a	700
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
Results	A	Indicator 1: % of participants in employment or further study 6 month after receiving assistance	Achievement	0%	0%	4%	18%	26%	47%
			Target	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	8%	26%	32%	66%
			Target	n/a	n/a	n/a	n/a	n/a	60%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 3: % of participants gaining a qualification/certification	Achievement	0%	0%	7%	12%	13%	32%
			Target	n/a	n/a	n/a	n/a	n/a	60%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a

Priority axis 3 – Promoting an equal and inclusive labour market									
				2007	2008	2009	2010	2011	Total
Output	A	Indicator 1: Number of actions supporting a lifecycle approach to work	Achievement	0	0	0	0	0	0
			Target	n/a	n/a	n/a	n/a	n/a	10
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: Number of women trained/supported	Achievement	0	0	23	289	259	571
			Target	n/a	n/a	n/a	n/a	n/a	2,000
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a

	Indicator 3: Number of families benefiting from childcare	Achievement	0	0	0	0	0	0	
		Target	n/a	n/a	n/a	n/a	n/a	1,600	
		Baseline	n/a	n/a	n/a	n/a	n/a	n/a	
	B	Indicator 4: Number of vulnerable persons trained/supported	Achievement	0	0	590	4,121	4,591	9,302
			Target	n/a	n/a	n/a	n/a	n/a	6,500
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 5: Number of persons trained in capacity building courses	Achievement	0	0	24	258	30	312
			Target	n/a	0	n/a	n/a	n/a	600
			Baseline	n/a	0	n/a	n/a	n/a	n/a
		Indicator 6: Number of studies, actions, campaigns, research activities carried out	Achievement	0	0	0	4	9	13
			Target	n/a	n/a	n/a	n/a	n/a	10
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 7: Number of civil society projects	Achievement	0	0	2	0	1	3
			Target	n/a	n/a	n/a	n/a	n/a	50
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
Results	A	Indicator 1: % of participants in employment or further study 6 months after receiving assistance	Achievement	0%	0%	0%	0%	5%	5%
			Target	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	na	n/a
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	0%	10%	8%	18%
			Target	n/a	n/a	n/a	n/a	n/a	50%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 3: % of vulnerable persons in employment or further study 6 months after receiving assistance	Achievement	0%	0%	0%	10%	46%	56%
			Target	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 4: % of participants in capacity building gaining a qualification/certification	Achievement	0%	0%	0%	38%	5%	43%
			Target	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a



Priority axis 4 – Strengthening of institutional and administrative capacity									
				2007	2008	2009	2010	2011	Total
Output	A	Indicator 1: Number of persons participating in training in a year	Achievement	0	0	0	213	2,205	2,418
			Target	n/a	n/a	n/a	n/a	n/a	4000
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: Number of studies/actions/campaigns/research activities carried out	Achievement	0	0	0	1	1	2
			Target	n/a	n/a	n/a	n/a	n/a	30
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
B	Indicator 3: Number of projects supporting partnership	Achievement	0	0	2	0	0	2	
		Target	n/a	n/a	n/a	n/a	n/a	7	
		Baseline	n/a	n/a	n/a	n/a	n/a	n/a	
Results	A	Indicator 1: % of participants gaining a qualification/certification	Achievement	0%	0%	0%	1%	37%	38%
			Target	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 2: % increase in the technical capacity (secretariat) at MCESD to support Council (and sub-committees) in reaching informed opinions in policy issues	Achievement	0%	0%	0%	57%	0%	57%
			Target	n/a	n/a	n/a	n/a	n/a	50%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a

Priority axis 5 - Technical Assistance									
				2007	2008	2009	2010	2011	Total
Output	A	Indicator 1: Number of Persons Trained	Achievement <sup>37</sup>	0	86	57	71	31	245
			Target	n/a	n/a	n/a	n/a	n/a	350
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: Number of evaluations carried out	Achievement	0	0	0	0	1 <sup>38</sup>	1
			Target	n/a	n/a	n/a	n/a	n/a	4
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 3: Number of Publicity measures undertaken	Achievement	3	5	4	5	5	22
			Target	n/a	n/a	n/a	n/a	n/a	15
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 4: Number of studies/research activities	Achievement	0	0	1	0	0	1
			Target	n/a	n/a	n/a	n/a	n/a	5

<sup>37</sup> Achievements recorded in previous AIRs captured repeated participants for 2007, 2008, 2009 and 2010. The figures for all years were revised.

<sup>38</sup> This refers to the Mid-Term Evaluation entitled “ Mid-Term Evaluation for Operational Programmes I and II- Cohesion Policy 2007-2013” which was completed in 2011

		carried out	Baseline	n/a	n/a	n/a	n/a	n/a	n/a
Result	A	Indicator 1: Reaching N+3/N+2 targets	Achievement	0%	0%	0%	0%	100%	100%
			Target	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a

## Further Guidance on Implementation

### Eligibility Rules

Following a period of internal consultation, version 3.2 of the ESF Eligibility Rules was published In November 2011. The changes mainly reflected recent developments in EU Regulations (affecting EC1083/2006, EC1081/2006, EC1082/2006, EC1084/2006 and EC1828/2006) and the experience gathered so far on programme and project implementation, together with the further refinement and clarification of existing Rules. The Rules are accessible at: [http://ppcd.gov.mt/links\\_and\\_downloads?l=1](http://ppcd.gov.mt/links_and_downloads?l=1).

### Manual of Procedures 2007 – 2013

After a series of consultations with stakeholders spanning over 2010 and 2011, the MA circulated version 4 of the *Manual of Procedures for Projects Implementation: Cohesion Policy 2007–2013 (Malta) - Guide to Beneficiaries (MoP)*. Various modifications have been made to better represent new developments in national and Community Regulations and to streamline the text with the prevailing procedures being adopted during implementation. The fields affected mostly concerned financial management and payments, public procurement, irregularities, publicity and the retention of documents. Despite the seeming substantial changes in text and presentation, the substance of the revised MoP remains faithful to the core systems outlined in Malta's *Description of Management and Control Systems – Operational Programmes I and II (2007-13)*. The MoP is accessible from: [http://ppcd.gov.mt/links\\_and\\_downloads?l=1](http://ppcd.gov.mt/links_and_downloads?l=1).

### MA Circulars

During the year under review, the MA issued two updates to existing circulars with the scope of providing clarifications and recalling important requirements and obligations. The first update was issued through MA Circular 04/2010/IB (v.2) providing *Clarifications on the obligation to maintain a separate accounting system or accounting code for all transactions' in accordance with Article 60 (d) of Council Regulation EC 1083/2006*. The circular aimed at outlining clearly the documents to be obtained by the IB from their beneficiaries in order to ensure that this obligation has been adhered to, making a functional distinction between the requirements addressing private enterprises with the obligation to prepare annual financial statements and those addressing private enterprises with no obligation to prepare annual financial statements. In order to verify the existence of these requirements, the circular recommended that IBs revise the on-the-spot template accordingly.

Moreover, within the same document, the IBs were reminded of two other obligations, namely that of keeping an inventory of the equipment and its locations. whilst verifying the existence of the inventory which has to be properly signed. The other obligation is to ensure that the contractor's receipt is retained in file. A second update was issued through MA Circular 02/2010 on '*documents to be uploaded in the Structural Funds Database 2007-13 – Aid Schemes*' intended to further reduce administrative burdens on the IBs at claim stage without limiting the scope and intensity of management verifications.

These updates were deemed necessary following an impact assessment of the uploading procedure on the day-to-day operations carried out by the MA and IBs. Constraints were identified, largely due to the fragmentation of the schemes, resulting in potentially damaging effects on the timely processing of

reimbursement claims to beneficiaries. The changes included in the revised circulars, which applied only to the implementation of the aid schemes, aimed at reducing the administrative burden on the IB and facilitate the timely disbursement of funds to enterprises. This ongoing goal towards more simplification and better regulation approach is in line with the ongoing drive for simplification and proportionality across the European Union. All the above circulars may be found on the following link: <http://ppcd.gov.mt/circulars>.

### **Strengthening administrative capacity**

#### Capacity within Stakeholders

Given the crucial juncture of the implementation period during 2011, the MA continued to monitor the capacity within its own structures and the structures of the main stakeholders. Significant changes took place within the MA, during 2011. In 2011 there was a change in the Head of the MA and a new Permanent Secretariat was established within OPM as part of the consolidation process for the management of EU Funds in Malta. Staff turnover within the MA triggered off a number of calls targeting different levels of personnel (Senior Managers, Projects Managers and EU Fund Officers). Overall, in 2011, OPII unit registered a net increase of one (1) FTE, although this was off-set within the organisation by reductions in the horizontal units. The capacity situation of other important stakeholders remained largely unchanged with the modest net increases registered at Treasury; the horizontal units of the DoC and the ESF IB<sup>39</sup>.

#### Capacity Building / Training

During the year under review, the MA continued to organise a number of training activities with the scope of strengthening the administrative capacity within key horizontal stakeholder organisations. These included:

In-house training session on *'The Assurance Model & Modification to Article 55'* – held on the 12<sup>th</sup> January 2011<sup>40</sup>.

A training course for Line Ministries (LM) titled: *'The Line Ministries' Role on Monitoring and Public Procurement'* was held on the 16<sup>th</sup> and the 30<sup>th</sup> May 2011<sup>41</sup> targeting different LM.

Training was also provided to new Beneficiaries in 2011 with the organisation of an *Induction Training for New Beneficiaries*. The training modules were spread over five days, between the 12<sup>th</sup> September and the 20<sup>th</sup> September 2011, and were attended by 10 OPII beneficiaries. The training covered the following areas:

- General overview of Cohesion Policy;
- Introduction to Administrative Procedures: Who's who in Cohesion Policy in Malta PPCD;
- Introduction to Project Management to include: Project Scheduling & Monitoring; and Drafting and Researching Terms of Reference and Specifications;
- Cohesion Policy: Publicity Requirements;
- National Procurement Regulations: Overview of main tenets; Tendering procedures for Services, Supplies and Works; Evaluation of Tenders;
- Introduction to Payment Procedures;
- Guidelines on the VAT implications for Maltese entities implementing projects financed through EU Structural Funds;
- Document Retention and Basic Principles of Control; Preparing for a Spot Check;

<sup>39</sup> ETC experienced a net increase of two (2) FTEs

<sup>40</sup> Five (5) participants from OPI/OPII.

<sup>41</sup> Five (5) officers OPII and fourteen (14) officers OPI/OPII participated

- Reporting requirements (Project Progress Report [PPR])\Indicators\ Annex XXIII.

On the 26<sup>th</sup> September, an in-house training on *Public Relations* was held for the staff of the Managing Authority<sup>42</sup>. Two training sessions on *Document Retention and Basic Principles of Control: Preparing for a Spot Check* was delivered by the Financial Control Unit for MA staff on the 4<sup>th</sup> and 7<sup>th</sup> November 2011. A total of nineteen (19) participants working on OPII<sup>43</sup> attended. Three (3) courses on the *Project Progress Report Template* were organised by the MA and held as follows: 14th December 2011 – targeted towards NGOs (Gozo area); 15th December 2011 – targeted towards NGOs (Malta area); and 21st December 2011 – a question and answer session targeted towards different Ministries' representatives. In all seventeen (17)<sup>44</sup> officers from NGOs, Local Councils and Line Ministries attended these sessions. Another *SFD Train-the-Trainer training* was organised by the MA between June and November 2011. A total of thirty-three (33) participants working on OPII<sup>45</sup> were trained in six (6) sessions. A number of officers from various stakeholders also attend training sessions abroad.

### Implementation of the ESF Flat Rate Rule

During 2011, following CION approval of Malta's proposed methodology for the application of Article 11.3 (b) (i) of EC Reg. 1081/2006 regarding indirect costs declared on a flat-rate basis, the MA revised the Eligibility Rules to include the established flat rate thresholds according to the type of Beneficiary and the size of the grant, the conditions for this rate to be eligible as well as the method of calculation to apply when claiming indirect costs. The Managing Authority also developed a standard reimbursement request according to the type of Beneficiary (i.e Voluntary organizations; Government Departments and Entities) to claim indirect costs as well as '*Guidance notes for calculation of the flat rate on indirect costs*', explaining in detail the claim process and how to complete the relevant templates. The templates were tested in November with some beneficiaries whose Grant Agreements entitled them to claim the flat rate on indirect costs and eventually circulated during Q 1 of 2012<sup>46</sup>. Furthermore, during the year under review, the MA continued drafting the addenda to the relevant Grant Agreements to include the actual approved applicable rate. Out of the nineteen (19) projects approved in 2011, thirteen (13)<sup>47</sup> applied for indirect costs, bringing the total amount of projects being implemented under ESF that benefit from indirect costs declared on a flat rate basis up to twenty-five (25) projects. Although no indirect costs were claimed as at the end of 2011, the claiming process for these costs is expected to be done in 2012.

## 2.1.2 Financial Information

### Advance Payments

<sup>42</sup> Six (6) participants working on both OPI/OPII attended

<sup>43</sup> Thirteen (13) officers from OPII and six (6) officers working both on OPI/OPII

<sup>44</sup> Seventeen (17) out of forty-one (41) officers working on OPII and/or both OPI and OPII

<sup>45</sup> Twenty-three (23) OPII and ten (10) OPI/OPII.

<sup>46</sup> The documents were circulated to all entitled Beneficiaries on 6th January 2012, followed by an information session held on 11th January 2012 with all the relevant stakeholders (i.e. Treasury, Certifying Authority, Line Ministries).

<sup>47</sup> Projects approved in 2011 which applied for indirect costs are: ESF 1.125, ESF 1.130, ESF 2.137, ESF 2.138, ESF 2.139, ESF 2.141, ESF 3.102, ESF 3.108, ESF 3.110, ESF 3.112, ESF 4.152, ESF 4.159 and ESF 4.163. In addition to that, the MA signed the agreement with ESF 2.85 approved in 2010 including the provision of indirect costs.

No further advance payments were due to Malta in 2011. The total amount of advance payments received under ESF remained €10,080,000.

#### Interim Payments

Implementation and disbursements gained further ground during 2011. The MA launched the Statement of Expenditure (SoE) process on four separate occasions in 2011: January, April, July and September and the total of interim payments received totalled €10,316,697<sup>48</sup>, double the amounts received in 2010 (€5,259,247). Table 4 below indicates the total public share (EU + MT) that was verified by the MA, the amounts certified by the CA (public share) and the funds received from the EC during 2011 (EU share).

**Table 2 Summary of Verified, Certified and Received Amounts**

Summary - Verified, Certified and Received	Verified by MA in 2011	Certified by CA in 2011	Received from EC in 2011
	(public share, €)	(public share, €)	(EU share, €)
ESF – January	3,294,424.98	3,295,251.48	2,800,963.79 <sup>49</sup>
ESF – April	1,860,607.19	1,860,607.19	1,581,516.10 <sup>50</sup>
ESF – July	2,374,468.59	2,374,468.59	2,018,298.33 <sup>51</sup>
ESF - September	4,606,963.12	4,606,963.12	3,915,918.65 <sup>52</sup>
<b>Total</b>	<b>12,136,463.88</b>	<b>12,137,290.38<sup>53</sup></b>	<b>10,316,696.87</b>

**Table 3 Financial Progress (€)**

	Total funding of operational programme (Union and national)	Basis for calculating Union contribution (Public or Total cost) <sup>54</sup>	Total amount of certified eligible expenditure paid by Beneficiaries <sup>55</sup>	Corresponding public contribution (CERTIFIED ONLY) <sup>56</sup>	Implementation rate in %

<sup>48</sup> Interim payments for 2011 accounted for 66% of all interim payments received in the Programme so far

<sup>49</sup> Amount received from the EC on the 21<sup>st</sup> April 2011

<sup>50</sup> Amount received from the EC on the 20<sup>th</sup> June 2011

<sup>51</sup> Amount received from the EC on the 26<sup>th</sup> September 2011

<sup>52</sup> Amount received from the EC on the 15<sup>th</sup> December 2011

<sup>53</sup> Includes amounts from previous verifications

<sup>54</sup> Art. 53(1) - EC1083/2006 OP II document table pg 110

<sup>55</sup> Includes Public only, certified by CA Art. 53(1) - EC1083/2006

<sup>56</sup> Cumulative Certified Public

	A	b	C	D	e = c/a if T or e = d/a if P
Priority axis 1 Improving education and skills	37,400,000.00	P	10,951,978.83	10,951,978.83	29%
Priority axis 2 Investing in the employability and adaptability of the workforce	30,995,000.00	P	2,845,010.51	2,845,010.51	9%
Priority axis 3 Promoting an equal and inclusive labour market	36,900,000.00	P	3,179,024.21	3,179,024.21	9%
Priority axis 4 Strengthening of institutional & administrative capacity	21,405,000.00	P	809,746.61	809,746.61	4%
Priority axis 5 Technical Assistance	5,064,705.00	P	622,914.29	622,914.29	12%
Grand total	131,764,705.00	P	18,408,674.45	18,408,674.45	14%

### 2.1.3 Information about the breakdown of use of the Funds

The Table below indicates the amounts committed to each Priority Theme and Economic Activity as at 31<sup>st</sup> December 2011.

**Table 4 Cumulative breakdown of allocations of the Community contribution by category (Part C of Annex II)**

Priority Theme	Form of Finance	Territory	Economic Activity	Location	Total
62	01	03	14	MT0 - Malta	2,267,535.46
			22	MT0 - Malta	1,131,484.21
			18	MT0 - Malta	2,338,084.02
			20	MT0 - Malta	479,072.69
			3	MT0 - Malta	395,993.53
			4	MT0 - Malta	395,993.53

Priority Theme	Form of Finance	Territory	Economic Activity	Location	Total
			5	MT0 - Malta	395,993.53
			6	MT0 - Malta	395,993.53
			7	MT0 - Malta	395,993.53
			8	MT0 - Malta	395,993.53
			9	MT0 - Malta	395,993.53
			10	MT0 - Malta	395,993.53
			11	MT0 - Malta	395,993.53
			12	MT0 - Malta	395,993.53
			13	MT0 - Malta	395,993.53
			15	MT0 - Malta	395,993.52
			16	MT0 - Malta	395,993.52
			19	MT0 - Malta	395,993.52
			21	MT0 - Malta	395,993.52
63	01	03	14	MT0 - Malta	360,157.75
64	01	03	18	MT0 - Malta	89,935.95
65	01	03	0	MT0 - Malta	101,181.08
66	01	03	1	MT0 - Malta	31,894.50
			2	MT0 - Malta	31,894.50
			3	MT0 - Malta	31,894.50
			4	MT0 - Malta	31,894.50
			5	MT0 - Malta	31,894.50
			6	MT0 - Malta	31,894.50
			7	MT0 - Malta	31,894.50
			8	MT0 - Malta	31,894.50
			9	MT0 - Malta	31,894.50
			10	MT0 - Malta	31,894.50
			11	MT0 - Malta	31,894.50
			12	MT0 - Malta	31,894.50
			13	MT0 - Malta	31,894.50
			14	MT0 - Malta	31,894.50
			15	MT0 - Malta	31,894.50
			16	MT0 - Malta	31,894.50
			17	MT0 - Malta	188,138.62
			18	MT0 - Malta	211,042.78
			19	MT0 - Malta	443,926.90
			20	MT0 - Malta	31,894.50
			21	MT0 - Malta	31,894.50
			22	MT0 - Malta	31,894.50
68	01	03	18	MT0 - Malta	452,720.20

Priority Theme	Form of Finance	Territory	Economic Activity	Location	Total
69	01	03	18	MT0 - Malta	1,841,655.09
			20	MT0 - Malta	248,443.06
			22	MT0 - Malta	1,110,822.50
71	01	03	1	MT0 - Malta	331,904.76
			2	MT0 - Malta	331,904.76
			3	MT0 - Malta	331,904.76
			4	MT0 - Malta	331,904.76
			5	MT0 - Malta	331,904.76
			6	MT0 - Malta	331,904.76
			8	MT0 - Malta	331,904.76
			9	MT0 - Malta	331,904.76
			10	MT0 - Malta	331,904.76
			11	MT0 - Malta	331,904.76
			12	MT0 - Malta	331,904.76
			13	MT0 - Malta	331,904.76
			14	MT0 - Malta	331,904.76
			15	MT0 - Malta	331,904.76
			16	MT0 - Malta	331,904.76
			17	MT0 - Malta	331,904.76
			18	MT0 - Malta	586166.96
			19	MT0 - Malta	331,904.76
			20	MT0 - Malta	4,954,006.79
			21	MT0 - Malta	331,904.76
			22	MT0 - Malta	1,262,800.96
			0	MT0 - Malta	56961.82
72	01	03	1	MT0 - Malta	125,451.68
			2	MT0 - Malta	125,451.68
			3	MT0 - Malta	125,451.68
			4	MT0 - Malta	125,451.68
			5	MT0 - Malta	125,451.68
			6	MT0 - Malta	125,451.68
			7	MT0 - Malta	125,451.68
			8	MT0 - Malta	125,451.68
			9	MT0 - Malta	125,451.68
			10	MT0 - Malta	125,451.68
			11	MT0 - Malta	125,451.68
			12	MT0 - Malta	125,451.68
			13	MT0 - Malta	125,451.68



Priority Theme	Form of Finance	Territory	Economic Activity	Location	Total
			14	MT0 - Malta	125,451.68
			15	MT0 - Malta	125,451.68
			16	MT0 - Malta	125,451.68
			17	MT0 - Malta	1,420,130.19
			18	MT0 - Malta	25,347,775.36
			19	MT0 - Malta	125,451.68
			20	MT0 - Malta	552,451.60
			21	MT0 - Malta	125,451.68
			22	MT0 - Malta	125,451.68
73	01	03	1	MT0 - Malta	55,283.79
			2	MT0 - Malta	55,283.79
			3	MT0 - Malta	55,283.79
			4	MT0 - Malta	55,283.79
			5	MT0 - Malta	55,283.79
			6	MT0 - Malta	55,283.79
			7	MT0 - Malta	55,283.79
			8	MT0 - Malta	55,283.79
			9	MT0 - Malta	55,283.79
			10	MT0 - Malta	55,283.79
			11	MT0 - Malta	55,283.79
			12	MT0 - Malta	55,283.79
			13	MT0 - Malta	55,283.79
			14	MT0 - Malta	790,774.48
			15	MT0 - Malta	55,283.79
			16	MT0 - Malta	55,283.79
			18	MT0 - Malta	10,271,935.76
			19	MT0 - Malta	166,020.94
			20	MT0 - Malta	82,532.84
			21	MT0 - Malta	55,283.79
			22	MT0 - Malta	370,494.09
74	01	03	18	MT0 - Malta	8,927,692.58
81	01	03	17	MT0 - Malta	5,359,747.29
			18	MT0 - Malta	462,776.19
			0	MT0 - Malta	104,890.37
			22	MT0 - Malta	397,224.55
85	01	03	00	MT0 - Malta	2,817,499.25
	01	03	00	MT0 - Malta	1,487,500.00

Priority Theme	Form of Finance	Territory	Economic Activity	Location	Total
Grand					92,471,888.99 <sup>57</sup>

<sup>57</sup> The total value of the Aid Schemes (Articles 107 and 108 (ex-Articles 87 and 88) of the TFEU) committed by the MA to the IB has been included under relevant categories (€17m). Even though an amount of €17,960,309 was committed by the IBs, this is being capped at €14,762,031: TAF €6,562,031 and EAP€8,200,000

TAF €6,562,031 is divided by code of economic activities, as follows:

code 3 - Manufacture of food products and beverages: € 373,970 **(5.7%)**;  
code 5 - Manufacture of Transport Equipment:: € 641,526 **(9.8%)**;  
code 6 - Unspecified manufacturing industries: € 1,354,138 **(20.6%)**;  
code 7 – Mining and quarrying of energy producing materials: € 4,317**(0.1%)**  
code 8 - Electricity, gas, steam and hot water supply: €74,665 **(1.1%)**  
code 10 - *Post and telecommunications*: € 313,861**(4.8%)**;  
code 11 – *Transport*: € 501,821 **(7.6%)**  
code 12 - *Construction*: € 147,570 **(2.2%)**;  
code 13 - *Wholesale and retail trade*: € 690,679**(10.5%)**;  
code 14 - *Hotels and restaurants*: € 300,465 **(4.6%)**;  
code 15 - *Financial intermediation*:€ 269,567 **(4.1%)**;  
code 16 - Real estate, renting and business activities: € 1,451,333 **(22.1%)**;  
code 18 - *Education*: € 157,859 **(2.4%)**;  
code 19 – *Human health Activities*: € 50,641 **(0.8%)**  
code 20 -*Social work, community, social and personal services*: € 229,619 **(3.5%)**.

In this regard, the total amount committed by EAP by the end of 2011 **(€8,200,000)** is divided by code of economic activities, as follows:

Code 0 – Not applicable: € 12,300 **(0.15%)**  
Code 1 – Agriculture, hunting and forestry: € 235,340 **(2.87%)**  
Code 2 – Fishing: € 10,660 **(0.13%)**  
Code 3 – Manufacturer of food products and beverages: €207,460 **(2.53%)**  
Code 4 – Manufacturer of textile and textile products: € 37,720 **(0.46%)**  
Code 5 – Manufacturer of transport equipment: € 120,540 **(1.47%)**  
Code 6 – Unspecified manufacturing industries: € 1,192.280 **(14.54%)**  
Code 7 - Mining and quarrying of energy producing materials € 7,380 **(0.09%)**  
Code 8 – Electricity, gas, steam and hot water supply: €10,660 **(0.13%)**  
Code 10 – Post and telecommunications: € 486,260 **(5.93%)**  
Code 12 – Construction: € 531,360 **(6.48%)**  
Code 13 – Wholesale and retail trade: € 1,679,360 **(20.48%)**  
Code 14 – Hotels and Restaurants : € 574,000 **(7%)**  
Code 15 – Financial Intermediation: € 200,900 **(2.45%)**  
Code 16 – Real estate, renting and business activities - € 2,123,800 **(25.90%)**  
Code 18 – Education: € 129,560 **(1.58%)**  
Code 19 – Human Health activities: € 61,500 **(0.75%)**  
Code 20 – Social work, community, social and personal services: € 571,740 **(6.97%)**  
Code 21 – Activities linked to the environment: €6,560 **(0.08%)**

### 2.1.4 Assistance by target group

During 2011, collation of data in accordance with Commission Regulation 1828/2006, Annex XXIII, started to be inserted by Beneficiaries in the management and information system (SFD) and continued to be reported in PPRs. The table below provides the cumulative figures.

**Table 5 Annex XXIII**

AIR 2011 Data on Participants		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants	27757	11976	22505	9007
	Employed	12404	6199	10605	4875
	Self Employed	986	238	904	216
	Unemployed	7619	2092	7558	2075
	Long Term Unemployed	2759	631	2848	653
	Inactive	7734	3685	4342	2057
	Inactive in Education and Training	3429	1552	566	146
Age	Young People (15-24 years)	9683	4450	5651	2472
	Older Workers (55-64 years)	2200	760	2063	679
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	746	186	748	201
	Disabled	778	202	695	181
	Other Disadvantaged People	4738	2112	1372	458
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	16759	5955	14163	4742
	Upper Secondary education (ISCED 3)	4118	2263	3511	1752
	Post-secondary non-tertiary education (ISCED 3)	2104	1145	1401	675
	Tertiary Education (ISCED 5 & 6)	4776	2613	3430	1838

### 2.1.5 Assistance repaid or re-used

As at end of 2011, Malta had not made any financial corrections/ modifications to the use of assistance co-financed by the ESF (i.e. assistance repaid or re-used following cancellation of assistance as referred to in Articles 57 and 98(2) of the Regulation (EC) No 1083/2006)<sup>58</sup>.

### 2.1.6 Qualitative analysis

In 2011, the Programme has made satisfactory progress both in financial and physical terms. As in previous years, 2011 was characterised by the approval of more projects; finalisation of GAs, publication of tenders and calls and the actual implementation of projects on the ground. This process included not only the continued effort of the MA and of the IB (the latter in case of 2 Aid Schemes under Article 107 of the Treaty) but also of other stakeholders, in particular the DoC, the Line Ministries, the Treasury and most of all the Beneficiaries themselves. The year under review was also characterised by ongoing coordination between the MA and the CA with considerable effort by both parties to verify and certify payments, in view of the first n+3 deadline.

During the year under review, a total of sixty-four (64)<sup>59</sup> projects of which two (2) aid schemes were being implemented under OP II with a total public eligible amount of €108,790,457 equivalent to 83% of the OP allocation and an increase of 42% over the reported commitments as at end of 2010<sup>60</sup>. Although there were changes in the committed amounts of the individual projects already being implemented<sup>61</sup>, each PA experienced a net increase in the total amount committed due to the nineteen (19) newly approved projects<sup>62</sup>. An analysis of the status of the projects as at end of year shows further impetus in the actual implementation of the projects. In fact out, of the sixty-one (61) *mainstream* projects under implementation as at year end, forty (40) projects were at an advanced stage of implementation (processing payments and implementing activities on the ground), of which seven (7) were closed and two (2) were in their final stages<sup>63</sup>. Most of the newly approved projects were still at procurement stage, although one (1) of the approved projects had started its implementation on the ground. Furthermore, the number of Grants approved under the two Aid schemes continued to increase with over €7,129,319<sup>64</sup> committed in grants in 2011 alone. The total payments processed and paid by Treasury in 2011 amounted to €13,336,608 bringing the total payments under the Programme to €26,790,504 (in public eligible), by end of year of which €18,409,501 were verified by the MA and certified by the CA to the Commission as at end of 2011 (€69% of these). When compared with the situation as at end 2010, the scenario as at end 2011 (one year later) registered an increase of over 98% in

<sup>58</sup> As at the end of 2011, irregular amounts detected as per article 98 par. 2 of the Regulation (EC) No 1083/2006 and registered in 'irregular reports', amounted to €110,662 (€37,916 under PA 1; €35,903 under PA 2; €36,413 under PA 3; €429.60 under PA 5). This amount has not been re-used or re-paid as at the end of the year.

<sup>59</sup> Including TA.

<sup>60</sup> Committed amount as at end of 2010 was €76,628,204

<sup>61</sup> These changes resulted from either savings generated due to un-contracted amounts or increases in the total project budget

<sup>62</sup> Of which four (4) were approved under PA 1; four (4) under PA 2; eight (8) under PA 3 and three (3) under PA 4.

<sup>63</sup> Preparing the closure report

<sup>64</sup> This amount excludes the amounts potentially concerned by the over commitment

payments processed and an additional increase of over 193% in certified amounts<sup>65</sup> almost doubling the values as at end of 2010.

In 2011, a total of 27,757<sup>66</sup> people participated in the various initiatives financed through the Operational Programme. Out of these, 15,781 (57%) were male and 11,976 (43%) were female implying that there was a balanced approach in terms of gender. Moreover, 12,404 were *employed*<sup>67</sup> (45%), 7,619 (27%) were *unemployed*<sup>68</sup>, whilst 7,734 (28%) were *economically inactive*<sup>69</sup>. Young people as well as other vulnerable / disadvantaged groups were very much present in the various ESF operations. In this regard, 9,674 participants were young people (representing 35% of total participants), 2,200 were older workers (8%) and 778 were people with disabilities (3%). In terms of performance and results, as highlighted in *Table 1 Physical progress of the OP*, in 2011 achievements were registered on twenty-one (21) output indicators and all fourteen (14) result indicators.

During 2011, the mid-term evaluation highlighted the need, to take corrective measures in the strategy outlined in the OP to ensure that the objectives and resources reflect the current needs. In this regard, it was deemed necessary to revise some of the targets and to propose a revision of the OP which was eventually submitted to the EC in quarter 1 2012. The revision involves a shift in the budget allocation from PA 4 (€4,205,883) to PA 1 (€4,000,000) and PA 5 (€205,883) as well as a revision in the targets of two Output Indicators under PA 1 *Number of persons participating in further or higher education & training programmes* (from 2,000 to 600) and *Number of persons participating in S&T or ICT in further or higher education & training programmes* (from 600 to 3,000) to reflect current demand. In addition to that, PA 4 Output Indicator *Number of persons participating in training per year* will be corrected in its wording and target increased from 4,000 to 9,000<sup>70</sup>.

### Operational Programme's contribution towards the Lisbon Objectives

The link between ESF and the achievements of the Lisbon Objectives is clear and Malta has participated voluntarily in the Lisbon Earmarking exercise for this OP. Eighty-two percent (82%) of the OP allocation is committed towards Lisbon earmarked categories. Up to December 2011, 89% of the total amount committed in projects was contributing to earmarking categories €81,842,251.<sup>71</sup> The main achievements are outlined in Table 4 Cumulative breakdown of allocations of the Community contribution by category (Part C of Annex II). With the approval of the additional nineteen (19) projects in 2011<sup>72</sup>, some codes have registered an over commitment. This over commitment is a reflection of the change in demand and prioritisation of certain projects (reflecting economic sectors) over others. These include:

- a) Developing lifelong learning systems for employees to step up their adaptability to change and promoting entrepreneurship and innovation (*code 62*);
- b) Implementing active and preventive measures on the labour market (*code 66*);

<sup>65</sup> The amount of payments made as at 2010 were €13,491,422.85 while the certified amount as at end 2010 amounted to €6,272,500

<sup>66</sup> All the figures mentioned refer to Annex XXIII data and they include the number of participants that have engaged in an ESF activity during the year under review.

<sup>67</sup> Of which 986 were *self-employed* – 8% of the total Employed.

<sup>68</sup> Of which 2,759 were *long term unemployed* – 36% of the total Unemployed.

<sup>69</sup> Of which 3,429 were *inactive in education and training* – 44% of the total Inactive.

<sup>70</sup> The request has been submitted in Q 1 of 2012. As at to date, CION Decision has not been notified yet.

<sup>71</sup> Amount includes total allocation of Aid Schemes

<sup>72</sup> The projects which were approved during 2011 are contributing mainly to code 62, 68, 69, 71, 72, 73 and 74

- c) Supporting the integration and re-entry into employment for disadvantaged people (*code 71*);
- d) Encouraging the designing, introduction and implementation of reforms in education and training systems in order to develop employability, improving the labour market relevance of initial and vocational education and training, updating skills of training personnel (*code 72*);
- e) Increasing participation in education and training with the purpose of reducing early school leaving, gender-based segregation of subjects (*code 73*);
- f) Developing human potential in the field of research and innovation (*code 74*).

- **Environmental Sustainability**

Environmental Sustainability features on top of the Maltese Government's Agenda and this is reflected in various national and sectoral policies in particular '*The Sustainable Development Strategy for the Maltese Islands*' which aims at "ensuring a socially responsible economic development while protecting the resource base and the environment for the benefit of future generations". Environmental sustainability represents one of the four pillars<sup>73</sup> of this strategy governing how to protect, maintain and improve the national environmental resources. The enhancement of the environmental sustainability together with the promotion of cleaner energy represents also one of Malta's strategic thrusts included<sup>74</sup> in the National Reform Programme to mitigate the impact of climate change as well as in various national and sectoral policies<sup>75</sup>. These commitments are also reflected in a number of projects funded by Cohesion Policy.

As already highlighted in previous sections of this report, in 2011 the MA has included in the pre-announcement of the calls to be issued in 2012, specific priority under PA 2 to projects, which aim at developing the skills necessary for the green economy.

During the year under review, the MA has continued to promote environmental sustainability by raising awareness of the role of this theme for the economic growth, from the project design planning to project implementation. In this regard, applicants are asked to identify, at the onset, the contribution of the project towards environmental sustainability benefitting from an additional 5% marks during the project selection process.

The above has evidently been seen as an incentive for potential beneficiaries and, in fact, all projects approved in 2011, had proposed environmental actions. The actions proposed are focused on the environment itself and on environmental awareness raising efforts. Some of the measures proposed include: the use of paper to be minimized through the use of electronic tools, the use of memory sticks and CD's to store information, the provision of a distance learning format that allows online delivery of course content, increased use of recycling, and the inclusion of environmental themes as part of the curriculum of a number of courses delivered under projects (to raise awareness).

The MA monitors these commitments through reporting. One common example is the reduction of paper consumption through the electronic distribution and storage of course material and the use of recycled material. Concrete results have been achieved through various projects in relation to environmental sustainability. A notable example is the University Library Management Systems at the University, which has

<sup>73</sup> These are environmental, economic, social and cross cutting pillars

<sup>74</sup> Sectoral policies including Public Consultations on sustainable development are available from MRRRA (<http://www.mrra.gov.mt>), MEPA ([www.mepa.org.mt](http://www.mepa.org.mt)) and MRA website (<http://www.mra.gov.mt>)

<sup>75</sup> Sectoral policies including Public Consultations on sustainable development are available from MRRRA (<http://www.mrra.gov.mt>), MEPA ([www.mepa.org.mt](http://www.mepa.org.mt)) and MRA website (<http://www.mra.gov.mt>)

become fully operational under ESF 1.22. This project had resulted in a drastic reduction in paper use within this institution. Another example is ESF 2.12, where the training provider is not only using recycled material, but also providing lecture notes available online through an e-learning platform. Furthermore, there are different initiatives that seek to procure goods and services with a reduced environmental impact throughout their life-cycle through the provision of specific award criteria in the selection process. In December 2011, DoC also issued a circular<sup>76</sup> on 'Green Public Procurement' (GPP) with effect from January 2012. By means of this new procedure, eighteen (18) products and service groups were subject to the specifications as provided by the responsible body<sup>77</sup> having the overall responsibility of the GPP policy. One should also mention that in 2011, action was taken by the MA to include an environmental expert on the ESF Project Selection Committee.

- **Equal Opportunities**

The promotion of equal opportunities, and in particular of gender equality, is at the heart of Operational Programme II and instrumental for progress towards the Lisbon objectives of growth and employment.

All interventions under OP II must demonstrate commitment to respect the principles of non-discrimination and Equal Opportunities. Given the importance of this area for ESF in particular, it has been included not only as a horizontal priority across all the Priority Axes<sup>78</sup>, but it has also been integrated into the strategy of this OP as a vertical priority under PA 3 which aims to promote an equal and inclusive labour market.

In order to have a solid approach towards this theme, the MA considers the importance of the involvement of the National Commission for the Promotion of Equality (NCPE) and the National Commission for Persons with Disability (KNPD) to provide support in the implementation of ESF projects. At planning stage, potential beneficiaries are encouraged to liaise with NCPE and KNPD in order to identify possible measures that can be implemented within the project to promote equality. The involvement of KNPD pertains to the provision of assistance to Applicants in relation to the co-ordinating efforts and voicing policies on disability matters within projects. On the other hand, NCPE provides both advice on general initiatives on how to mainstream equality in projects and specific feedback on how equality can be mainstreamed within the proposed project. In the latter cases NCPE, provided a checklist and the relevant guidelines in addition to suggestions of how the entity (beyond the proposed project) can develop its own equality policies. During the year under review, NCPE delivered a session to potential applicants on Equality Mainstreaming in Projects and wrote two articles on mainstreaming equality in projects on MEUSAC's website.

The list below provides an idea of the measures (to address this horizontal principle) that Beneficiaries of projects approved in 2011 have committed to:

- a) Teaching material to be available online, enabling students who have problems in attending training sessions to have access to the material;
- b) The design and provision of an online portal and a distance learning format of modules, to cater for persons with personal and family responsibilities, and persons with disability, as these do not need to be present on campus and during working hours to access the information and services;
- c) Provision of training to educators in the field of diversity training including focus on pupils with special education needs;

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<sup>76</sup> Circular CT 5021/2011

<sup>77</sup> Now this falls under the Minister for Tourism, Culture and the Environment

<sup>78</sup> Projects contributing towards equal opportunities gain an additional 5% during the project selection process

- d) The provision of a Learning Support Unit, which supports students with literacy/numeric difficulties cope with their studies and proceed to higher levels;
- e) Training premises provided meet the standards of the "Access for All" Document of the KNPD;
- f) When tendering, preference to be given to employers holding the Equality Mark or those who specify how they are implementing the equal opportunities requirement;
- g) Both the English and Maltese languages to be used to increase participation of individuals;
- h) Training material distributed during the training sessions available in alternative formats to ensure accessibility for all;
- i) Advertising and/or marketing of any sort within the project to be free from stereotypes and any form of discrimination;

Commitments taken are monitored. On example concerns ESF 3.48 " 'Lifelong Learning for enhanced employability for parents (LLEEP)" where one of the actions implemented is the training of childminders who eventually will be engaged to offer their services during training sessions provided by the project. Under ESF 2.4 "Employability Programme" a childcare subsidy is offered to all project participants to encourage participation of all, even those with parental responsibilities. Other ways to promote equal opportunities is to improve participants' competences by tailor-made training programmes. In this regard, ESF 3.61 "E4L: Embark for Life - Labour market integration of socially excluded youth" has provided shelters to eight (8) youths living in sub-standard housing and provided ad hoc training in order to eliminate potential barriers for employment due to low self-esteem, low motivation, lack of soft skills and key employment competences that these youths usually face, as well as due to their low level of education and lack of work experience. Other positive initiatives undertaken in various projects in this regard include the distribution of training material according to the needs of participants and when requested based on trainees' requirements, awarding of the Equality Mark to organisations that practice equal opportunities; making information more easily available, the provision of an e-library which is accessible to all and job shadowing opportunities for disadvantaged groups.

- **Partnership**

In line with the provisions of Article 11 of Regulation 1083/2006, the Maltese authorities have continued to work in partnership with various stakeholders in the different phases of the programme. From a monitoring perspective, social and economic partners are represented within the MC and are therefore directly involved in the monitoring of implementation of OP II. The Managing Authority continues to encourage Applicants to involve partners to participate in the Programme, particularly joint proposals between organisations of a different nature (between government and non-government organisations, local councils). In order to encourage this, during the Project Selection process 10% of the marks are allocated to projects which include partners.

During the year under review, the Partners' role and participation in the projects' implementation varied in degree. In this regard, during 2011, seventeen (17) out of the nineteen (19) newly approved projects include various forms of collaboration between the Beneficiary and one or more partners. The partners' roles vary significantly from the simple provision of advice on the selection of the target group or assistance related to the drafting of the programme of activities to be delivered to the actual provision of training<sup>79</sup>. The role of partners has proved to be a valuable contribution towards the implementation of projects and the

<sup>79</sup> A number of Partners are also involved in the Steering Committee of the project



achievement of project deliverables. A practical case is project ESF 1.29 '*Valuing all Skills for the Labour Market*' whereby the role of the partners has proved to be very significant in the drafting and finalisation of the legislative administrative framework. The same applies for ESF 1.28 '*Accrediting Quality Vocational Training (VQPACK)*' whereby the project partners assisted the Beneficiary in compiling the competence matrices needed to create the VQPACK for accreditation and quality assurance purposes. In the case of ESF 3.61 '*E4L: Embark for Life - Labour market integration of socially excluded youth*', the contribution by the partners<sup>80</sup> was significant considering the complex social issues the project is seeking to address.

In some cases, the staff costs incurred by the project partners for the provision of training, such as in the case of ESF 4.97, were covered from the respective projects' funds. For project ESF 3.59 '*Nista: The benefits of sharing life's responsibilities campaign*' the project partner 'ESF Agency Flanders' provided advice and best practices in view of the experience the entity has in relation to gender related campaigns. A Pre-Campaign Research was concluded and a visit by a foreign expert took place in January 2011 in this respect. As a partner within ESF 1.23, the University of Malta (UoM) is responsible for the provision of course modules, the delivery of the courses as well as the setting up of examination papers, holding examinations and marking the participants' papers. Up to the end of 2011, two (2) courses were organised resulting in nineteen (19) participants obtaining a certificate (diploma level 4). Within the framework of this project, to date UOM delivered forty-two (42) sessions in the computer lab and prepared thirty-nine (39) exam papers. In the case of ESF 2.85 '*Linking Industrial Needs and VET to Optimise Human Capital*', the Malta Qualifications Council, as a partner, provided level-rating of training courses to the National Qualifications Framework in various fields including pharmaceuticals and chemicals; financial services; ICT, plastics, furniture, printing and infrastructure. In addition, as part of the partnership within ESF 2.85, a total of four meetings were held with the Institute of Tourism Studies during which VET experts have prepared competences which participants would obtain at the end of training and confirmed relativity of content with VET experts.

- **Innovative activities**

Innovation is included as a cross cutting principle across the Priority axes. Projects that meet the principle of innovation, as defined under the Priority Axes, also stand to gain additional points in the selection process. In this regard, fourteen (14) of the newly approved projects obtained extra points for innovation. These projects mainly proposed new ideas in order to improve education, employability, adaptability and promote social inclusion, which in certain cases, provide the adoption of technological innovations. In this regard, some examples of innovative aspects proposed by the newly approved projects include: the use of Interactive Whiteboards and E-Learning platform which is a new concept in the Maltese educational system.<sup>81</sup> In addition, ESF 2.137 comprises of the delivery method of the training courses, which also carry an innovative element through the combination of formal and informal methods, as well as the e-learning platform which will include media in the form of text, images, animation, video streaming and audio.<sup>82</sup> Other Innovative actions being proposed by the new projects can assist in exploring new approaches to develop and validate alternative arrangements and ways of training delivery. In this context, it is worth mentioning the accreditation of existing and new MCAST home grown courses.<sup>83</sup>

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<sup>80</sup> ETC and the Housing Authority

<sup>81</sup> ESF 1.123

<sup>82</sup> ESF 2.137

<sup>83</sup> ESF 1.130

Some innovative approaches being proposed will also be integrated into mainstream policy and practice and might serve to render more effective the reform process in certain fields. In this regard, ESF 1.131 comprises of the introduction of an innovative approach of how church schools manage the professional development of staff<sup>84</sup>. The main aim behind this project is for church schools to be able to work efficiently and effectively in the new scenario of mixed ability teaching. The newly approved projects have also proposed methods for social innovations in the form of alternative ways of investing in human capital in order to ensure that all groups, particularly those who are most disadvantaged in the labour market, can participate fully. In this regard, it is worth mentioning the projects that comprise the introduction of training for staff working with disabled persons; the design and implementation of embedded learning and corresponding teaching programmes, as well as the universal design of learning method, both of which are new pedagogical approaches in the local vocational education and training sector.<sup>85</sup>

During the course of 2011, there were a number of projects which addressed the principle of innovation through the implementation of specific measures, including the delivery of training to professionals (occupational therapists, physiotherapists and other rehabilitative therapists) who can provide an independent living service for disabled people;<sup>86</sup> the development of the competence matrices and the introduction of the concept of learning outcomes;<sup>87</sup> the pegging of occupational standards to vocational qualifications;<sup>88</sup> and the provision of individualised training to clients<sup>89</sup>.

In the case of ESF 3.47 *“Unlocking the female potential”*, which aims at incentivising and ensuring equal access to employment by sensitising employers, twenty-two (22) organisations were awarded the equality mark during the year under review. The system of certification on equality represents a novelty for Malta. Another notable innovative aspect is also evident in Project ESF 3.60 *“Youth Employment Programme”*. This project provided the service of the YEP Youth Website which, apart from disseminating information and tips on job opportunities, has an innovative chat option for youths who would like to seek direct advice from the YEP team on various issues, including the assessment of CV's, interview questions and job hunting. In addition, the project also provides a multidisciplinary team of professionals dealing specifically with young people, has a TV programme aimed at youths and wide use of social media.

- **Transnational Actions**

OPII encourages the inclusion of transnational partnerships, particularly combined with innovation. In fact 10% of the marks awarded during the project selection are reserved to transnational and innovative actions. As at end 2011 there were fourteen (14) projects under implementation<sup>90</sup> that have a transnational dimension. With regard to the projects approved in 2011, it should be noted that six (6) projects (33.33%) out of the nineteen (19) approved during the year under review are proposing transnational actions. These

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<sup>84</sup> ESF 1.131

<sup>85</sup> ESF 3.102

<sup>86</sup> ESF 3.47

<sup>87</sup> ESF 1.28

<sup>88</sup> ESF 1.29

<sup>89</sup> ESF 3.62

<sup>90</sup> ESF 1.31, ESF 2.137, ESF 2.138, ESF 3.43, ESF 3.59, ESF 3.66, ESF 3.71, ESF 3.62, ESF 3.108, ESF 3.110, ESF 4.86, ESF 4.100, ESF 4.159 and ESF 4.163

include the sharing of expertise<sup>91</sup>; exchange of best practice on education in correctional facilities<sup>92</sup>; job shadowing and study visits<sup>93</sup>; project promotion in foreign countries<sup>94</sup>; research<sup>95</sup>; as well as foreign lecturers visiting Malta<sup>96</sup>. Transnational partners participating in these projects hail from Ireland<sup>97</sup>, Italy<sup>98</sup>, France<sup>99</sup>, and Germany<sup>100</sup>.

Projects already under implementation in 2011 collaborated with their transnational partners (which also include participating countries such as Estonia<sup>101</sup>, Belgium<sup>102</sup> and the UK<sup>103</sup>) on various matters, namely: sharing knowledge and educational toolkits for exchanging best-practices<sup>104</sup>, familiarisation visits which provided participants with new ideas on how to interact and adapt to various job opportunities<sup>105</sup>, and the exchange of best-practices on mental health<sup>106</sup>. One example of the transnational element and benefits under ESF is the study visit undertaken within ESF 3.62 "ME2 - Integration of persons with a disability in the labour market". In October 2011, a transnational actively involving twenty-three (23) persons of the ME2 contingent, including ten (10) disabled participants, was undertaken. Staff and clients had the opportunity to job shadow similar work done in Bristol. This experience helped staff to get further knowledge regarding job shadowing, possible market niches and creating and managing a successful cooperative. The activity also helped participants to work as a team and network with other persons with disability in a completely new environment.

#### Article 10 of Council Regulation (EC) No 1081/2006

The implementation of the ESF OP foresees the implementation of actions relating to gender, migrants, disadvantaged groups (including people with disabilities), innovative and transnational activities (as explained above).

##### a) Gender Mainstreaming

Operational Programme II is committed to strengthen gender equality. Equality between women and men is one of the main principles of the OP which principle has been actively promoted across all priority axes with special focus under Axis 3.

<sup>91</sup> ESF 2.137, ESF 2.138, ESF 3.108

<sup>92</sup> ESF 3.110

<sup>93</sup> ESF 2.137, ESF 2.138

<sup>94</sup> ESF 3.108, ESF 3.110

<sup>95</sup> ESF 2.138

<sup>96</sup> ESF 2.138

<sup>97</sup> ESF 2.137

<sup>98</sup> ESF 2.137, ESF 3.110, ESF 4.159

<sup>99</sup> ESF 3.108

<sup>100</sup> ESF 3.110

<sup>101</sup> ESF 3.66

<sup>102</sup> ESF 3.71

<sup>103</sup> ESF 3.62

<sup>104</sup> ESF 3.66 and ESF 3.71

<sup>105</sup> ESF 3.62

<sup>106</sup> ESF 3.71

As indicated above, the projects approved in 2011 seek to address gender imbalance through various actions, such as: positive discrimination to female applicants in the selection criteria<sup>107</sup>, encouraging contractors to have a gender equality policy or sign a statement of commitment towards equality<sup>108</sup>, offer childcare services for parents who undertake training<sup>109</sup>, ensuring that course and project promotion as well as course content is free from any gender stereotypes<sup>110</sup> and having the course time-table fixed around family friendly hours<sup>111</sup>. Moreover in terms of flexibility, actions such as e-tools, blended learning and access to laboratories outside office hours, all encourage the participation of participants who cannot commit to an eight-to-four schedule<sup>112</sup>. In addition, newly approved projects in 2011 committed themselves to conduct studies throughout the project life-time providing gender segregated data from the results obtained in order to give a clearer picture of gender mainstreaming in the local scenario<sup>113</sup>.

During the year under review, projects under implementation put in place significant actions addressing this theme. In this regard, under Priority axis 2, one (1) initiative seeks to promote gender equality in employment towards stable and quality employment for all men and women<sup>114</sup>. In addition, another three (3) projects encouraged contractors to promote equal opportunities beyond the scope of the contract and their minimum legal requirements<sup>115</sup>.

Family-friendly measures included within project proposals intended to ensure that potential participants benefit from the operation and are able to reach the goals of progression and improved productivity were amongst, other measures, implemented. Three (3) projects had flexible course time-tables that allowed parents the necessary flexibility to continue engaging in life-long learning;<sup>116</sup> including the provision of childcare as a supporting measure in order to enable parents with childcare responsibilities to participate in ESF funded activities. In this regard, five (5) projects<sup>117</sup> offered childcare facilities for parents who participated in an ESF operation in 2011.

Three (3) projects<sup>118</sup> are supporting gender mainstreaming through actions such as campaigns, organisational audits and equality mark awards as well as training people in equality representation. Finally two (2) projects address the promotion of a life-cycle approach to work through research and a publicity campaign<sup>119</sup>. Other projects offer the facility to study abroad in the form of a financial allowance to participants who have children or spouses to maintain<sup>120</sup>.

## b) Migrants

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<sup>107</sup> ESF 2.138, ESF 3.107

<sup>108</sup> ESF 2.141

<sup>109</sup> ESF 1.130, ESF 2.137, ESF 3.107, ESF 4.152

<sup>110</sup> ESF 4.100 ESF 4.159

<sup>111</sup> ESF 2.141, ESF 2.138

<sup>112</sup> ESF 1.123, ESF 1.125, ESF 2.139

<sup>113</sup> ESF 2.138, ESF 2.139

<sup>114</sup> ESF 2.78

<sup>115</sup> ESF 2.84, ESF 3.47, ESF 3.52

<sup>116</sup> ESF 1.34, ESF 2.84, ESF 3.54

<sup>117</sup> ESF 1.34, ESF 2.4, ESF 2.11, ESF 2.84, ESF 3.48

<sup>118</sup> ESF 3.52, ESF 3.59, ESF 3.47

<sup>119</sup> Both ESF 3.47 and ESF 3.59 are implementing these actions (4 actions in total)

<sup>120</sup> ESF 1.25

As an Operational Objective under PA 3, OPII targets vulnerable groups, including migrants and asylum seekers. In this regard, access to training and employment is vital to their integration process. Although there is no specific ESF project that directly and solely targets asylum seekers<sup>121</sup>, this target group is still being reached through those ESF initiatives, which target a wider spectrum of vulnerable groups.

During 2011, ESF provided numerous opportunities to assist asylum seekers in their integration process through employability skills. Initiatives undertaken in this regard involved a job start workshop that was carried out with young migrants from the Marsa Open Centre<sup>122</sup> and the intervention in favor of four (4) migrants who received assistance in the form of an apartment subsidy for twelve (12) months, food handling training as well as ordinary level training in Maltese, English and computer skills<sup>123</sup>. Even though none of the latter four (4) migrants managed to find employment, one (1) migrant managed to advance in his education by attending a full-time course at MCAST.

Moreover, ESF has also targeted migrants indirectly by encompassing a specialized research undertaken to determine the prevailing levels of Occupational Health and Safety (OHS) in Malta<sup>124</sup>. This research will have a net positive effect on foreign workers including migrants as the inclusion of risk management will cover all workers irrespective of their nationality.

Overall the highest number of asylum seekers was registered within the Employability Programme<sup>125</sup> under which 707 participants belonging to this group benefitted from training in basic skills, work orientation, re-training programmes, traineeships, a training subsidy scheme, and a skills assessment system. Asylum seekers were participating in other actions promoting basic skills in preparation for employment in the local industry. In this regard, in 2011, seven (7) projects under PAs 1, 2 and 3<sup>126</sup> offered different kinds of training to migrants and asylum seekers, with a total of twenty-eight (28) being trained. In 2011, 746 migrants benefitted from ESF funds. It should be noted that other EU initiatives are targeting this group<sup>127</sup> and that given that the other funds are managed by the other EU Funds Division within OPM, there is scope for synergies and minimal risks of overlaps or double funding.

#### c) Minorities and disadvantaged groups

There is no specific definition of minorities used in Malta and therefore specific action targeting minorities is difficult to quantify. As at the end of 2011, seventeen (17) projects under implementation were directly

<sup>121</sup> This target group has benefitted from other financial instruments, such as European Refugee Fund, under which 16 projects were approved in 2009

<sup>122</sup> ESF 3.60 – this project is intended to increase the employability and labour market integration of young people, particularly early school-leavers (i.e. young people who do not pursue post-secondary education) and young people who would benefit from further training as well as greater knowledge of their rights and responsibilities at work

<sup>123</sup> ESF 3.61 – this project provides individualized intervention and skills-based work-groups to institutionalized youth, homeless youth or those in inappropriate housing. The project will help these youths develop the necessary skills for their labour market integration, maintain suitable/stable employment, and minimized social exclusion by profiling beneficiaries; supporting them in settling into adequate living arrangements; accompany them to seek employment; and their follow-up

<sup>124</sup> ESF 3.56 – Project closed in December 2011

<sup>125</sup> ESF 2.4 – The project consists of a number of training initiatives aimed to assist jobseekers, the inactive, and the employed who are interested in upgrading their knowledge

<sup>126</sup> ESF 1.33 (4 participants), ESF1.36 (3 participants), ESF 2.11 (6 participants), ESF 3.43 (1 participant), ESF 3.60 (6 participants), ESF 3.61 (4 participants) and ESF 3.66 (4 participants)

<sup>127</sup> Such as ; the European Refugee Fund and European Fund for the Integration of Third Country Nationals (IF)

targeting disadvantaged groups, including youths aged 16-24 years<sup>128</sup>, disabled persons<sup>129</sup>, persons with mental health difficulties<sup>130</sup>, ex-convicts<sup>131</sup>, substance abusers<sup>132</sup>, asylum seekers<sup>133</sup>, unemployed<sup>134</sup>, youths (in institutional care<sup>135</sup>, homeless<sup>136</sup> and/or youth in inappropriate housing)<sup>137</sup> and women in difficulty<sup>138</sup> (inactive women and victims of domestic violence). The majority of these projects offer institutionalized tailor made services, which can support the access of disadvantaged persons into the labour market and can facilitate the reduction of the obstacles usually faced by these groups in job seeking as well as in entering the labour market.

Out of the newly approved projects in 2011, a total of eight (8) projects aim at enhancing the employability of disadvantaged groups<sup>139</sup>. Some examples of envisaged actions include the provision of specialized training to people working or interested in working with people with visual impairment<sup>140</sup>, the enhancement of employability and productivity of prisoners<sup>141</sup> and the enhancement of the employability potential of disabled persons to obtain and retain employment<sup>142</sup>. A number of projects also target professionals working with disadvantaged groups including disabled persons<sup>143</sup> as well as careers of young women, the latter aiming to reduce teenage pregnancy rates<sup>144</sup>.

With regard to projects which were at an advanced stage of implementation in 2011, it is worth noting that under ESF 2.4 "*Employability Programme*", 578 disabled persons participated of which 561 successfully completed the programme. During the same period, 433 persons falling under the category of 'disadvantaged group' participated in a training programme out of which, 413 successfully completed the programme. Some examples of training delivered under this project include Literacy and Numeracy Skills, Digital Literacy, and ECDL.

As highlighted in previous sections of this report, a significant contribution towards the integration of disadvantaged group comes from one of the schemes, i.e. the Employment Aid Programme<sup>145</sup>. In 2011, a total 571 disadvantaged persons were retained in employment under this initiative.

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<sup>128</sup> ESF 3.60

<sup>129</sup> ESF 3.42, ESF 3.62, ESF 3.64, and ESF 3.66

<sup>130</sup> ESF 3.66, ESF 3.71

<sup>131</sup> ESF 3.52

<sup>132</sup> ESF 3.52

<sup>133</sup> ESF 3.52

<sup>134</sup> ESF 2.11, ESF 2.12, ESF 2.4, ESF 2.7, ESF 2.78 and ESF 2.84

<sup>135</sup> ESF 3.61

<sup>136</sup> ESF 3.61, ESF 3.66

<sup>137</sup> ESF 3.61

<sup>138</sup> ESF 3.43, ESF 3.48, ESF 3.54, ESF 3.66

<sup>139</sup> ESF 3., ESF 3.105, ESF 3.107, ESF 3.108, ESF 3.110, ESF 3., ESF 3.113, and ESF 3.114

<sup>140</sup> ESF 3.105

<sup>141</sup> ESF 3.110

<sup>142</sup> ESF 3.105, ESF 3.112,, and ESF 3.113

<sup>143</sup> ESF 3.112, ESF 3., ESF 3.42, and, ESF 3.114

<sup>144</sup> ESF 3.108

<sup>145</sup> ESF 3.64

During the year under review, other projects also contributed towards this objective. Under ESF 3.62 more than two hundred (200) individuals benefited from training with thirty one (31) participants managing to gain access to employment by end of year. Under ESF 3.52 '*Care creates changes in people's lives*', one hundred and four (104) participants, also managed to find employment through skills gained from the project.

## 2.2. Compliance with Community law

### State Aid (Article 107(1) TFEU)

All proposals received under calls for proposals issued by the MA are screened for compliance with state aid rules prior to these projects being approved by the MA. The State Aid Monitoring Board (SAMB) acts as the national contact point on state aid issues involved in EU funded projects and provides its expertise in the area to prospective beneficiaries interested in applying for EU funds. For this reason the SAMB participates in the information sessions organised by the MA to provide guidance and assistance with regards to state aid issues in the application process. During these sessions participants are encouraged to discuss their ideas and projects with the SAMB in order to ascertain from an early stage whether their proposed project would involve any state aid implications. The involvement of the SAMB continues even during the evaluation process on an ad hoc basis. In addition once a project is approved, prior to the finalisation of the Grant Agreement, the SAMB is asked to re-confirm, on the basis of the finalised project description, that the projects in question do not involve state aid. During 2011, the SAMB gave its opinion and state aid guidance on forty-two (42) project proposals.

Besides its involvement with calls issued by the MA, the SAMB liaises with the IBs administering state aid schemes financed through OPI. The schemes administered by the IBs are being implemented under different state aid regimes, including the general block exemption regulation; the *de minimis* regulation and the framework for research, development and innovation. All schemes were notified to the SAMB by the state aid grantor (IBs) prior to the launch of such schemes in line with the provisions set out in the State Aid Monitoring Regulations (LN 210 of 2004). The SAMB assessed the notified proposed schemes and guided the IBs with regard to the applicable State Aid Acquis that was to be followed in the implementation of such schemes. These schemes, as required by the rules of procedure, were duly notified to the EC.

The SAMB has noted positive developments in the area of state aid concerning EU funded projects as potential applicants tend to approach the Board for guidance at a comparatively early stage. This is partly a reflection of the importance underlined during information sessions for potential beneficiaries as well as a greater general awareness among different economic operators. In this regard a number of meetings have been requested by interested applicants for EU funds. Such preliminary meetings help to ensure that a proposed project is from its inception given an indication and guidance on potential state aid issues.

### Public Procurement

The DoC is the competent authority on public procurement matters in Malta and assists the MA and Beneficiaries on a regular basis through the provision of expertise in the matter. The responsibility of the Director of Contracts (DoC) is to vet and publish tenders, vet tender evaluation reports prior to submission to the General Contracts Committee (GCC), as well as the drawing up of the actual contract and the signing of the contract on behalf of the Contracting Authority.

Public procurement is governed by Legal Notice 296 of 2010 which aims to increase the overall strategic supervision of the Central Government Authority (DoC) as well as ensuring a more competitive and inclusive tendering process. The responsibility of the Central Government Authority is to vet and publish tenders, vet tender evaluation reports prior to submission to the General Contracts Committee as well as the drawing up of the actual contract and the signing of the contract on behalf the Contracting Authority. During 2011, the DoC, as a result of the new procedures introduced in 2010, has noticed a decrease in the rejection rate due to administrative omissions.

In its endeavour to assist bidders 'to get it right', the Department held a series of information sessions for potential bidders in order to guide them on tender submissions and on the requirements of selection criteria. These information sessions saw a very high turnout with every session always being fully booked. This led to an improvement in the quality of the tender offers yet it was still observed that a relatively small percentage of bidders repeatedly failed to provide the requested 'standard' information. On a positive note, an increase in the number of new participants in several fields was observed. This was due to an increased exposure that the concerned Department is giving to tenders through various means, including online tools. The amount of enquires, and even bids received from countries outside Malta goes to show the increase exposure and access being provided by DoC, resulting in increased competition and best use of funds available.

During the reporting year, the Central Government Authority launched seventeen (17)<sup>146</sup> procurement procedures under OPII of which fourteen (14) procedures were still ongoing during the first months of 2012. During 2011, nine (9) contracts were signed of which six (6) were launched during 2010. Moreover, there were also seven (7)<sup>147</sup> appeals of which three (3)<sup>148</sup> were still pending as at December 2011.

The Central Government Authority is also responsible for certain issues arising post-contract signature, in particular variations. The 2010 Regulations did not alter the provisions relating to variations, with anything exceeding the 5% of the awarded contract value still requiring the ex-ante approval of the Central Government Authority. During the year under review, the Central Government Authority also issued new procedures<sup>149</sup> with the aim of procuring goods, services and works with a reduced environmental impact throughout their life cycle. In this regard, with effect from 2<sup>nd</sup> January 2012, all calls for tenders including Departmental tenders and all tenders issued by the Department of Contracts (DoC) must be supported by the Tender Originators Form which was revised in order to address issues related with this new procedure (details under Section 2.1.6 – Environmental Sustainability).

During 2010 and 2011, the Departmental Contracts Committee (DCC) was established under every Ministry, as per requirements of LN 296/2010 and this Committee has the role to approve the Evaluation Committee's recommendations prior to award of tender. In the case of tenders below the €47,000 (excl. VAT), the contracting authorities manage their own procurement, and the Departmental Contracts Committee has a supervisory role over tenders procured in this way. In addition, during the year under review a total value of €1,462,711 were launched through circa fifty (50)<sup>150</sup> Departmental Tenders out of which €1,042,582.25 were actually contracted through forty-four (44) tenders<sup>151</sup>. Six (6) tenders which amounted to €410,529 were

<sup>146</sup> These were 2 from PA 1, 4 from PA 2, none from PA 3, 10 from PA 4 and 1 from TA

<sup>147</sup> ESF 1.36; ESF 1.123; ESF 2.78; ESF 4.87, ESF 4.98 and ESF 4.100

<sup>148</sup> ESF 4.98 and 2 appeals on 1 tender of ESF 4.100

<sup>149</sup> These procedures were introduced through Contracts Circular No 21/2011 issued on 14 December 2011. The new procedure takes effect from January 2012.

<sup>150</sup> 1 from PA 1, 22 from PA 2, 24 from PA 3, 2 from PA 4 and 1 from TA

<sup>151</sup> 1 from PA 1, 18 from PA 2, 22 from PA 3, 2 from PA 4, and 1 from TA



deemed unsuccessful, the main reasons being mainly no submissions of bids, bidders not eligible and failure to respect the tender criteria. During 2011, there were no departmental tenders under appeal.

All the other organizations (primarily NGOs) which do not fall within the scope of the Public Procurement Regulations are still required to follow the spirit of the Regulations when implementing Cohesion Policy projects. In the case of aid schemes, beneficiaries usually make use of the quotation system to ensure that procurement is based on sound financial management principles.

## **2.3 Significant problems encountered and measures taken to overcome them**

### **Problems in implementing Operational Programme**

By the end of the year under review, 83% of the Programme's available funds was committed in approved projects with the majority of projects being in an advanced stage of their implementation. Nevertheless, delays and certain bottlenecks persisted throughout the 2011 and which resulted in delays in payments and also with the level of payments being certified to the EC, albeit the latter having seen considerable progress compared to 2010. The three main bottlenecks remain, although mitigated to a certain extent when compared to previous years, namely the project selection process, the public procurement process and the payment process, the latter particularly in the case of aid schemes implemented under Article 107 of the Treaty. These three processes have been a major concern throughout the Programme's implementation, with continuous efforts from various sides to seek solutions, or at least to alleviate, against excessive delays.

The financial status of the Programme remains a major concern. It is clear that the different stakeholders involved in the process will be required to make an extra effort in 2012 and beyond in order to raise the Programme's performance in this regard. In 2011, the Certifying Authority has already taken effective actions to reduce (by half) the time-lags between verification and certification (from an average of two months (2010) to twenty 27 days). The IB, on the other hand, has not yet managed to speed up payments fast enough and although clearly progress is evident (when compared to 2010, more needs to be done).

#### **The Project Selection Process**

In 2011, no calls were issued under OP II, however the Project Selection Committee met fifty-one (51) times to evaluate projects that were submitted in the calls issued in 2010. Given that the projects are fragmented, the volume of work entailed during the evaluation is extensive hence making the process slow and arduous. In addition, the availability of the Committee Members has hindered efficiency. In order to reduce some of the delays in this regard, the MA proposed changes to both the composition of the Committee as well as its rules of procedures. These changes came into effect for the first time during the evaluation of Call 7 project proposals. One of the most notable changes was the inclusion of alternate members and ad hoc experts (to increase the pool of evaluators). The other concerns the introduction of a *quorum* for PSC sessions. These changes have improved the speed of the evaluation process. Another important decision which started to be implemented in 2011 was to refrain from past practice of sending detailed written requests for clarifications. Any clarifications, if deemed necessary, are held in meetings between the PSC and the Applicant.

During previous years, it was reported that some delays were experienced in the approval of operations under the state aid schemes. It is worth noting that in June 2011, the IB launched a revised and simplified

application form<sup>152</sup> and introduced simplifications in relation to both the application and the reimbursement processes<sup>153</sup>, which has had clear positive impact on the approval of operations but to a lesser degree on payments.

### The Public Procurement Process

Notwithstanding the fact that there were less procurement procedures launched in 2011, when compared to 2010, public procurement remains a major bottleneck and takes a substantial toll on the implementation of the Programme. The centralisation of the procurement process, albeit providing quality assurance, inevitably causes major delays to the implementation of the programme on the ground. The benefits of a consistent quality assurance, however, still outweigh the disadvantages of having a fully centralised system.

The problems encountered during 2011 (largely spill-over from previous years) include: delays in the vetting process prior to launch; delays due to the non-compliance of presented bids with the Instructions to Tenderers (ITT) or the technical requirements which lead to the re-issuing of tenders; delays in the vetting of the evaluation report; delays due to appeals as well as the lengthy preparation of contracts.

As already highlighted in section 2.2, the DoC took various corrective measures in order to:

- Decrease the rejection rate at the administrative stage;
- Support bidders through a number of information sessions with regards public procurement to “get it right” in the first place; and
- Decrease the bureaucratic process through the launch of a full e-tendering solution.

Still, many “traditional” problems do persist.

### The Payment Process

Although there was a substantial increase in the disbursement during the reporting year, the amount achieved was relatively low when compared to the amount contracted. Delays in procurement; the volume of paperwork related to the processing of payments as well as the time-consuming verification process of the payments by the MA and the IB (in case of aid schemes) all hinder the disbursement and the verification of expenditure. In the case of aid schemes, disbursement as at end of 2011, has slightly improved, however the envisaged disbursement was not achieved. The main problems resulted from the flow (volume) of reimbursement requests coming from Beneficiaries, incorrect documentation and the complex checks (related primarily to state aid obligations) that need to be undertaken prior to effecting payment. In order to ensure that claims are submitted and that they are submitted in a correct and timely manner, the IB has carried out a simplification process which was launched in July 2011 in the case of TAF and January 2012 in the case of EAP. The IB is also in constant contact with the representatives of businesses and has held numerous sessions – including bilateral ones with a number of Beneficiaries.

Significant problems encountered in implementing the actions and activities of Article 10 EC Reg. 1081/2006

#### a) Gender mainstreaming as well as of any gender-specific action

<sup>152</sup> TAF application form was reduced to six pages

<sup>153</sup> EAPs' simplification process was introduced in early 2012.

During 2011, the Managing Authority did not encounter major problems in the implementation of actions under Article 10 of EC Regulation 1081/2006. With regard to gender mainstreaming, almost all projects under implementation aim at promoting an active participation of both women and men in the project activities. In addition, projects are also aimed at ensuring both genders have access to project resources, services and benefits as well as taking into account roles and needs of men and women when designing project activities. Initiatives in this regard include the offering of lifelong learning opportunities and enhancement of entrepreneurship for women<sup>154</sup>, the provision of specialized ICT vocational training<sup>155</sup> as well as opportunities in the ICT and business sector<sup>156</sup>. As already discussed in a previous section of this report, projects are targeting different actions in favor of women integration that vary in content and extent. These include making procurement and contracting processes more gender neutral, provision of childcare services to facilitate access by women to training and ultimately the labour market. In 2011 the Programme continued to support projects<sup>157</sup> that raise awareness on employment / training opportunities for women and the possibility of combining work with family life. All these measures have the merit of supporting the necessary rethink of women's role in society aiming at rooting out the deep-seated and often hidden causes of inequality.

b) Action to increase participation of migrants in employment and thereby strengthen their social integration

As at end 2011, there was an increased participation of migrants in ESF initiatives even though none of the projects proposed under the ESF Operational Programme aim to target solely migrants<sup>158</sup>. In this regard, as already highlighted in previous sections of this report, migrants participated in a number of different initiatives<sup>159</sup> in 2011, research activities<sup>160</sup>. However, it has been noted that especially low-skilled migrants appeared reluctant to take up and /or to complete training activities, despite efforts by Beneficiaries to make course arrangements to accommodate the specific needs of this target group<sup>161</sup>.

c) Action to strengthen integration in employment and thereby improve the social inclusion of minorities

The OP does not target minorities as a specific target group. The OP speaks of disadvantaged groups. Malta has allocated the second highest budget (in terms of OP allocation) to Priority axis 3 which is targeting an inclusive labour market. As at end 2011, there were a number of different target groups that were being addressed under this Axis. These include inactive women; persons with disability; ex-convicts; ex-substance abusers, victims of domestic violence, asylum seekers, and youths (including the homeless).

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<sup>154</sup> ESF 3.48

<sup>155</sup> ESF 3.107

<sup>156</sup> ESF 3.54

<sup>157</sup> Such as ESF 3.47

<sup>158</sup> For such initiatives the European Refugee Fund and the European Integration Fund is better suited.

<sup>159</sup> Such as ESF 2.4, ESF 3.60 and ESF 4.94

<sup>160</sup> ESF 3.56

<sup>161</sup> This is the case under ESF 3.60 offering specific workshops for young migrants

- d) Action to strengthen integration in employment and social inclusion of other disadvantaged groups, including people with disabilities

During the year under review a total of twenty four (24) projects and one (1) aid scheme under Article 107 of the Treaty were targeting disadvantaged groups, out of which eight (8)<sup>162</sup> were specifically targeting persons with disabilities. The common and ultimate aim of most projects intervening in favour of disadvantaged groups is the improvement of the employability potential of these persons, facilitating integration within society, enhanced productivity for the economy and a better quality of life for the individual. The main problems encountered by projects targeting disadvantaged groups include insufficient motivation<sup>163</sup>, social and behavioural problems in the case of some clients<sup>164</sup> as well as low interest in the case of some employers to retain participants in employment. In the case of disabled persons the main difficulty was over protection by family members, which then resulted in a lower number of disabled persons actively seeking employment<sup>165</sup> post project.

- e) Innovative activities, including a presentation of the themes and their results, dissemination and mainstreaming

Projects that met the principle of innovation as defined under the Priority axes continued to gain additional points in the selection process. The innovative value of the activities is recognized when the idea being proposed is new within the local context or when the methods proposed to implement the specific actions is new or untested in a particular context. Moreover, if the project has a transnational dimension, additional marks are awarded if this adds value to the project's innovative activities. The Managing Authority has observed that with regard to innovative activities, there is a general lack of common understanding as to what constitutes an innovative action, despite the training and information sessions. During 2011, there were eleven (11)<sup>166</sup> ongoing projects that involved innovative activities, the majority under Axes 1 and 3. The innovative actions that are being implemented under the OP include actions which support the implementation of educational reform especially to reduce skills mismatches; activities which stimulate participation in science and technology related education; activities that encourage a culture of entrepreneurship and creativity through education and address barriers to self employment; measures which promote lifelong learning practices supporting the adaptability of firms and employees as well as activities that facilitate the participation of adults in continuous education and training.

- f) Transnational and/or interregional actions

There are currently fourteen (14)<sup>167</sup> projects being implemented under the OP that involve a transnational element. Out of the newly approved projects during 2011, six (6) projects<sup>168</sup> have a transnational partner. In

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<sup>162</sup> ESF 3.105, ESF 3.112, ESF 3.113, ESF 3.114, ESF 3.42, ESF 3.62, ESF 3.64, and ESF 3.66

<sup>163</sup> ESF 3.61

<sup>164</sup> ESF 3.62

<sup>165</sup> ESF 3.62

<sup>166</sup> ESF 1.19, ESF 1.28, ESF 1.29, ESF 1.31, ESF 3.42, ESF 3.47, ESF 3.60, ESF 3.62, ESF 3.66, ESF 3.71, and ESF 4.86

<sup>167</sup> ESF 1.31, ESF 2.137, ESF 2.138, ESF 3.43, ESF 3.59, ESF 3.62, ESF 3.66, ESF 3.71, ESF 3.108, ESF 3.110, ESF 4.100, ESF 4.86, ESF 4.159, and ESF 4.163

the case of public Beneficiaries, these are generally seeking co-operation with counterpart public organizations in other Member States. On the other hand civil society Beneficiaries seek support from foreign partners with regard to job placements; sharing cultural practices; providing information, experience and expertise; discussing results; exploring innovative practices; participating in project evaluation exercises as well as in the project conferences. Partner search can prove to be a difficult process especially for those project promoters who have had no experience in implementing projects with a transnational aspect.

Within this context, it should be noted that the MA is a member of the Trento Protocol- European Social Fund Cooperation Network, a network of co-operation of ESF Managing Authorities, their Intermediate Bodies and Central Authorities. The Learning Network of Transnational Cooperation in ESF was set up under this protocol together with its own website in order to foster learning and build capacity among ESF programme managers to help ensure successful implementation and promotion of transnational actions under ESF. This communication platform has been developed for all ESF programme managers who are responsible for implementing transnational cooperation. It aims to facilitate exchange of good practice and experience in designing, implementing, monitoring, disseminating and mainstreaming transnational actions and also jointly develop new tools and procedures to make transnational cooperation work.

## 2.4 Changes in the context of the Operational Programme implementation

During the year under review, following the results and the recommendations coming from the Mid-Term evaluation (MTE) and taking into consideration the current volatility of the economic scenario affecting the Member States of the European Union, the Managing Authority undertook an internal assessment with the intention to bring forward urgently an appropriate proposal in terms of alignment of the Operational Programme to the local context. In this regard, despite significant investments, there still seems to be demand for investments in the education system and in the upgrading of skills and expertise in key areas of the economy. These investments, funded under PA 1, are considered to be crucial for establishing a skilled workforce able to sustain economic growth and to increase productivity.

On the other hand, Axis 4 did not experience the same demand and appeared to be unsuccessful in attracting the desired level of quality proposals. The reasons underlying this performance are varied, but can be primarily attributed to an exponential increase in workload<sup>169</sup> within the public sector in general – as a result of the change in work practices of many public organisations and government departments due to the new commitments and obligations arising primarily (but not exclusively) from EU membership<sup>170</sup>, coupled with a limited overall capacity due primarily (but yet again not exclusively<sup>171</sup>) to the crisis and its obvious repercussions on public spending. The combination of these factors seems to have led to a progressive decrease in demand and / or resorting to more innovative means of capacity building (e.g. train the trainers, distance learning, shorter and more concise / focused training than originally planned) in order to be able to

<sup>168</sup> ESF 2.137, ESF 2.138, ESF 3.108, ESF 3.110, ESF 4.159, and ESF 4.163

<sup>169</sup> Also many travel commitments that take up a lot of time, but which in themselves have also provided a wealth of knowledge in some areas resulting also in decreasing the previous training forecasts

<sup>170</sup> At the time of programming (end of 2005) the full impact of these new roles and functions were not fully internalised

<sup>171</sup> Another element is high turnover (and therefore frequent periods of vacant positions until recruitment is undertaken) as well as the explosion of training and further education opportunities available in general

maintain capacity whilst at the same time limiting the absence of the trainee from the workplace; but which have ultimately capped (albeit unintentionally) the absorption potential under this Axis, also in view of the limited remaining time available for implementation under this programming period.

In view of the above, in quarter 1 of 2012, the MA proposed a re-allocation of the financial resources amongst the relevant Priority Axes accompanied also by a revision of the indicators' targets. The proposed changes are being brought forward to ensure the timely absorption of funding and to widen the effectiveness and efficiency of ESF implementation in the context of the aims and objectives of the OP.

## **2.5 Substantial modification under Article 57 of Regulation (EC) No 1083/2006**

To date no substantial modifications have been made under Article 57 of Regulation (EC) No 1083/2006.

## **2.6 Complementarity with other instruments**

In accordance with Article 9(4) of Regulation EC/1083/2006, the MA shall co-ordinate assistance from the OP co-financed by the ESF with assistance from the OP co-financed by the ERDF and the CF, the programmes financed by the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF), the interventions undertaken by the EIB, where applicable, and of other existing financial instruments. In particular, OPII (ESF) is complemented by investments under OPI (ERDF and CF).

During the year under review, all programmes under shared / decentralised management benefitting from EU funding had been centralized, in some form or another, under one ministry.<sup>172</sup> The new structure includes not only the management of Cohesion Policy programmes, but also functions with respect to the Programme financed by the European Agricultural Fund for Rural Development (EAFRD); the European Fisheries Fund (EFF); the General Programme on Solidarity and Management of Migration Flows; the European Globalisation Adjustment Fund ; the interventions undertaken by the EIB, where applicable, and of other existing financial instruments including the European Territorial Co-Operation Programmes, other bilateral instruments including the EEA/Norway Financial Mechanisms and the Swiss Swiss-Maltese Cooperation Programme as well as the Life Long Learning and Youth in Action Programmes.

The new structure lends itself well to creating synergies, ensuring complementarity and maximisation of resources whilst at the same time the monitoring of any instances of double funding also becomes easier. Apart from this new structure that came into effect in the latter half of 2011, there were already other mechanisms in place having similar objective, as was reported in previous AIRs. In fact representatives of organisations involved in different EU-funded programmes continue to actively participate in the Inter-Ministerial Co-ordination Committee (IMCC). In this regard, through the IMCC, the MA continued to strengthen strategic co-ordination between the different EU funded Programmes and Initiatives dealing with EU Human Capital Investment Programmes. During 2011, the IMCC met twice, in February and in September. In 2011, presentations were held on the funding mechanisms under the EAFRD; the CIP framework programme<sup>173</sup> and the Seventh EU Framework Programme FP-7<sup>174</sup>. Apart from such formal

<sup>172</sup> Office of the Prime Minister.

<sup>173</sup> 21<sup>st</sup> February 2011

<sup>174</sup> 1<sup>st</sup> September 2011

meetings, the IMCC has in itself promoted networking amongst members such that co-ordination and consultations are held also bilaterally.

#### Complementarity and consistency between ESF and ERDF

The PPCD has the overall responsibility for the co-ordination of all Structural Funds (including ERDF/CF and ESF). Human resources investments supported by OPII are complemented by ERDF investments under OPI, particularly in those areas addressing education and training infrastructure, social infrastructure, RTDi interventions and investment in firms. During 2011, 181 grant agreements have been signed in relation to the schemes that supports investment in firms under ERDF. The provision of equipment and upgrades in infrastructure (including childcare infrastructure) complement the investment in companies' human resources, funded through ESF. Investments in child care centres are critical to the long-term sustainability of ESF interventions, particularly those under Axis 3. During the year under review, a number of other ERDF mainstream projects were concluded which target investments in training and education<sup>175</sup> and RTDi,<sup>176</sup> both themes being prominent also in OPII. On a project level, ERDF 72 funded investments in the social infrastructure which was then complemented directly by actions under ESF.

Moreover, a number of OPII operations (26 projects of which 7 were approved during 2011) are also implementing ERDF components through the cross-financing mechanism (Article 34 of Regulation 1083/2006). The costs registered so far under this mechanism relate mainly to the purchasing of equipment for the formal education sector; learning resources; PCs and ICT related equipment; office equipment and furniture and assistive devices and solutions for disabled persons.

#### Complementarity and consistency between ESF and EAFRD / EFF

In 2011 the establishment of the Funds and Programmes Division (which eventually took on the responsibility of Competent Authority and Managing Authority under the EAFRD and EFF Programmes respectively), facilitated co-operation overall in particular discussions at the level of IB network<sup>177</sup>, where discussions focus on exchange of good practices between the IBs and measures to avoid double funding. In this regard the TAF and EAP IB has introduced ad hoc measures at application stage to ensure that the undertaking has not benefited and will not seek aid directly or indirectly from any training grant scheme/s for the same type of training provided to the same employees. It should be noted that as at the end of 2011 under the Employment Aid Programme thirty-two (32) Beneficiaries were supported in the fisheries and agriculture areas with sixty-three (63) persons being supported in their employment. The ESF MA is also a member of the EAFRD MC<sup>178</sup> whilst both the MA of the EAFRD and EFF participate in the IMCC on EU Human Capital Investment Funding Programmes.

#### Complementarity and consistency between ESF and other Education, Training and R&D Programmes

<sup>175</sup> ERDF 11, ERDF 18, ERDF 54, ERDF 56, ERDF 58 ERDF 77, ERDF 79 and ERDF 82

<sup>176</sup> ERDF 12 and ERDF 78

<sup>177</sup> The IB network is further discussed in section 2.1.1 of this chapter

<sup>178</sup> And also of the EFF MC as of 2012.

In 2011, representatives of the different Community programmes, such as those related to R&D, competitiveness and innovation, education, training, youth, justice and home affairs, continued to participate in the IMCC meetings in order to share information on ongoing actions and avoid double-funding. With respect to R&D, the interventions foreseen under the ESF continued to focus on providing the possibility to undertake research in various areas of study<sup>179</sup> as well as the development of expertise in research and innovation policy design as outlined under section 5.4.4(c) of the OP. As at end of 2011, ESF was funding 194 Master programmes and 77 Doctoral studies in areas of Environmental Technologies and Resources, ICT (by research), Health and Bio-Technology as well as professional development programmes in collaboration with other universities<sup>180</sup>. Moreover, new entrepreneurial training and education programs which will be supported by eLearning technology will be developed under ESF 1.125 (which was approved during 2011). The main aim of the programs will be to stimulate Innovative Science and Technology based start-ups<sup>181</sup>. Beneficiaries of Grants offered under ESF are made aware at application stage that they cannot benefit from other grants for the same course.

## 2.7 Monitoring by the Managing Authority

### 2.7.1 Monitoring and Reporting by the MA

In accordance with Article 66 of Council regulation EC 1083/2006, the MA has set up a monitoring system that ensures an efficient implementation of the OP. This proficient system besides supervising the implementation, also aims at monitoring the achievement of the physical and financial progress of the Programme. Some of the monitoring structures/resources currently in place include:

#### Structural Funds Database 2007 – 13

During the year under review, the MA continued to improve and upgrade the national information management system. The SFD Core Group<sup>182</sup> met nine (9) times to monitor the system's status, analyse new user requirements and prioritise the work programme. In addition, other meetings were held directly with the user's representatives in order to address their requirements and ensure the functionality of the system in relation to the specific cases.

A number of new functions were developed whilst other modules such as Verification and Audit; Statement of Expenditure module; Data on Operations report (Annex III); the Treasury module, financial Expenditure Reports; and Adjustments and Irregularities module were enhanced, following feedback by users. These

<sup>179</sup> ESF 1.25, ESF 1.31, ESF 1.36

<sup>180</sup> These interventions are funded under STEPS (ESF1.25) and Professional Development Programmes for MCAST staff and student top-up degrees (ESF 1.36).

<sup>181</sup> The project will start the implementation of these activities during 2012.

<sup>182</sup> The SFD Core Group was composed from representatives of the different sections within the Managing Authority and representatives of Malta Information Technology Agency (MITA), the government's IT agency which is also responsible for the development of the system. Where necessary, the Office of the Prime Minister's Management Information Unit was also invited to the meeting.



modules were developed in 2011 but released in early 2012, after that all payments in the system had been processed in order not to disrupt any users in their duties during the processing of payments at year end.

In 2011, better use was being made of the system's *notification* capabilities as now it is possible for Project Leaders to be automatically notified when their invoices have been rejected during the payment stage. The *password mechanism* was significantly upgraded to bring it in line with the latest Government of Malta's standard. The new system enforces certain security features<sup>183</sup> continuing however to be user-friendly. A circular related to compliance with the password's policy was also prepared in 2011<sup>184</sup>.

The hardware setup was improved during the year to make it possible to run three separate environments on the same server. The two new environments are the "Learn" environment where authorised users may experiment with the system in a "sand-box environment" and the "Test" environment where the testing of new modules takes place. Both environments are accessible over an Internet connection making it possible to provide training and/or running tests using any Internet-enabled computer.

By the end of the year, the system had more than 450 active users, and regular monitoring of user accounts ensured that unnecessary accounts were deactivated. User's guides, notes and related system documentation were kept up to date with the latest enhancements and bug fixes. The documents are retrievable from the PPCD website and are also used during the Train-the-Trainer programme.

#### Day-to-Day Management

As in previous years, the MA continued to adopt the *desk-officer approach*. Given that the programme is now well into implementation, the need for daily monitoring continued to increase throughout the year under review. During 2011, the MA carried out 300 documentary checks, which required 2,886 working man hours. In addition, fifty-two (52) physical spot checks were carried out in the stated year. These statistics are clearly indicative of the increased level of activity on the ground by Beneficiaries and stakeholders alike. Both the administrative (often also on site) and the *physical* check visits are very important for the monitoring of projects. In addition, daily monitoring, both formal and informal, is also carried out. Communication with the beneficiaries and other relevant stakeholders via emails, phone calls as well as meetings with updates provided on a weekly basis ensure thorough monitoring of the projects/schemes. This allowed the officers within the ESF unit to keep a close eye on the implementation of the projects/schemes; to report regularly on progress and to bring promptly to the attention of senior staff any issues which might compromise the implementation of the programme. Day to day monitoring is also undertaken via the SFD 07-13 whereby the MA is able to monitor the contracting and disbursement progress in real time.

#### Project Progress Reporting

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<sup>183</sup> Such as complex passwords must now be utilised, passwords must be regularly changed, new password must be different from last passwords, etc

<sup>184</sup> Issued in early 2012 following the release of the new module.

During 2011, Beneficiaries and IBs submitted a Project Progress Report (PPR) to the MA at two (2) intervals.<sup>185</sup> The frequency of the reporting has been reduced in an effort to ease the administrative burden on Beneficiaries and IB's. The PPR, endorsed by the Line Ministry, is an essential monitoring tool which measures progress achieved during a particular reporting period vis-à-vis the obligations of the grant agreement. Mainly it requires updated information on physical progress, implementation of project activities, contracting, disbursements, pending invoices, project intervention codes, indicators, participants' data (where applicable), revenue generation, horizontal issues and information and publicity measures undertaken during the reporting period. In addition, the report highlights any irregularities and risk factors, including relevant mitigation measures actually undertaken or planned for the following reporting period.

As part of the continuous effort to enhance, as well as simplify reporting procedures, MA desk officers together with the collaboration of Line Ministries were invited to provide their recommendations on findings from previous PPRs which led to a revision of the PPR template, subsequently circulated to stakeholders in December 2011. During this exercise, the template was fine-tuned in such a way to be more in line with the grant agreement. Some minor changes were made to the sections regarding Project Intervention Codes and Information and Publicity. Specific guidance notes<sup>186</sup> were also issued by the MA to provide technical support for the compilation of this document. A training session focussing on the compilation of the PPR was offered to new Beneficiaries on the 20<sup>th</sup> September 2011. During 2011, 99 project progress reports were received for review: forty-four (44) for the period January – June 2011 and fifty-five (55) for the period July – December 2011.

#### Ministerial Project Steering Committee

During 2011, the Ministerial Project Steering Committee (MPSC) within each Line Ministry continued to monitor projects under the respective portfolio. In this context, the MA encouraged Line Ministries to hold regular meetings in order to track project progress more closely and deal with arising issues that might be hindering project implementation. This monitoring, in turn, also facilitates the programme management at the MA level as the monitoring process is owned by a broader spectrum of stakeholders. Twenty-three (23)<sup>187</sup> sessions were held in 2011. As in previous years, the MA continued to encourage the Line Ministries to hold more meetings. In fact a good number of Line Ministries report that the setting up of the MPSC meetings is very beneficial for the monitoring of the projects and decided to use this approach for other projects that are not EU Funded.

#### Intermediate Bodies Steering Committees (IBSC)

The Covenant between the IB and the MA foresees the establishment of a Steering Committee. The main task of the Intermediate Bodies Steering Committee (IBSC) is to monitor both the physical and the financial

<sup>185</sup> The reporting periods are at the closure of the first semester (1st Jan – 30th June) and end of the second semester (1st July – 31st December). Until 2010 these reports were compiled on a trimester basis.

<sup>186</sup> Guidance notes were issued in quarter 4 of 2011.

<sup>187</sup> For Projects under OP II, the MPSC held were: 3 for MFSS; 3 for MEDC; 3 for MRRA; 2 for MGOZ; 3 for OPM (Tourism); 4 for MHEC; 3 for MITC and 2 for OPM.

progress of the schemes. In the reporting year, ETC continued to perform the function of IB for both schemes (EAP and TAF) under ESF and thus the coordinator of the ESF IBSC meetings. In 2011, two (2) IBSC meetings were held, in June and December. Apart from the general update on implementation on both the EAP and TAF, the difficulties encountered at application stage were also highlighted. In 2011 the meetings were chaired by the CEO of ETC and participants of the IBSC included amongst others project leaders of both schemes, the General Manager Operations, the Senior Manager Business Development, the representative of the Ministry for Education and Employment, the MA and project partners such as Malta Enterprise, Malta Employers Association, and Unions, amongst others.

#### Intermediate Bodies Network

During 2010, with the implementation of aid schemes gathering momentum, the IB network was transformed into a more formal structure. The main focus of the IB network was to discuss implementation issues as well as to seek to find common solutions. During 2011, two (2) meetings were held, one (1) on 21<sup>st</sup> February and one on 1<sup>st</sup> September. The IB network enabled the entities implementing aid schemes to come together to share experience, enhance coordination as well as ensure a degree of consistency in implementation measures. MRRA, as the public authority responsible for the implementation of the programmes financed by the EAFRD and EFF, was also invited to these meetings. During these meetings common issues such as demarcation matters, the processing of claims, verifications, on the spot checks and other administrative issues were discussed.

#### High Level Meetings

During the reporting year, the PPS continued to chair the High Level Monitoring Meetings which were initiated in 2008 when delays in the implementation process became apparent. These meetings continued to prove to be effective in ensuring that causes of delay in the projects are brought to the forefront of discussion and concrete recommendations on the way forward are discussed. The MA is responsible to set the agenda and present project issues. These issues are discussed at the meeting with relevant stakeholders who are invited to attend, depending on the nature of the issues being raised. During 2011, the meetings were held on a monthly basis<sup>188</sup> in an effort to monitor projects more closely. During the year, twenty-six (26) ESF projects were reviewed in depth during the aforementioned meetings, with an average of three (3) projects being discussed in each meeting.

### 2.7.2 Monitoring Committee

#### Meetings of the MC in 2011

During 2011, there were two MC meetings which took place on 13<sup>th</sup> May and 19<sup>th</sup> October respectively. The items discussed during the May MC meeting included:

- AIR 2010;
- An update on the Implementation of the Programme from January 2011 to the meeting date;

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<sup>188</sup> With the exception of July and October 2011.

- Changes in the Training Aid Framework in relation to the simplification measures that the IB had proposed as part of the holistic review undertaken on the implementation of the TAF in 2011;
- The Mid-Term Evaluation; and
- Presentation of Annual Control Report 2010 synopsis

In the second meeting which took place on 19<sup>th</sup> October 2011 the following items were discussed:

- An update on the Implementation of the Programme providing an overview of latest developments;
- Proposed changes in the Communication Plan; and
- Proposed changes to Evaluation Plan which reflected the outcome of the mid-term evaluation and which included a review of the budget.

As in the previous years, the MC meetings were well attended in 2011. The MC meetings are not only a good basis for discussing the formal business but also to provide participation of organisations with further information relating to the implementation of the OP. All the presentations were made available on [http://www.ppcd.gov.mt/monitoring\\_committees\\_all\\_funds](http://www.ppcd.gov.mt/monitoring_committees_all_funds).

### 2.7.3 Annual Review Meeting

In line with Article 68 of the General Regulation, the Annual Review meeting between the MA and the Commission was held on the 23 March and 10 May 2011 respectively. The discussion focused mainly on commitments and payments, the annual implementation report, the mid-term evaluation report the implementation of technical assistance and capacity within the MA as well as information and publicity actions, with the main focus being the annual event. On the fringes of these meetings, the Commission also visited a number of projects<sup>189</sup>.

### 2.7.4 Evaluation

#### Mid-Term Evaluation

In 2010, the MA had outsourced a Mid-Term Evaluation (MTE) to assess the level of progress achieved as well as confirm (or otherwise) the continued relevance of the Programme and its objectives.

Up to the first half of 2011, tasks related to evaluation revolved mainly around the finalisation of the MTE, which included: consultations with stakeholders to complement the meetings held with beneficiaries and the analysis carried out towards the end of 2010; as well as an *Internal Factors Workshop*, facilitated by the contractor. The latter presented a snapshot of all the key findings and provided a forum for discussion with a view to explore potential solutions to the issues discussed. The workshop participants included the Principle Permanent Secretary, Permanent Secretaries, Line Ministries senior delegates and senior executives from the IBs and other stakeholders.

Following additional consultation with the stakeholders in February 2011, the contractor submitted the first draft evaluation reports. Further discussions with the MA ensued and the final evaluation reports for both OPs were submitted to the MA in April 2011. The results were presented by the contractor to the MC in May

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<sup>189</sup> ESF 1.34, ESF 3.52 and ESF 4.87 (March); ESF 1.23; ESF 1.36, ESF 2.4, ESF 2.7, ESF 3.64, ESF 3.66 (May); ESF 1.31, ESF 3.62 (October)

2011 and a number of suggestions were made by CION representatives which required further assessment regarding the payment and certification of expenditure processes, with particular focus on aid schemes. Both issues are common areas of interest for both OPs and it was therefore decided to include the outcome of the discussions with IBs and the CA (in June and July) as well as the recommendations in both final reports.

### MTE 's Outcomes

In the final report, the evaluators presented a number of recommendations under the following headings: speeding up of implementation; relevance; administrative capacity; public procurement; maximising the potential of information technology; accelerating the certification process and maximising existing capacity and role shadowing at the CA. In relation to the assessment of horizontal actions, the evaluators reported that given the current lag in the implementation of the OPs, a revision of certain aspects of the Communication Plan was also necessary.

Recommendations addressing directly the MA included:

1. Prioritising the issue of new calls during 2011 in order to increase the progress ratio of the Programme;
2. Tailoring calls for applications in such a way as to attract projects which would contribute towards those specific result and output indicators which are still lacking on performance with respect to their likelihood of achievement;
3. Revising upwards OP level indicator targets once actual attainment performance exceeds the MA's expectations;
4. Reducing the administrative burden by investing further in human resources;
5. Providing training to project proponents, even at public sector level;
6. Increasing the pool of Project Selection Committee (PSC) members so as to minimise postponement and delays due to availability.

The MA has addressed all the major recommendations made in the MTE.

### Revised Evaluation Plan for the Programming Period 2007-2013

The (revised) Evaluation Plan for 2007-2013 has been presented to the OP II MC on 19<sup>th</sup> October 2011 . The aims of the Evaluation Plan, namely to provide a framework for the evaluation of the two OPs and to contribute more to the evaluation capacity development in Malta remain pertinent and valid and at the core of the revised Plan. The revision concerns a better alignment to the actual status of the programme's implementation.

### Cohort Study

The Pilot Tracer Study (2004-2006) highlighted the importance to introduce a tracking system in order to be able to track ESF participants' progress over time. In view of this, during 2011, the MA developed terms of reference for the Cohort Study. The terms of reference were presented to the Evaluation Steering Group (ESG) on the 31<sup>st</sup> May 2011. Three preliminary meetings with National Statistics Office (NSO), which is

conducting the study, resulted in the finalisation of the contract, signed in November 2011. The Inception Report was submitted by NSO on 27<sup>th</sup> December 2011. The Cohort Study will be done on a sample of participants who have successfully completed their training. The study will report on the short to medium-term outcomes of the training and of the support provided through ESF-funded projects up to a year after participants have completed their activity. A first report (pilot) is expected to be delivered in the first half of 2012.

### Thematic Evaluation

During 2011, the MA prepared the draft tender dossier for the combined Thematic Evaluation entitled Thematic Evaluation: Assessment of the Contribution of Operational Programme II Initiatives to Education and Lifelong Learning and to the Enhancement of Employability and Adaptability of the Workforce, which were presented to the ESG in January 2012. The objective of this document is to have one thematic evaluation assessing the contribution of selected projects currently under implementation in two separate but related aspects, i.e. education, life-long learning and enhancement of employability and adaptability of the workforce.

Such thematic evaluation will mainly assess:

- The opportunities provided and success achieved across the Programme in increasing the participation rate in further and higher education and lifelong learning;
- The opportunities created for the unemployed by increasing their employability potential;
- the extent to which ESF interventions are addressing the skills needed in the identified different sectors financed by ESF;
- the progress in attaining the impact indicator of “Number of Jobs” created; and an assessment of OPII interventions vis-à-vis the two pillars of the European Employment Strategy (EES), namely employability and adaptability;
- the extent to which the development and delivery of interventions under assessment have taken into account the horizontal priorities and the ESF principles; and
- the identification of potential actions (through gaps) where ESF could intervene and which are possibly not yet addressed by the current Programme - recommending also how the actions which are being undertaken could be strengthened in future Programmes as well as identifying good practice examples.

### External Evaluations

The MA has also participated in a number of evaluations undertaken by the Employment, Social Affairs and Inclusion Directorate-General (DG EMPL) and other European institutions, namely:

- Evaluation of the reaction of ESF to the economic and financial crises

On behalf of DG EMPL, Metis GmbH conducted a survey to analyse the response and contribution of the ESF to the EU's efforts in tackling the challenges raised by the recent economic and employment crises. In

order to further sustain its feedback, the MA had contacted a representative from the ETC. The questionnaire was submitted on 3<sup>rd</sup> June 2011.

- Assessing the effectiveness of Operational Programmes on active ageing

An online survey has been submitted on 9<sup>th</sup> June 2011 in order to provide information to the European Court of Auditors carrying out a performance audit of the systems. The audit was designed to assess the effectiveness of expenditure on active ageing put in place by the European Commission and the Member States.

- Measuring the impact of changing regulatory requirements on administrative cost and administrative burden of changing the ESF

The MA also participated in a survey conducted by GHK Consulting on behalf of the DG EMPL. The main aim was to assess the administrative costs and burden of administering ESF 2007-2013 and how these could be affected by changes to the regulatory requirements for the post-2013 period. In order to obtain the necessary feedback, the MA also contacted the Certifying Authority, the Audit Authority and the Intermediate Body. The questionnaire was submitted in November 2011.

- Evaluation on structural funds simplification measures

On 8<sup>th</sup> November 2011, the MA submitted an online survey contributing to the study conducted by Blomeyer & Sanz, on behalf of the European Parliament, aiming to support the European Parliament in defining its position on the future Structural Funds regulatory requirements.

- Gender mainstreaming in training and capacity building in the ESF

On 8<sup>th</sup> November 2011, the MA has submitted a questionnaire on training on gender mainstreaming to the Belgian ESF Agency. The main aim of this evaluation was to identify good practices in Member States.

- Mid-term evaluation on the European Globalization Fund

On behalf of DG EMPL, GHK Consulting has conducted a study on the European Globalisation Fund with the aim to look at the effectiveness of the instrument itself as well as its effectiveness in relation to the case studies undertaken by the evaluators themselves. Representatives from the MA, the ETC and four beneficiaries have been interviewed by the evaluator in July 2011. The MA has also obtained the feedback of an independent expert. The final report has been submitted on 21<sup>st</sup> November 2011.

- ESF expert evaluation network

Metis, on behalf of DG EMPL, has nominated a national expert in order to help collect, analyse, synthesise and aggregate evaluation studies carried out in Malta. Throughout the course of this evaluation, the MA

representatives had a meeting with the national expert in February 2011 and answered three additional queries raised by the expert in Q2.

- Gender and evaluation in the ESF

Late in 2011, an online survey was received from the European Commission of *Practice on Gender Mainstreaming* (Gendercop<sup>190</sup>). Replies were developed during the last months of 2011 and eventually submitted on 6<sup>th</sup> January 2012. The main aim of the study was to create a European standard for integrating gender in evaluation from an ESF manager's perspective.

- Effective management of EU Structural Funds

An online survey was received from the Ministry of Finance of the Republic of Lithuania on 8th December 2011. The main objectives of the survey were to identify the most effective ways of managing and simplifying EU Structural Funds, identify best practices in reducing administrative burden and identify the best practices of Information Technologies (IT) and Information Systems (IS) usage for the management of EU Structural Funds. The complete survey was sent on 9th January 2012.

- Capacity Building

In the course of 2011, a (new) recruit of the Evaluation Unit within the MA attended a three-day seminar on the Evaluation and Monitoring of EU Structural Funds at the European Institute of Public Administration in Netherlands. The main aim was to attain a deeper understanding of the evaluation cycle and the methods used for conducting ex-ante programme evaluations, ongoing evaluations and ex-post impact assessments of projects and programmes. The seminar also delved into the programme and project monitoring systems and procedures, and generating indicators for projects and programmes.

The MA also participated in the Evidence Based Policy Conference which was organised by the Polish Authorities and held on 7<sup>th</sup> July 2011 in Poland. During the conference high-level representatives of the European Commission, Polish administration and other Member States remarked that since Cohesion Policy is an important element for the future EU budget, evaluation is an important element of the assessment of Cohesion effects. Following the plenary session, three (3) parallel sessions on how to improve the orientation towards performance and to have better evaluations and more relevant indicators were held.

The MA also participated in the Impact Evaluation Seminar and Informal Workshops which were held between 12<sup>th</sup> and 13<sup>th</sup> December 2011 in Poland. The growing role of counterfactual impact evaluations' in Cohesion Policy was discussed during the conference. The conference was followed with a workshop on counterfactual impact evaluations. In proceeding with the implementation of its evaluation activities the MA will take into account the results emanating from the evaluations being carried out, training, network

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<sup>190</sup> Gendercop is a network funded by the European Commission dedicated to integrating the gender dimension into the European Social Fund programmes 2007-2013, and in the next funding period in relation to the EU2020 strategy



meetings, conference and seminar in order to continue using evaluation as a tool to make Cohesion Policy more effective and efficient.

## 3. Implementation by Priority

### 3.1 Priority axis 1 - Improving Education and Skills

#### 3.1.1 Achievement of targets and analysis of the progress

Priority axis (PA) 1 is designed to increase the participation in education and training in different areas of studies with the aim of improving knowledge, skills and competences of Malta's human capital within a social and employment-related perspective. In this regard, this Axis seeks to improve the education system by encouraging a shift from traditional education methods to diverse learning opportunities that are more oriented towards labour-market trends, addressing current as well as forecasted skills mismatches in order to properly face future labour market challenges as well as upgrading the skills requirements due to technological innovation. As at end of 2011, there were seventeen (17) projects being implemented<sup>191</sup> under this Axis, out of which five (5)<sup>192</sup> had concluded all project activities.

The evaluation of project proposals submitted under the sixth (6) ESF Call for Project Proposals (for PA 1) was concluded in 2011<sup>193</sup>. Seven (7) projects made the 50% pass mark but due to budget restrictions only four (4) projects<sup>194</sup> were approved under this Axis. The other three (3) proposals, that had made the 50% pass mark, were placed on the reserve list. The assessment of Call 6 has shown that there is a large demand for projects under this Axis. The need to expand and innovate the formal learning sector is crucial not only to ensure that Malta comes out of the crisis with a stronger human resource base but also to ensure that Malta remains competitive in the future and that the structures as well as the young people of today are equipped with the necessary capacity and skills to face the challenges. In this context and also following the recommendation of the mid-term evaluation, during the year under review, the MA started to prepare an OP change to re-allocate financial resources within OPII axes which will result in a top-up of the financial allocation under PA 1, in order to meet current demand. This (amongst other changes) was undertaken in February 2012 and, once approved, another call under this Axis will be issued.

Projects approved in 2011 under this Axis will address various areas of studies including: ICT, S&T, Engineering, Agribusiness,; Art and Design, Building and Construction, Electronics, Applied Science and Finance through course development, alignment of existing courses with business needs and other activities. ESF 1.125, for example will address the lack of expertise with respect to Intellectual Property (IP) and Knowledge Transfer<sup>195</sup> by supporting the development of a holistic IP and Knowledge Transfer Framework. The project will also assist in the development of modules at NQF level 7 in new areas such as Entrepreneurial Technology Ventures and Technological Creativity and Innovation. It is also planned that the project will support, albeit indirectly, the stimulation of innovative S&T based start-ups, an area in which Malta lags behind. ESF 1.130 involves the design (and redesign), accreditation and delivery of MCAST courses in various areas of study including: Agribusiness, Art and Design, Building and Construction Engineering, Electronics and Electrical Engineering, ICT and Mechanical Engineering, Applied Science and Business and Commerce. A TNA is also planned for Gozo and will be implemented in the first quarter of 2012 in order to

<sup>191</sup> Including four (4) projects approved in 2011

<sup>192</sup> ESF 1.21; ESF 1.22; ESF 1.28; ESF 1.31 and ESF 1.40

<sup>193</sup> The financial threshold available for the call was of €10 million. Fifteen projects (approx. €28M) were received

<sup>194</sup> ESF 1.123; ESF 1.125; ESF 1.130 and ESF 1.131

<sup>195</sup> An issue highlighted also in the MTE.

address the current and anticipated labour market trends and identify gaps and shortages of the Gozitan workforce. ESF 1.131 will develop a comprehensive three (3) -year CPD programme to equip educators with the necessary skills to handle differentiated classrooms especially pupils with learning difficulties and / or physical impairments.

During the year under review, there were nine (9) projects contributing towards the focus area *Investing in the education system*<sup>196</sup>; eight (8) projects fall under focus area *Addressing skills mismatches*<sup>197</sup>; four (4) under *Research and Innovation*<sup>198</sup> and eight (8) projects under *Information and Communication Technology*<sup>199</sup>. With specific reference to the four (4) projects approved in 2011, it should be noted that these initiatives address all focus areas of intervention. In this regard, *Investments in the education system* will be sustained by providing training to educators in state schools<sup>200</sup> and Church schools<sup>201</sup> as well as introducing new areas of study and improving the content of courses offered at MCAST<sup>202</sup>. In order to *Address skills mismatches*, investments will be done through the setting up of an adequate framework to address the shortage of skills in relation to entrepreneurship<sup>203</sup>. In addition, in order to identify the skills mismatch in Gozo, a TNA in Gozo<sup>204</sup> will be undertaken to gauge the specific needs on the Island; as well as through enhancement in the adaptation and capacity building of education systems<sup>205</sup>. With regards to '*Research and Innovation*', ESF 1.125 provides the setting up of an intellectual property framework and the provision of training in technology transfer and innovation management. On the other hand, *Information and Communication Technology* shall be addressed through the provision of training in relation to Interactive Whiteboards (IWB) and e-learning platform<sup>206</sup>, the offering of two ICT courses at MCAST<sup>207</sup> and through the ICT training that will be provided in relation to Church schools<sup>208</sup>.

In 2011, almost all projects approved under this Axis registered substantial progress with some of them concluding all the activities. It is encouraging to note that in 2011, almost 5,000<sup>209</sup> participants started training activities or further/higher education under this Axis, of which around 3,000 (60%) were females. Of these 4,071 participants were engaged in operations pertaining to general fields of study, whilst the remaining 737 in science, technology and ICT.<sup>210</sup> Around 3,000 of the 5,000 participants in 2011 were teaching staff participating in training in the use of interactive whiteboards course offered under one of the newly approved

<sup>196</sup> The following projects address *Investing in the education system*: ESF 1.25; ESF 1.28; ESF 1.29; ESF 1.31; ESF 1.34; ESF 1.36; ESF 1.123; ESF 1.130; and ESF 1.131.

<sup>197</sup> The following projects contribute towards "*Addressing skills mismatches*": ESF 1.23; ESF 1.24; ESF 1.25; ESF 1.31; ESF 1.34; ESF 1.125; ESF 1.130; and ESF 1.131

<sup>198</sup> The following projects focus on *Research and Innovation*; ESF 1.25; ESF 1.31; ESF 1.40; ESF 1.125

<sup>199</sup> These projects focus on: *Information and Communication Technology*: ESF 1.25; ESF 1.33; ESF 1.19; ESF 1.21; ESF 1.22; ESF 1.123; ESF 1.130; and ESF 1.131

<sup>200</sup> ESF 1.123

<sup>201</sup> ESF 1.131

<sup>202</sup> ESF 1.130

<sup>203</sup> ESF 1.125

<sup>204</sup> ESF 1.130

<sup>205</sup> ESF 1.131

<sup>206</sup> ESF 1.123, the equipment is part of an ERDF approved project (ERDF 159)

<sup>207</sup> ESF 1.130

<sup>208</sup> ESF 1.131

<sup>209</sup> This figure refers to people entering in 2011 (4,821 including repeat participants, to be precise), which is double the amount of people entering in 2010.

<sup>210</sup> Fifty-two (52) were trained in S&T or ICT capacity building

project (ESF 1.123). The year under review also registered a significant increase in the results achieved in terms of number of people certified which is more than five (5) times more when compared to the achievements reached in 2010<sup>211</sup>. In this regard, as at end 2011, 3,912 participants were certified, of which 3307 were certified in general fields of study and 605 of the certifications were related to science, technology and ICT<sup>212</sup>. The participants ranged from students, educators as well as others, including administrators.

As at the end of 2011, following the approval of an additional four projects<sup>213</sup> and after taking into consideration budget changes to the already approved projects,<sup>214</sup> the amount committed under PA 1 was 98% of the Axis' allocation resulting in over 35% increase<sup>215</sup> when compared to the previous year<sup>216</sup>. The amount contracted as at end 2011 stood at €21,804,745 representing 60% of the committed amount and 58% of the overall PA allocation. The total payments on the Axis stood at €13,495,513 representing 62% of the contracted value and 36% of the overall allocation.

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<sup>211</sup> In 2010, total number of people certified was 736 whilst in 2011 it was 3,155

<sup>212</sup> Of which 413 participants were certified in science, technology and ICT in 2011 as follows: 50 participants were certified through ESF 1.22; 276 participants were certified in Foundation Certification; Diploma and Higher National Diploma through ESF 1.33; 19 participants in aviation through ESF 1.34; 6 in Wood Conservation science through ESF 1.31; and 62 scholars through ESF 1.25.

<sup>213</sup> €10,255,233

<sup>214</sup> Savings were registered under seven (7) projects following the conclusion of the procurement process and closure of project activities: ESF 1.21; ESF 1.22; ESF 1.23; ESF 1.24; ESF 1.28; ESF 1.40; ESF 1.31. On the other hand, the budget of ESF 1.33 and ESF 1.29 was increased given that a new component (i.e. scholarships and training component respectively) was added to the project activities.

<sup>215</sup> Level of commitment registered in 2010 was €26,987,782, whilst in 2011 it was €36,585,378

<sup>216</sup> This increase was due to the fact that four projects were approved in 2011.

### 3.1.2 Information on the physical and financial progress

The table below depicts the physical progress under Axis 1 in 2011, in accordance with Commission Regulation 1828/2006 Annex XXIII

**Table 6 Data on participants Priority axis 1**

2011 - Data on participants in ESF Priority axis 1		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants	4821	3202	2827	1832
	Employed	4069	3015	2291	1732
	Self Employed	8	2	2	1
	Unemployed	97	24	52	9
	Long Term Unemployed	19	0	18	1
	Inactive	655	163	484	91
	Inactive in Education and Training	641	158	470	88
Age	Young People (15-24 years)	1163	532	719	284
	Older Workers (55-64 years)	425	305	268	213
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	7	1	2	1
	Disabled	43	19	14	8
	Other Disadvantaged People	25	2	31	7
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	508	88	419	69
	Upper Secondary education (ISCED 3)	952	852	527	454
	Post-secondary non-tertiary education (ISCED 4)	802	620	347	278
	Tertiary Education (ISCED 5 & 6)	2559	1642	1534	1031

#### Physical Progress

As already anticipated, as at end 2011, most of the projects under this Axis were at a very advanced stage of implementation and started to deliver significant results in terms of qualification and skills attainment, that will have an impact on people's lives and a medium/long term impact on the different economic sectors as well as on the education system. Given that 2011 saw the completion of five (5) projects whilst the majority of the remaining eight (8) projects<sup>217</sup> were halfway through their implementation, there was less public procurement activity during the reporting year when compared to 2010, although calls for employment were considerably

<sup>217</sup> From the projects approved prior to 2011.

high and not without problems of their own. In this regard, a total of five (5) contracts<sup>218</sup> were signed in 2011, of which two (2) were launched and contracted during the same year whilst three (3)<sup>219</sup> were launched in 2010. The four (4) newly approved projects focused primarily on the drafting of tenders, most of which will be published in 2012. Apart from public procurement, thirty-four (34) employment contracts, including part-time contracts were finalised. Furthermore, in 2011, there were four (4) calls for scholarships under ESF 1.25, ESF 1.33 and ESF 1.130 with ESF 1.25 issuing two calls (6<sup>th</sup> and 7<sup>th</sup> Call) for scholarships at Masters level in 2011. The evaluation of STEPS Call 6 has been concluded resulting in 280<sup>220</sup> new contracts signed between the Beneficiary and the scholarship holders amounting to €2.3 Million; whereas the evaluation of STEPS Call 7 will be concluded in the first quarter of 2012. Furthermore, as at end of year, the evaluation of applications submitted under the Training Subsidy Scheme MCAST (TSSM) in relation to ESF 1.33 (EQF/MQF Levels 5 and 6 scholarships in Digital Media) and ESF 1.130 (EQF/MQF Levels 5 and 6 scholarships in the Financial Services sector) was still ongoing and expected to be concluded in the first quarter of 2012.

In 2011, students, educators and other persons working in the education sector continued to have the possibility to read for tertiary level degrees as well as follow postgraduate studies in various related areas of specialisation. During the year under review, ESF 1.25 (STEPS) provided scholarships in various areas such as education, health care, financial services, creative industries, pharmaceutical and ICT which are important for the various economic sectors in Malta. It is also worth noting that under ESF 1.25, 178 students obtained a Masters or PhD degree in 2011. Other projects that continued to offer tertiary level degrees are: ESF 1.23, ESF 1.24, ESF 1.31 and ESF 1.36. These included degree courses in career guidance, degrees in Commerce, Research and Training in Conservation Science applied to Wood and top-up degrees in various areas including Building Construction and Engineering, Biomedical Engineering, Mechanical Engineering, Electrical and Electronics Engineering, Arts and Design, Community Services, and Agriculture. Equally important projects such as ESF 1.23, ESF 1.31, ESF 1.33 and ESF 1.34 continued to offer training at a lower level (in terms of academic qualification), that aims to fill the skills gaps that currently exist in the education system as well as in a number of other important sectors of the economy, such as ICT and aviation maintenance. In 2011, 276 students were certified in ICT under ESF 1.33. Moreover, at the end of 2011, ESF 1.33 and ESF 1.130 issued a call for scholarships in the ICT and financial sectors at EQF level 5 and 6. This thrust towards increasing the number of persons completing tertiary education is very much in line with the objectives of the OP and the NRP.

With regards to the sustainability of completed projects, it is worth noting that the Wood and Furniture Heritage Skills Course (EQF Level 3) which was being implemented under ESF 1.31 is now being offered as an MCAST course. Moreover, parents and teachers who have undergone ECDL training under ESF 1.21 have been encouraged to continue to further their studies and apply for ECDL Advanced Courses or other related Computer Courses which are on offer outside the scope of the project. In addition, the top-up degrees which were offered under ESF 1.36 for the scholastic years 2009/2010 and 2010/2011 are now being delivered by MCAST staff which have undergone job shadowing during the ESF implementation years. The areas of study include: Electrical and Electronics Engineering, Business and Commerce, Arts and Design and ICT.

<sup>218</sup> One(1) within the threshold of a departmental tender and four (4) with a value beyond that threshold.

<sup>219</sup> The two (2) tenders launched under ESF 1.123 were a component of tender issued under ERDF 159.

<sup>220</sup> Of which 139 scholars are women and 16 are Gozitan.

Investment in human resources (including educators and administrators), as well as measures aimed at addressing skills mismatches in relation to forecasted demands of the labour market, were also addressed under this Axis during 2011. In this context, capacity building courses, such as professional development for University of Malta's library staff have been offered under ESF 1.22 with the specific purpose of strengthening the capacity of administrators working within this structure which will result in an enhanced information support to academics and students as well as the availability of library facilities from off campus sites. In addition, during 2011, the e-library software was installed within the UoM library as part of the ESF 1.22 project. Furthermore, during 2011 Malta's vocational institute (MCAST) undertook a staff development programme, including the provision of a wide range of short courses offered to corporate, managerial, administrative and academic staff in order to build the knowledge base as well as investments in the professional development of academic staff through the provision of short courses and Masters courses (under ESF 1.36), whilst job shadowing for educators in relation to the aviation industry (ESF 1.34) was still ongoing. Within this context, over 3,700<sup>221</sup> education personnel have been trained during 2011, of which more than 3,000 teaching staff benefitted from training in the application and use of interactive whiteboards (ESF 1.123). Through the ICT related training offered under ESF 1.123 it is envisaged that educators will ultimately be able to upload and share their own lessons with pupils and colleagues. Furthermore, parents will also have access to their children's digital learning content, can communicate with and receive feedback from their children's schools on a regular basis; as well as monitor their children's learning progress on a regular basis.

In addition, a skills mismatch exercise (i.e. training needs analysis) was also carried out through ESF 1.36 in order to identify other training needs in connection with MCAST's staff. The TNA identified that MCAST staff require skills in relation to different areas, such as Stress Management, Conflict Management, Setting Priorities, Procurement, ICT, Communication and Negotiation, Planning and Succession, Delegating Tasks, Handling Pressure, Project Management, Health and Safety, Writing and Language, Motivation, Teaching, and Ethics. Moreover, Technical and Teaching skills were also identified as required in relation to Academic Staff. On the other hand Senior Management require skills in relation to Quality Assurance, Decision Making, Managing People Performance, Business Development, Managing and Facilitating Change, Labour Law and Regulations within the Public Administration and Management to mention a few. Furthermore, the study also included recommendations on the delivery of the training, timelines and topics. The identified training needs will be implemented in 2012.

The enhancement of the quality of the education experience also requires that qualifications acquired through the system are valued. In this regard, actions implemented and concluded in 2011 under ESF 1.28 and ESF 1.29 support educational quality, relevance, structures and systems. Such actions included amongst others: research on the quality of vocational education and training (VET) (in order to close existing gaps between theory and practice; knowledge and skills; and formal education and employment); and the compilation and publication of a competence matrices manual illustrating the competences required by the labour market in nine specific work sectors such as Arts and Design, Agribusiness, Business and Commerce, Conservation and Preservation of Cultural Heritage and Tourism (ESF 1.28). Moreover, ESF 1.29 included: (1) the conclusion of a research in order to identify any gaps that might need to be addressed by the vocational institutions and to identify the current and future trends in each of the nine key sectors such as mechanical engineering and tourism studies; and (2) the publication of an occupational standards of the nine sectoral skills.

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<sup>221</sup> Including repeat participants under ESF 1.36.

ERDF investment will ultimately enable a more effective delivery of ESF projects, making ESF investments more sustainable in the long-term and ensuring an integrated approach to Cohesion Policy implementation. In 2011, ESF investments continued to be complemented by ERDF components in a number of projects<sup>222</sup> with the aim of improving the education experience. In this context, it is worth noting that through ESF 1.34 students continued to make use of the grounded aircraft, toolboxes and the personal protective equipment during aviation courses in 2011. The newly approved projects<sup>223</sup> also propose ERDF kind of investments. In this regard, ESF 1.125 intends to procure a Capture and Streaming System which is required for the creation of the distance learning version of the Technology Entrepreneurship Training Modules. ESF 1.130 aims to invest in equipment in order to launch and run the newly designed courses, such as creative digital mobile technologies and marine engine technician course. In addition, ESF 1.123 is complementary to ERDF 159 eXS4ALL whereby school classrooms as well as science and design and technology laboratories will be equipped with Interactive whiteboards.

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<sup>222</sup> The projects benefitting from ERDF expenditure are: ESF 1.19; ESF 1.31; ESF 1.34; ESF 1.36 and ESF 1.40 – Various equipment related to the courses offered were acquired.

<sup>223</sup> ESF 1.130 and ESF 1.125 will benefit from ERDF expenditure in 2012.



### 3.1.3 Qualitative Analysis

#### a) Analysis of indicators

**Table 7 Priority axis 1 Indicators (Output and Result Indicators)**

Priority axis 1 – Improving education skills				2007	2008	2009	2010	2011 <sup>224</sup>	Total <sup>225</sup>
Output	A	Indicator 1: Number of persons participating in further or higher education & training programmes	Achievement	0	0	136 <sup>226</sup>	113 <sup>227</sup>	140	389
			Target	n/a	n/a	n/a	n/a	n/a	2,000
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 2: Number of persons participating in S&T or ICT in further or higher education & training programmes	Achievement	0	15	593 <sup>228</sup>	586 <sup>229</sup>	685	1,879
			Target	n/a	n/a	n/a	n/a	n/a	600
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 3: Number of persons participating in S&T or ICT capacity building education & training	Achievement	0	0	8	32 <sup>230</sup>	52	92
			Target	n/a	n/a	n/a	n/a	n/a	250
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	Indicator 4: Number of S&T or ICT actions/studies/campaigns/research activities carried out	Achievement	0	0	0	5	0	5	
		Target	n/a	n/a	n/a	n/a	n/a	10	
		Baseline	n/a	n/a	n/a	n/a	n/a	n/a	

<sup>225</sup> Includes repeat participants.

<sup>226</sup> In Air 2009, the achievement under 'Number of persons participating in further or higher education & training programmes' was erroneously reported as 129 rather than 136. In 2009, under ESF 1.23, persons participating in further or higher education & training programmes were 29 and not 22.

<sup>227</sup> In Air 2010, the achievement under 'Number of persons participating in further or higher education & training programmes' was erroneously reported as 159 rather than 113. In 2010, under ESF 1.36, persons participating in further or higher education & training programmes were 10 and not 58 since 2<sup>nd</sup> run students (i.e. top-up degree courses that were subsequently being offered by MCAST staff) trained though national funds were also being included by mistake. Moreover, under ESF 1.31 the number of persons trained was 15 and not 13 individuals.

<sup>228</sup> In Air 2009, the achievement under 'Number of persons participating in S&T or ICT in further or higher education & training programmes' was erroneously reported as 595 rather than 593. In 2009, under ESF 1.33, persons participating in S&T or ICT in further or higher education & training programmes were 304 and not 306 (i.e. participants repeating the same course were being included).

<sup>229</sup> In Air 2010, the achievement under 'Number of persons participating in S&T or ICT in further or higher education & training programmes' was erroneously reported as 661 rather than 585. In 2010, under ESF 1.36, persons participating in S&T or ICT in further or higher education & training programmes were none and not 71 since 2<sup>nd</sup> run students (i.e. top-up degree courses that were subsequently being offered by MCAST staff) were also being included. Moreover under ESF 1.33, participants were 475 and not 480 (i.e. participants repeating the same course were being included).

<sup>230</sup> In Air 2010, the achievement under 'Number of persons participating in S&T or ICT capacity building education & training' was erroneously reported as 40 rather than 32. In 2010, under ESF 1.22, persons participating in S&T or ICT capacity building education & training were 8 and not 15 (i.e. repeat participants doing similar modules were being included). Whereas under ESF 1.36 these were 26 and not 27.

	C	Indicator 5: Number of persons trained through capacity building courses	Achievement	0	0	110	1,202 <sup>231</sup>	380	1,692	
			Target	n/a	n/a	n/a	n/a	n/a	750	
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	
		Indicator 6: Number of persons trained through supplementary courses, modules or credits for better skills matches	Achievement	0	213	188 <sup>232</sup>	214 <sup>233</sup>	3,551	4,166	
			Target	n/a	n/a	n/a	n/a	n/a	3,000	
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	
		Indicator 7: Number of actions supporting educational quality, relevance, structures, systems, campaigns and research	Achievement	0	0	0	5	6	11	
			Target	n/a	n/a	n/a	n/a	n/a	20	
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	
	Results	A	Indicator 1: % of participants gaining a further or higher education & training qualification	Achievement	0%	0%	0%	4%	6%	10%
				Target	n/a	n/a	n/a	n/a	n/a	75%
				Baseline	n/a	n/a	n/a	n/a	n/a	n/a
B		Indicator 2: % of participants gaining a further or higher education & training qualification in S&T or ICT	Achievement	0%	0%	0%	30% <sup>234</sup>	60.5%	90%	
			Target	n/a	n/a	n/a	n/a	n/a	75%	
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	
C		Indicator 3: % of participants gaining a qualification/certification in capacity building education/training	Achievement	0%	0%	3%	3% <sup>235</sup>	20%	26%	
			Target	n/a	n/a	n/a	n/a	n/a	80%	
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	
C		Indicator 4: % of participants gaining qualification/certification <sup>236</sup>	Achievement	0%	0%	0% <sup>237</sup>	12% <sup>238</sup>	70%	83%	
			Target	n/a	n/a	n/a	n/a	n/a	80%	
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	

<sup>231</sup> In Air 2010, the achievement under 'Number of persons trained through capacity building courses' was erroneously reported as 1,286 rather than 1,202. In 2010, under ESF 1.21, persons participating in capacity courses were 384 and not 469 (i.e. parents were also being included). Whereas under ESF 1.36 these were 835 and not 834.

<sup>232</sup> In AIR 2009, the achievement under: *Number of persons trained through supplementary courses, modules or credits for better skills matches* was reported as 192 rather than 188. In 2010, under ESF 1.31, persons participating in supplementary courses were 36 and not 40.

<sup>233</sup> In Air 2010, the achievement under 'Number of persons trained through supplementary courses, modules or credits for better skills matches' was erroneously reported as 140 rather than 214. In 2010, under ESF 1.19, persons participating in supplementary courses were 177 and not 65 whilst under ESF 1.31 these were 37.

<sup>234</sup> In Air 2010, the progress registered under '*% of participants gaining a further or higher education & training qualification in S&T or ICT*' should read 30% rather than 31% due to a miscalculation under ESF 1.25 (i.e. 28 rather than 32 individuals were certified in 2010 under ESF 1.25)

<sup>235</sup> In Air 2010, the progress registered under '*% of participants gaining a qualification/certification in capacity building education/training*' should read 3% rather than 15% given that participants certified in similar modules under ESF 1.22 were recorded twice.

<sup>236</sup> Including certificates of attendance.

<sup>237</sup> In Air 2009, for a miscalculation, the progress registered under '*% of participants gaining a qualification/certification*' were should read 0.37% rather than 1.9%. The percentage was calculated over the 750 target *Number of persons trained through capacity building courses* rather than to the 3750 (indicators 5 and 6).

<sup>238</sup> Achievements in 2010 were erroneously reported as 14% due to a wrong calculation of the percentage. However, total number of participants that gained a certification/qualification in 2010 was correct and stood at 468.

The table above clearly shows that in 2011 all output indicators under PA 1 registered significant achievements, with the exception of *Number of S&T or ICT actions/studies/campaigns/research activities carried out (4)* where additional achievements will be registered in the coming years when the project contributing to this indicator is completed<sup>239</sup>. The table shows that the OP target for *output indicators 2, 5 and 6* have already been reached and exceeded. The major contributor to the achievements under *Output indicator 2* is MCAST, with 262<sup>240</sup> persons participating in aviation courses under ESF 1.34 and 1261<sup>241</sup> students participating in ICT Foundation Certificates and Diplomas under ESF 1.33, by year's end. The over-achievement under this indicator is reflecting the fact that S&T and in particular ICT is an area of high demand within the labour market and a prominent driver of innovation and economic growth putting the system under intense pressure to produce suitably qualified ICT staff. In this context, it is worth noting that under ESF 1.25, 101 scholarships were awarded in 2011 in the areas related to S&T or ICT. In view of the above, the MA has considered to propose an increase in the OP target set for this indicator and to decrease the OP target in relation to *output indicator 1* to better align the OP priorities for this PA to current economic trends and demand as well as to take account of the general thrust of the objectives of the programme of promoting science and technology. This is also in line with the objectives of EU 2020.

There are a few instances where single projects are, on their own, achieving results which exceed the OP target of a specific indicator. As regard to *output indicator 5*, MCAST alone registered 329 staff trained through capacity building courses under ESF 1.36 (in 2011 only) bringing the total participants to 1164<sup>242</sup> under this project, (three times the project's target)<sup>243</sup>. However, it should be noted that these include participants that have benefitted from more than one courses, such as BTEC certificate in further education training and PGC in Vocational Education Training, of varying duration to enhance their pedagogic skills. In 2001, a number of MCAST staff has also undergone Masters Courses in three main areas - Building Construction & Engineering; Community Services and Mechanical Engineering. A similar situation has occurred in the case of *output indicator 6*, where ESF 1.123<sup>244</sup> trained more than 3,000 teaching staff, (in 2011 alone) thus contributing towards the significant increase in *output indicator 6*<sup>245</sup>.

With regards to actions, in 2011, *output indicator 7* continued to register further achievements, namely *Number of actions supporting educational quality, relevance, structures, systems, campaigns and research (7)*<sup>246</sup>, resulting from the completion of some projects' actions during the year under review.

Considerable progress was also registered under the result indicators. Specifically, during the year under review, 131 participants gained tertiary level certifications in general fields of studies<sup>247</sup>, whilst 363 were certified at post secondary level in science, technology and ICT<sup>248</sup> and 50 were related to S&T capacity

<sup>239</sup> ESF 1.125 will contribute to this indicator.

<sup>240</sup> Of which 8 are MCAST staff participating in job shadowing.

<sup>241</sup> 482 were trained in 2011 only.

<sup>242</sup> Of which 495 are unique participants.

<sup>243</sup> Target of ESF 1.36 under this indicator is 400 participants including repeats.

<sup>244</sup> Even though the project target (i.e. 5200 participants) already exceeds the OP target for this PA, the project was approved on the basis that e-learning is a national priority.

<sup>245</sup> ESF 1.19 and ESF 1.31 have also contributed towards this indicator.

<sup>246</sup> ESF 1.22, 1.28 and ESF 1.29 registered achievements under this indicator in 2011.

<sup>247</sup> ESF 1.25 and ESF 1.36 registered achievements under this indicator in 2011.

<sup>248</sup> ESF 1.25; ESF 1.31; ESF 1.33; and ESF 1.34 registered achievements under this indicator in 2011. 276 participants were certified under ESF 1.33 in 2011.

building courses (ESF 1.22). The other two results indicators - *Participants gaining a qualification/certification in capacity building education/training (3)* and *Participants gaining a qualification/certification (4)* registered a major increase when compared to 2010. Specifically it is worth noting that 2,369<sup>249</sup> professionals, such as teachers and educators gained knowledge in their field of expertise with the objective of ensuring a better quality service in the education sector.

#### b) Financial Analysis

**Table 8 Financial Progress Priority axis 1**

Priority axis	A Total contribution	Financial progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority axis 1 <i>Improving education and Skills</i>	37,400,000.00	36,585,378	21,804,745	13,495,513	98%	58%	36%

As at end 2011, Priority axis 1 continued to register the highest level of commitment, contracted and payments across the OP. An overview of the financial progress reveals that this Axis was nearly fully committed (98%) by end of year. 60%<sup>250</sup> of this commitment was contracted<sup>251</sup>, resulting in over 24% increase when compared to the entire 2007-2010 period. ESF 1.25 (with over €2,600,000) followed by ESF 1.36 (with over €700,000) and ESF 1.33 (with approx €280,000) were the main contributors for the increase in contracted amount. The Axis registered a 61% increase in disbursement in 2011, when compared to the state of affairs in 2010<sup>252</sup>. The disbursement as at end 2011 represents 62% of the contracted amount. The larger portion of the disbursement was made under ESF 1.25 (€3,800,000) followed by ESF 1.36 (over €3,000,000). Only the newly approved projects had not yet commenced payments as at the end of 2011. Disbursement under this PA is expected to continue to pick up in 2012, with ESF 1.25 expected to maintain the expenditure registered in 2011 whilst the new projects are expected to also start paying. The delays in disbursement under this Axis are strictly related to the delays brought about through the procurement process (coming from 2010), which as highlighted in previous years, has significantly slowed down the implementation of projects under the Programme. In this regard the MA has had to extend the implementation period of a number of projects.

In 2011, the management verifications by the MA continued to intensify. In this regard, a total of around 969<sup>253</sup> invoices for a total of €6,267,141 were verified by the MA and certified to the EC by the CA.

<sup>249</sup> ESF 1.22; ESF 1.24; ESF 1.25 ; ESF 1.36 and ESF 1.123 registered achievements under result indicators 3 and 4 (for capacity building courses) in 2011

<sup>250</sup> This includes the contracts signed between MEEF and students under STEPS.

<sup>251</sup> Total Contracted Public Eligible amount as the end of 2011 was €21,804,745

<sup>252</sup> Amount paid in 2011 is €5,093,705.

<sup>253</sup> This figure includes a number of invoices which were checked in December 2010 but certified early 2011. Due to overlaps in the checks between December 2010 and January 2011, the exact number of invoices checked in a given period cannot be extrapolated.

Furthermore, in 2011 the MA checked additional invoices under PA 1 to be included in the SOE planned to be raised at the beginning of 2012. This brings the total amount of verified expenditure by the MA (since the beginning of the programme) to €10,951,979 which were eventually certified by the CA. Under this axis, the MA carried out fifty-five (55) Article 13 checks during 2011 with a total of 546 hours spread over 114 visits in total<sup>254</sup>. Out of fifty-five (55) checks, fourteen (14) were Physical Checks.

### **3.1.4 Significant problems encountered and measures taken to overcome them**

As anticipated the delays in 2011 were largely spill-overs from previous years and related primarily to procurement issues. With regards to procurement in 2011, two (2) tenders had an appeal, which delayed the process by a number of weeks, thus delaying the implementation and ultimately the disbursement process.<sup>255</sup> Moreover, three (3)<sup>256</sup> of the newly approved projects are already experiencing delays in procurement, due to the complexities inherent in the procurement procedures (mainly related to the preparations of TORs and the vetting of the tender documents). Nevertheless, it is envisaged that the main tenders will be procured in the second quarter of 2012 and that planned activities will be implemented concurrently over a shorter period of time in order to make up for lost time.

Documents such as time-sheets, calculations of staff costs, attendance sheets as well as procurement supporting documentation can only be checked comprehensively on site. This involves a substantial amount of man hours that need to be undertaken during on-the-spot checks. It is also worth noting that most projects are very fragmented requiring very complex validations and cross-checking between various documents and therefore demanding substantial capacity from both the Beneficiary as well as the MA. Nevertheless, given that most of the projects are halfway through with the implementation, a system related to checks being carried out, such as the method used to check scholarship contracts, have now been established and the procedure is becoming more efficient in certain aspects, although the entire process is still very resource intensive.

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<sup>254</sup> Nine (9) MA officers carried out these checks dedicating a combined total of 761 hours.

<sup>255</sup> Tenders that suffered an appeal were under ESF 1.36 and ESF 1.123.

<sup>256</sup> ESF 1.125, ESF 1.130 and ESF 1.131.

## 3.2 Priority axis 2 – Investing in Employability and Adaptability of the Workforce

### 3.2.1 Achievement of targets and analysis of the progress

In view of the challenges presented by the financial and economic crisis, the adaptation of skills to market changes and the need for the labour force to acquire new skills, remain a priority for the Maltese economy. Thus Priority axis (PA) 2 focuses on addressing the need to keep pace with such changes and challenges by enhancing the country's human resources' skills (through life-long learning) and thereby supporting adaptation and access to the labour market. As at end 2011, the total number of operations that were being implemented under this PA were thirteen (13) *mainstream* projects and one (1) Aid Scheme<sup>257</sup> under Article 107 of the Treaty. Following the call for projects, which closed in 2010, twelve (12) project proposals were submitted out of which four (4) were approved in 2011, with a total public eligible value of €7,781,811, representing 25% of the total allocated amount under this Axis and almost 6% of the total allocation of the OP. The new projects continue to address the enhancement of skills and education levels of targeted individuals in priority sectors, including Tourism<sup>258</sup> (bringing the projects targeting tourism under this Axis<sup>259</sup> to 18% of the commitment to date).

One of the projects<sup>260</sup> targeting the tourism sector will increase participation in lifelong learning and promote training and education by equipping individuals with added skills to improve the service rendered in the hospitality sector. The second approved project<sup>261</sup> will focus on the recognition of skills in the tourism sector by assessing the current skill level of individuals employed in the industry, devising and delivering an individual training programme, re-assessing their skill level and certifying them accordingly. With regard to the other new projects, one<sup>262</sup> intends to exploit innovation in delivery by providing three flexible learning options<sup>263</sup> in a number of courses such as ICT, creative industries, engineering, and the green economy. The objective is to attract employed individuals to engage in further studies and skills upgrade in their area of expertise whilst obtaining recognition for previously acquired skills. The other project<sup>264</sup> will focus on training of pyrotechnicians, introducing a completely new approach to a trade in Malta which is largely practiced on a voluntary basis and the cause of various fatal occupational accidents. The project is a partnership between a number of Local Councils representing different towns and villages around the Maltese Islands and targets a number of licensed pyrotechnicians and provides a trainer's qualification, so that these could subsequently deliver recognised courses to individuals interested in the sector.

During the year under review, projects approved in previous years (2009 and 2010) geared up in implementation and continued to achieve results. Five (5) projects<sup>265</sup> which were approved in 2010 with Grant

<sup>257</sup> Scheme is addressing training needs in the private sector. All data in relation to the aid scheme has been collected and processed by the Employment and Training Corporation as the IB responsible for the implementation of the scheme.

<sup>258</sup> ESF 2.137 and ESF 2.141

<sup>259</sup> Projects addressing tourism are: ESF 2.11, ESF 2.7, ESF 2.78, ESF 2.80, ESF 2.137 and ESF 2.141 with total amount of €5,098,905

<sup>260</sup> ESF 2.137 – Train to Succeed (San Pawl il-Bahar Local Council)

<sup>261</sup> ESF 2.141 - Skills Upgrading for the Tourism Sector in Gozo

<sup>262</sup> ESF 2.139 - Increasing Accessibility, Flexibility and Innovation to MCAST Life-long-learning Course Offer (MCAST)

<sup>263</sup> Blended learning; Accreditation of Prior Learning (APL); and e-Accreditation of Prior Experiential Learning (eAPEL)

<sup>264</sup> ESF 2.138 - Empowering Pyrotechnicians for Longevity and a Safer Quality of Workplace (Kirkop Local Council)

<sup>265</sup> ESF 2.72 (MCA), ESF 2.78 (MTA), ESF 2.80 (MHRA), ESF 2.84 (Hamrun LC), ESF 2.85 (MCAST)

Agreements signed in 2011 saw the first implementation phases being consolidated. The diversity of targeted sectors and target groups within all projects under Axis 2 aims to address the potential skills gaps and shortages of the current workforce through training. Apart from tourism, other areas include pharmaceuticals, financial services, ICT, carpentry and printing.

The same mix with regard to sectors and individuals is also reflected in the Aid Scheme implemented under this PA, namely the *Training Aid Framework (TAF)*. In 2011 alone, approval was granted to assist industry to train over 10,000<sup>266</sup> employees. Undertakings benefiting in 2011 embarked on a wide range of courses including basic courses in first aid, health and safety, courses in trade<sup>267</sup>, and specialised courses in areas such as IT, finance and management<sup>268</sup>. It is to be noted that by end of 2011, over 2,000<sup>269</sup> undertakings benefitted from the scheme, five times more than the original target<sup>270</sup>. As already explained in AIR 2010, the main reason underlying this over-achievement is the fact that demand has been for smaller grants (shorter duration and addressing immediate needs), hence resulting on a wider spread of the same allocation. This change is primarily driven by the crisis and the need for industry to react immediately to certain demand in an effort to remain competitive and retain workers.

The year under review saw a total of 15,284 participants benefitting from the mainstream projects under PA 2 which although not recording remarkable increases since 2010<sup>271</sup> still confirms that the adaptability of the workforce continues to be a priority addressed by the projects under this Axis. In fact, it is worth noting that training was attended by 5,414 who were already employed persons (35% of the total participants in 2011). The rest of the participants were unemployed individuals (6,772 or 44% of total participants) and 3,098 inactive persons (20% of total participants). Out of a total of 15,284 participants 5,456 were women, representing 36% of the total number of participants. This shows the contribution this axis is doing to increase the employability of women.

As in previous years the majority of participants (63% of total participants) benefitting from this Axis remained to be represented by adult workers (aged between 25 and 54 years), even recording a 5.8% increase over 2010. The category older workers (55 years and over) recorded a 7.7% percent increase when compared to 2010. On the other hand a significant increase over the previous year was recorded under this axis on the participation of young people which recorded a 23% percentage increase when compared to 2010<sup>272</sup>. This reflects the alignment of the OP in particular axis 2 with the Europe 2020 strategy. In general projects under this PA empower people by providing them with new skills and enable both the current and future workforce to adapt to new conditions. This attracts a variety of participants both in Malta and Gozo. Under this axis the Gozo dimension is very well presented and by the end of 2011, two<sup>273</sup> out of the 13 mainstream projects were

<sup>266</sup> This figure refers to the number of participants as per applications submitted by Beneficiaries and can therefore change once claims for reimbursement are submitted and actual numbers of participants trained are provided.

<sup>267</sup> These include welding, hairdressing, aircraft maintenance, computer networking, electrical and electronics engineering, injection mould training

<sup>268</sup> Levels varied from Diploma to Degree and Masters

<sup>269</sup> This includes repeat beneficiaries

<sup>270</sup> Original target was 475 undertakings

<sup>271</sup> Total number of participants entering in training in 2010 was 14,030

<sup>272</sup> In 2010, 3589 young people entered into training under mainstream projects

<sup>273</sup> ESF 2.7 – Training Courses to enhance the Employability and Adaptability of the Workforce in Gozo and ESF 2.141 - Skills Upgrading for the Tourism Sector in Gozo

being implemented in Gozo, whilst another six projects<sup>274</sup> are partially targeting Gozitan participants. A total of 8.07% of the committed budget under this Axis will specifically benefit the territory of Gozo.

The total budget committed by end of 2011 under this axis amounts to €28,329,903, representing 91% of the allocation of the Priority axis. The amount contracted by the projects implemented under this Axis totaled to €15,412,971, of which €6,562,031<sup>275</sup> are contracted under the Aid Scheme (TAF). The contracting represents 54.7% of the committed amount and 50% of the overall axis allocation. Thus close to half of the PA's allocated budget is now contracted. Over one-third (€5,489,289) of the contracted amount (36%) was paid, representing 18% of the overall allocation. In an effort to fully commit the axis allocation another call will be issued by the MA in Q1 2012<sup>276</sup>.

### 3.2.2 Information on the physical and financial progress

The table below depicts the physical progress under axis 2 in 2011, in accordance with Commission Regulation 1828/2006 Annex XXIII.

**Table 9 Data on participants Priority axis 2**

2011 - Data on participants in ESF		People Entering		People Leaving	
		Total	Women	Total	Women
Priority axis 2					
Status in the Labour Market	Total Number of participants	15694	5550	15876	5583
	Employed	5824	2320	5925	2351
	Self Employed	377	117	300	95
	Unemployed	6772	1673	6954	1697
	Long Term Unemployed	2430	460	2549	479
	Inactive	3098	1557	2997	1535
	Inactive in Education and Training	1	0	7	6
Age	Young People (15-24 years)	4520	1986	4408	1941
	Older Workers (55-64 years)	1303	332	1319	345
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	716	176	732	191
	Disabled	580	127	592	133
	Other Disadvantaged People	435	39	448	38
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	12100	4090	12286	4140
	Upper Secondary education (ISCED 3)	2164	888	2199	904
	Post-secondary non-tertiary education (ISCED 4)	649	207	651	198
	Tertiary Education (ISCED 5 & 6)	781	365	740	341

<sup>274</sup> ESF 2.4; ESF 2.11; ESF 2.12; ESF 2.78; ESF 2.137; and ESF 2.139

<sup>275</sup> Representing almost three-fourths (74.16%) of the overall financial allocation under the scheme.

<sup>276</sup> Call 8 was launched in January 2012 and closed in March 2012. Six (6) project proposals with a value of €6.9 million were submitted under PA 2



## Physical Progress

The implementation of projects under PA 2 peaked in 2011. Progress in activities was registered under all projects approved in 2009 and 2010 while towards the end of the year the projects approved in the last quarter of 2011 went through the negotiating process of the Grant Agreement, and progressed in the design, preparation and launching of tenders. In fact activity and progress can be measured through the ongoing contracting in 2011. Two (2) DoC tenders and twenty-two (22) departmental tenders were launched - with over 82% of the tender launched awarded during the same year for a total value of €781,600, while four (4) tenders for a value of €344,280 were unsuccessful. Calls for employment launched in 2011 amount to fourteen (14) for a total value of €280,334. In particular, the Aid scheme under this Axis recorded substantial progress with commitments increasing by 55%<sup>277</sup> and payments also increasing by 98%<sup>278</sup>, when compared to 2010. Seven (7)<sup>279</sup> of the *mainstream* projects under implementation contributed to the disbursement under this PA, which by the end of 2011 reached €4,531,922, representing 82%<sup>280</sup> of the total amount disbursed. Progress in both procurement and disbursement shows the gradual development in the implementation of projects approved in 2009 and 2010. Whilst the projects which were approved in 2010 started their initial phases of implementation, projects like ESF 2.4 – Employability Programme, ESF 2.11 – Developing Leaders for Change and Innovation in Tourism and ESF 2.12 – The Second Step Programme and ESF 2.84 - Promoting Life-long Learning amongst Civil Society Organisations' Voluntary Staff continued to gain momentum in the delivery of activities and showing first results<sup>281</sup>. During 2011 and in view of the demand by the ICT and financial services sectors for skilled individuals in Digital Media and Financial Services, a new training subsidy (to individuals) for courses at level 5 and 6 is being provided under ESF 2.4 with the objective of creating a pool of qualified persons to fill existing gaps and medium term needs in these important sectors. The ever increasing need for skills by the ICT sector was supplemented also through ESF 2.12 which offers Diplomas in ICT to various target groups<sup>282</sup>. ESF 2.11, whilst increasing the number of participants<sup>283</sup> benefitting from training (in Malta and abroad) in the tourism sector, concluded one of the two studies which were planned as part of the activities. The findings from the study on the future employment opportunities in the sector established that skill shortages cannot be addressed through traditional forms of training and employment. Three strategic fields were identified as priorities in order to cope with the skills gaps to improve the competitiveness of the tourism enterprises from a human resource perspective, namely attracting skilled labour to the sector; retaining and developing skilled labour in the sector; and supporting micro enterprises for improving competitiveness through the development of labour<sup>284</sup>. In line with the Axis' objectives, a number of projects include a component intended to identify the skills needed and to ensure that activities address the skills gap. A project which was approved in 2010 and started implementation of training activities in 2011 was ESF 2.72<sup>285</sup>. After conducting a Gap Analysis Study to determine the ICT and

<sup>277</sup> In 2010 the commitment under the scheme was €2,9M.

<sup>278</sup> In 2010 the paid amount under the scheme was €25,136

<sup>279</sup> ESF 2.4; ESF 2.7; ESF 2.11; ESF 2.12; ESF 2.72; ESF 2.78; ESF 2.85

<sup>280</sup> The other 18% (€993,269.79) was disbursed under the scheme

<sup>281</sup> In 2011, 345 participants under ESF 2.11 were certified in middle/higher management at MQF Levels 3 and 4. On the other hand in 2011 alone ESF 2.4 certified 13,791 participants through the varied number of training courses it offered

<sup>282</sup> Among these were school leavers, women returnees, employees in manufacturing industry and unemployed individuals

<sup>283</sup> These include employees in management levels in tourism establishments as well as jobseekers and unemployed individuals with an interest in tourism-related jobs

<sup>284</sup> Such as setting educational requirements for employment, including tourism related qualifications

<sup>285</sup> ESF 2.72 – EPITOME, has a total budget of €362,351 and is implemented by the Malta Communications Authority

entrepreneurial skill gaps of the working population, a training curriculum to address the identified gaps was designed. This led to the implementation of an eight (8) month course which started in 2011 with eighty-eight (88) participants. ESF 2.85<sup>286</sup> which started implementation in 2011 conducted research focusing on ten industrial sectors<sup>287</sup> to determine the training needs of these sectors. The results from the research were presented in 2011 leading to the design of a curriculum and courses to address the identified needs. A number of courses are expected to be delivered in 2012.

A remarkable contribution towards the progress of this Priority axis was triggered by the aid scheme. The total disbursed amount as at end of 2011 under TAF was of €993,270<sup>288</sup> and increase of 98% from 2010. This figure confirms that the reimbursement process gained momentum in 2011. In this regard, by the end of year under review, over 500 claims were uploaded on the Structural Funds Database with a total value of circa €1.2million. The increase in disbursement under the scheme was a result of the simplification process started in 2010. In 2011 the IB together with the relevant stakeholders, including the private sector representatives were engaged in discussions in order to improve the implementation of the scheme. This resulted in the adoption of concrete measures, such as changes to the eligibility criteria, simplified application forms and revised implementation and guidance notes. The documents required at reimbursement stage were also reviewed in order to make the process less bureaucratic and time-consuming<sup>289</sup>. The simplification exercise also took into consideration checks carried out by the IB which were repetitive in some instances. In order to maximise the potential of the simplification process, the IB maintained close liaison with business organisations and held a number of information sessions for the undertakings themselves.

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<sup>286</sup> ESF 2.85 has a total budget of €353,382 and is implemented by the Malta College for Arts, Science and Technology

<sup>287</sup> The targeted industrial sectors are: Pharmaceuticals and chemicals; Financial Services; ICT; Plastics; Furniture; Printing; Infrastructure; Food; Beverages and Maritime

<sup>288</sup> In 2010 only €25,136 were disbursed under TAF.

<sup>289</sup> As an example, applicants were given the option to claim the minimum wage (instead of the actual wage) which required less documents to be submitted at reimbursement stage.

### 3.2.3 Qualitative Analysis

#### a) Analysis of Indicators

**Table 10 Priority axis 2 Indicators (Output and Result Indicators)**

Priority axis 2 – Broad target groups				2007	2008	2009	2010	2011	Total
Output	A	Indicator 1: Number of persons trained/supported	Achievement	0	0	4,773 <sup>290</sup>	14,025 <sup>291</sup>	15,284	34,082
			Target	n/a	n/a	n/a	n/a	n/a	45000 <sup>292</sup>
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: Number of actions supporting educational structures, systems, campaigns and research	Achievement	0	0	0	0	0	0
			Target	n/a	n/a	n/a	n/a	n/a	5
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 3: Number of undertakings supported	Achievement	0	0	220	1,118	1,110	2,448
			Target	n/a	n/a	n/a	n/a	n/a	700
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
Results	A	Indicator 1: % of participants in employment or further study 6 month after receiving assistance	Achievement	0%	0%	4% <sup>293</sup>	18% <sup>294</sup>	26%	47%
			Target	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	8%	26%	32%	66%
			Target	n/a	n/a	n/a	n/a	n/a	60%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 3: % of participants gaining a qualification/certification	Achievement	0%	0%	7%	12%	13%	32%
			Target	n/a	n/a	n/a	n/a	n/a	60%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a

In analysing the data given in the table above, it is possible to notice a steady and constant achievement on all indicators under PA 2. The number of persons trained in 2011 has registered an increase of 8.2% over the achievement of 2010, representing over 75% of the target after 4 years of implementation. The major contributor to this achievement continued to be *ESF 2.4 - Employability Programme*, under which, in 2011 alone, more than 14,500 participants (95% of 2011 total achievements) were trained. Other mainstream projects that registered some progress under this indicator are ESF 2.11 (3%), ESF 2.12 (0.5%), ESF 2.72 (0.9%) and ESF 2.84 (0.5%). The indicator *number of undertakings supported*, addressed by the Training Aid Framework (TAF scheme) has kept a constant achievement from the previous reporting period. It is worth

<sup>290</sup> In AIR 2010 this indicator was reported as 5,101. Discrepancies occurred mainly due to overlapping data between the respective reporting periods as well as potential human errors in view of the fragmentation presented by the projects.

<sup>291</sup> In AIR 2010 this indicator was 14,030. The same reasons as explained above apply also for this indicator.

<sup>292</sup> Including repeat participants

<sup>293</sup> This indicator was not yet reported in previous AIRs (2009, 2010) as data had not yet been gathered

<sup>294</sup> In AIR 2010 this indicator was reported as 16% representing 7,273 individuals. This figure is now being revised due to the overlap in the 6 month reporting period which was erroneously interpreted.

noting that the target of the *Training Aid Framework* was exceeded by five times with around 2,448<sup>295</sup> undertakings benefitting from this scheme as at end of year<sup>296</sup> with 1,134 participants gaining a qualification/certification.

Another indicator registering an increase over the previous year was the number of participants gaining a certification or qualification (*Result Indicator 2*) with 14,215 participants gaining a qualification or certification. Once again the largest part of this achievement is the result of training activities implemented under *ESF 2.4 Employability Programme*. However, it is important to note that other mainstream projects<sup>297</sup> have also started contributing towards this indicator during 2011 with 424 participants receiving a qualification or certification. Under this Axis, a remarkable achievement that has been registered under the *mainstream* projects was that 29,790 participants were *in employment or further study six months after receiving assistance*.

## b) Financial Analysis

**Table 11 Financial Progress Priority axis 2**

Priority axis	A Total contribution	Financial progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority axis 2 <i>Investing in the employability and adaptability of the workforce</i>	30,995,000.00	28,329,903	15,412,971	5,489,288	91%	50%	18%

During the year under review, the total committed amount under PA 2 reached €28,329,903<sup>298</sup>, which amount translates in a financial commitment of 91% of the total PA allocation.. The contracted amount<sup>299</sup> during the same year was €15,412,971, giving an almost 100% increase when compared to 2010<sup>300</sup>. The major contributor to this increase is TAF under which €6.5million (42% of the entire PA contracted amount) were contracted as at the end of 2011, followed by ESF 2.4 (28% of the contracted amount) and ESF 2.11 (20% of the contracted amount).

The disbursed amount in 2011 increased by €3,622,106 to €5,489,288, resulting in an increase of 190% when compared to the previous year<sup>301</sup>, although still low considering that it represents only 35.6% of the contracted amount and 17.7% of the PA allocation. An analysis by project reveals that out of thirteen (13)

<sup>295</sup> Includes repeat participants

<sup>296</sup> Original target was 475 undertakings

<sup>297</sup> Three projects (ESF 2.7, ESF 2.11 and ESF 2.84) have also reported achievements for participants gaining a qualification/certification

<sup>298</sup> Following the approval of four (4) new projects in 2011 amounting to €7,781,811

<sup>299</sup> This refers to the sum total of public contracts and employment contracts signed as well as grant agreements signed between the IB and Beneficiaries at enterprise level.

<sup>300</sup> The amount contracted in 2011 is €15,488,903 whilst €7,799,391 was contracted in 2010.

<sup>301</sup> A total amount of €5,525,191 was disbursed in 2011 whilst €1,903,085 was disbursed in 2010.

approved mainstream projects only seven (7) registered disbursements. As indicated above, disbursement under the approved aid scheme was considerable in 2011 when compared to 2010, but it is still considerably low (11% of the budget allocated under the scheme was disbursed by December 2011).

Under this axis in 2011 the MA managed to verify €2,412,321 bringing the total amount verified and certified under this PA to €2,845,011. The amounts verified are a reflection of checks undertaken on 1,196<sup>302</sup> invoices. In order to verify these invoices the MA carried out thirty-four (34) Article 13 checks for a total of 314 hours spread over seventy-five (75) visits in total<sup>303</sup>. Out of the thirty-four (34) checks, twenty-two (22) were physical on-the-spot checks of which twelve (12) were physical checks under ESF 2.65 (Aid Scheme). The amounts verified by the MA were all certified by the CA during the year under review<sup>304</sup>. Due to the fragmentation of most projects, especially in the case of ESF 2.4 and ESF 2.65 (*TAF* – aid scheme), checks are very time consuming and resource intensive. Checks undertaken by the MA are additional to checks undertaken by the IB as part of its obligations in the covenant (as part of its monitoring and control responsibilities).

### 3.2.2 Significant problems encountered and measures taken to overcome them

Despite the increase in disbursement during the year under review, the amount paid remains somewhat low, especially when one considers the high level of commitment under this PA. One of the reasons for this is that 25% of the PA allocation was approved in the last quarter of 2011 and thus, as expected, progress will be registered in 2012. Still the other nine (9) projects faced the usual problems and delays linked to procurement; payments; and fragmentation in the implementation and verification of expenditure. ESF 2.4 absorbs 17% of the axis allocation and therefore problems identified within this project have an impact on the implementation of the Axis. The fragmentation in the payment process caused problems to all stakeholders (LM, Treasury and Beneficiary). In order to mitigate against this, it was agreed that payments would be grouped. In addition it was eventually decided that payments would be processed directly through SFD instead of payments being first made by ETC and then subsequently claimed through the SFD, which was deemed to double the burden. The latter came into effect in the first months of 2012.

Due to the same fragmentation also in many *mainstream* projects, the verification of expenditure was considerably lower than the expenditure processed through the system. The volume of timesheets and attendance sheets as well as the fragmentation of procurement processes were quite challenging both for the Beneficiaries and for the MA. These delays are expected to be better addressed in the coming year given that the problems presented so far were considered as teething problems in the establishment of the various checking systems required on the variety of projects. MA officials have in the first phases of implementation of the projects dedicated more time in setting checking methodologies which would help them accelerate their checks whilst at the same time ensuring that checks are made rigorously. In order to accelerate the verification processes, whilst ensuring that obligations were still adhered to, the MA in line with Article 13(3) of the Commission Regulation (EC) No 1828/2006 and the guidance *document on management verifications to be carried out by Member States on operations co-financed by the Structural Funds and the Cohesion Fund*

<sup>302</sup> This figure includes a number of invoices which were checked in December 2010 but certified early 2011. Due to overlaps in the checks between December 2010 and January 2011, the exact number of invoices checked in a given period cannot be extrapolated

<sup>303</sup> Ten (10) MA officers carried out these checks dedicating a combined total of 602 hours

<sup>304</sup> During the checks undertaken in 2011, the MA checked additional invoices that were included in the SOE planned to be raised at the beginning of 2012

*for the 2007 – 2013 programming period* a sampling approach was adopted to carry out some of the checks on this project. The standardised nature of some of the claims and the relatively low incidence of errors in past verifications permitted the adoption of this approach. The MA will maintain the effort to ensure that it closes the gap between payments made and verification of expenditure.

Although similar in nature the problems identified under TAF are specific to the scheme and require different mitigation measures. During the year under review, disbursement under TAF improved when compared to the same figures for the previous year. Despite the increase in disbursement, this fell short of the forecasted amounts. One of the issues that has an impact on the volume of funds disbursed is the incorrect submission of claims, which include miscalculations in staff costs, missing relevant data, missing supporting documentation, non-compliance with National Rules, and discrepancies in data on submitted documents. In order to avoid delaying payments due to clarifications requested from undertakings, the IB, as part of its simplification process, decided to start processing part payments and process the correct part of the claim submitted by Beneficiaries. Simplification undertaken in 2011 also included the removal of documentation and any details which the IB would already have through other sources. This avoided some of the incidences where Beneficiaries submitted incorrect or incomplete information.

Another problem identified and specific to the Aid Scheme was the lack of claims submitted by undertakings. Subsequent to the simplification process and in order to encourage employers to submit claims, ETC sought the assistance industry representatives (Malta Chamber for Commerce, Enterprise and Industry (MCCEI, GRTU and other) to encourage beneficiaries to present claims. This mitigating measure resulted in an increase in the submission of claims. Despite some progress, further actions for a constant flow of claims were deemed necessary. In this regard, another measure concerned the introduction of deadlines for the submission of claims. In the guidance notes issued in June 2011, applicants were given three months after training to present the claim. In addition since December 2011 deadlines were also being imposed on the 'older beneficiaries'. The results of such actions will be recorded in 2012. Finally in order to ensure that beneficiaries are properly guided, a number of information sessions were held to guide beneficiaries both in applying but also in how to fill in claims for payment. ETC is planning to organise further information sessions in 2012 to keep up with the momentum.

### 3.3 Priority axis 3 – Promoting an Equal and Inclusive Labour Market

#### 3.3.1 Achievement of targets and analysis of the progress

The objective of Priority axis 3 is to pave the way towards a higher level of value added employment for persons who encounter difficulties in either accessing the labour market or in improving their employment prospects. Taking into consideration that the OP is wholly geared towards more and better jobs, this Axis particularly focuses on specific actions which aim at the integration, retention and progression of disadvantaged groups in the labour market and also to increase the female participation rate in employment. The importance of these two objectives is confirmed both from an economic standpoint and also from a social cohesion point of view. Since the human resource is essentially the only natural resource of the country, the maximisation of the people's potential in contributing to the economy whilst improving their standard of living is a critical objective. Consequently, this Axis is financing a substantially broad myriad of initiatives, targeting equally varied groups including, persons with specific physical and intellectual disabilities, individuals suffering from mental health conditions, the inactive, youths, the long-term unemployed, parents and educators. In addition, to improve Malta's position vis-à-vis its female participation in the labour market, women have been identified as a distinctive target group within this Priority axis.

As at the end of 2011, there were twenty-two (22) *mainstream* projects and one (1) Aid Scheme (under Article 107 of the Treaty on the Functioning of the European Union) under implementation addressing one or more focus areas of intervention under this Axis. By December 2011, out of twenty-two (22) projects, four (4) projects had concluded all the activities foreseen within the project. The twenty-two (22) approved projects include eight (8) projects which were approved under this axis in Quarter 3 of 2011.<sup>305</sup> The newly approved projects reflect a wide range of initiatives: two (2) focus on activities which aim at creating ICT and vocational training opportunities specifically for women, whilst six (6) projects target the integration of vulnerable groups, in particular the disabled.

With regards to training aimed at creating opportunities specifically for women, ESF 3.107 will be offering three hundred and eighty (380) females the opportunity to take up ICT studies at different levels (MQF level 3,4 and 5) with the aim of engaging more women in specialised ICT areas narrowing the male-female employment gap in this sector. On the other hand, a more vocational type of training such as hairdressing and business skills will be offered under ESF 3.108 to seventy-five (75) young mothers who would normally rely on social benefits. The socio-occupational development of the lower income persons and of those at major risk of social exclusion, gives rise for a constant need to update knowledge and professional skills of those working in the social field. In keeping within this scenario, some new initiatives will offer specialised training for care and support workers who provide assistance to the visually impaired and to those suffering from challenging behaviour (ESF 3.105, ESF 3.112, ESF 3.102). Under ESF 3.114, disabled and other vulnerable persons, particularly those who are inactive or unemployed, will have the opportunity to enter into employment with Voluntary Organisations. ESF 3.110 targets 180 inmates, identified as particularly marginalised from the labour market and education mostly due to stigma, who will have the opportunity to receive training both in soft-skills and also in ICT within the correctional facility.

<sup>305</sup> Out of these 22, 1 project was closed (ESF 3.42), 3 projects completed their implementation (ESF 3.43, ESF 3.66 and ESF 3.71) and 8 projects have been newly approved in the third quarter of 2011. The newly approved projects are: ESF 3.102 ESF 3.105; ESF 3.107; ESF 3.108; ESF 3.110 ESF 3.112 ESF 3.113 ESF 3.114

During the year under review, the implementation on the ground of the majority of projects under this axis has picked up significantly, registering considerable results both in the number of participants who benefited from assistance and in the variety of opportunities provided. In this regard, in relation to the integration of females into the labour market<sup>306</sup>, the activities are deemed to be successful, considering that as at the end of 2011, a total of 164 female participants were certified and 104 women have managed to successfully enter the labour market or are pursuing further studies.<sup>307</sup> There was marked progress also in the area of social inclusion with a total of 5,209 vulnerable persons engaged either in employment or having embarked on a training programme.

Without doubt, a significant contribution towards the integration of disadvantaged and persons with disability derives from the EAP scheme. In 2011, the EAP saw a drastic increase in both the number of applications received and also in the subsequent placements. As at end 2011, 4,170 applications<sup>308</sup> were received and 2,193 Grant Agreements were signed amounting to €11,398,278.33<sup>309</sup>. Out of the 2,193 persons supported, 958<sup>310</sup> were women. In 2011, this scheme proved to be successful also in the retention rate of persons engaged on the EAP in 2010. In fact, as at end 2011, out of the 1,060 participants that finished their placement on the scheme, 85% were retained in employment (901).<sup>311</sup>

The committed amounts under this Priority axis up to the end of 2011 totalled €29,903,045, 81% of the total PA allocation. The registered increase in commitments of 37% were due to the eight (8) new projects worth €13,776,762 approved for ESF co-financing in the 3<sup>d</sup> quarter of 2011. The amount contracted as at end 2011 reached €14,755,012 under this axis representing 49% of the total committed amount and 40% of the overall allocation. As regards payments, the total made on projects financed from this Axis stood at €5,249,500 representing therefore 36% of the contracted amount and 14.23% of the overall OP allocation.

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<sup>306</sup> As at the end of 2011, six (6) projects for a total cost of €6,449,596 addressed this focus area of intervention. The activities varied and included: empowerment training to victims of domestic violence, training courses in economic related areas such as ICT and management; awareness campaigns targeting employers, inactive women and the general public; research activities; as well as study and exchange visits

<sup>307</sup> These results are solely those deriving from the projects addressing the focus area of intervention 'Female participation in the labour market'

<sup>308</sup> 624 applications from Gozo and 3,546 from Malta

<sup>309</sup> Including over-commitment .

<sup>310</sup> 958 represents 44% of the number of Grant Agreements signed

<sup>311</sup> Nine (9) of which pursued self-employment



### 3.3.2 Information on the physical and financial progress

The table below depicts the physical progress under axis 3 in 2011, in accordance with Commission Regulation 1828/2006 Annex XXIII

**Table 12 Data on participants Priority axis 3**

PA 3 - 2011		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants	5006	2574	1645	989
	Employed	324	238	281	213
	Self Employed	11	7	12	8
	Unemployed	737	388	539	362
	Long Term Unemployed	308	169	279	171
	Inactive	3945	1948	825	414
	Inactive in Education and Training	2767	1380	69	38
Age	Young People (15-24 years)	3916	1896	444	213
	Older Workers (55-64 years)	140	77	145	75
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	15	2	6	2
	Disabled	141	51	75	35
	Other Disadvantaged People	4274	2068	889	410
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	3556	1697	867	456
	Upper Secondary education (ISCED 3)	667	423	461	302
	Post-secondary non-tertiary education (ISCED 4)	375	218	133	103
	Tertiary Education (ISCED 5 & 6)	408	236	184	128

### Physical Progress

Following an intense period of contracting in 2010, 2011, was limited to the contracting of twenty-two (22) Departmental tenders and the engagement of five (5) trainers<sup>312</sup>. Out of the twenty-three (23) initiatives financed through this Axis (include one Aid scheme), one (1) project was closed<sup>313</sup> and three (3) projects have successfully completed their implementation in 2011.<sup>314</sup> On the whole, significant progress on all the mainstream projects was recorded both in terms of increasing the number of females integrated in the labour market as well as the inclusion of vulnerable groups in further training or employment. In this regard ESF 3.43 is worth mentioning. Specialised training at various levels was delivered to particular cohorts resulting in a total of 137 professionals, amongst which employers, were trained on how to deal with victims of domestic

<sup>312</sup> In view of the Aid Scheme ESF 3.64, the total amount contracted in terms of Grant Agreement with beneficiaries reached €8.2million in 2011.

<sup>313</sup> ESF 3.42 was officially closed. The related amount of payments added up to €398,793.71, of which 100% were verified and certified

<sup>314</sup> ESF 3.43, ESF 3.54 and ESF 3.71 finalised their activities in 2011 but still need to process the final payments and reporting

abuse. Additionally, thirty-two (32) victims of domestic violence were assisted through local training focusing on empowerment and on confidence-building so as to increase their chances of a better future in terms of employment. As a result, a total of fourteen (14) participants were then referred to the competent employment authority of which six (6) found employment. Under ESF 3.47 a further fifty-two (52) employees from human resources sections of those companies who integrated family friendly measures within their human resource policy and structure, were trained as Equality Representatives bringing the number to ninety-nine (99) following the forty-seven (47) certified during 2010. Direct training in information technology also led to the certification of forty-nine (49) women in ICT and Business Administration related courses, such as ECDL, Sage and E-citizen (ESF3.54)<sup>315</sup>. As a result, within six (6) months of receiving assistance, seventeen (17) women gained employment whilst forty-three (43) pursued further studies<sup>316</sup>. A further twenty-eight (28) women were certified as Parent Leaders and twenty-six (26) were certified as Portfolio Facilitators with the objective to improve the curricular resources within the school communities (ESF3.48)<sup>317</sup>.

In addition to direct training activities, a number of studies and communication and awareness campaigns were also carried out during 2011. The year under review marked the launch and finalisation of an intensive nation-wide awareness campaign in order to sensitize employers and the general public on the issue of domestic violence (ESF 3.43). Under ESF 3.47, one of the project activities was the preparation and finalisation of a study which dealt with the needs of male and female entrepreneurs, the hardships of temporary and casual workers, the perceptions of employed females and glass ceilings, how Maltese women view financial independence and the effects of social security benefits to the decision to take up employment. Finally, an ongoing communications campaign encouraged the adoption of family-friendly measures in the labour market, whilst addressing the cultural perceptions with regards to female employment, financial independence and the roles of men and women in the household (ESF3.59).

Youths are also a focus of this Axis. Activities include Youth Days<sup>318</sup> organised by ETC in Malta and in Gozo which provide a concentration of information related to numerous career opportunities together with outreach services.<sup>319</sup> The aim behind the Youth Days is to increase motivation in young people in finding and retaining employment, creating awareness on all employment and training services available and instilling a lifelong learning culture. During the year under review a total of 3,037 youths (of which 265 from Gozo) were assisted in the ambit of career guidance and career paths. Taking into consideration the increase of social networking amongst young people, the Beneficiary also embarked on an online oriented strategy including the creation of a project page on a major social network and a dedicated website.<sup>320</sup> Promotion was also carried out through a specific project TV series broadcasted between January and March 2011 and again from October 2011 to January 2012. As a consolidated result of the activities carried out under this project, 1875 youths were found in employment or furthering their studies six (6) months after receiving assistance. Moreover, one-hundred and ten (110) youths at risk of marginalisation<sup>321</sup> were given job-seeking support by specialised professionals. This was then followed by training activities in various fields and also in relation to the

<sup>315</sup> In addition to 75 women who were certified in 2010

<sup>316</sup> Some of the females who found employment or entered into further studies were certified in 2010

<sup>317</sup> Through the training of Portfolio Facilitators, 202 parents, out of which 196 women, were assisted in drawing up a curriculum vitae in order to improve their chances of gaining employment

<sup>318</sup> The Youth Days were held from 24.10.2011 until 29.10.2011 and on 9.11.2011 (Gozo)

<sup>319</sup> ESF 3.60 – Youth Days Malta

<sup>320</sup> The Facebook page of YEP attracted 204 'friends' and the website had up till end 2011 16,443 visits

<sup>321</sup> Due to diverse problems including substance abuse, broken families and homelessness

development of social independence, thus increasing their chances of maintaining stable employment and adapt to independent living arrangements. As at end of 2011, as a result of the training and support provided ninety-one (91) vulnerable youths have either found a job or enrolled in other educational courses, whilst eight (8) young persons were provided with semi-independent living arrangements (ESF3.61).

Persons with disability are supported in a two-pronged manner: direct training and assistance to people with disabilities and training of professionals who work directly with them. During 2011 alone, seventy-four (74) disabled persons were trained. Amongst these, sixty-seven (67) participants with disabilities were given the opportunity of Job Exposure with the private sector and local government, leading to thirty-five (35) participants being absorbed in mainstream employment since the beginning of the project (ESF 3.62). A transnational training activity also took place in 2011, during which ten (10) disabled participants and twelve (12) professionals gained further knowledge on job shadowing and the identification of possible market niches as well as how to create and manage a successful cooperative (ESF3.62). Thirty (30) instructors and therapists followed courses in how to carry out mobility assessments, environmental modifications for independent living, wheelchair seating training and on how to use adaptive equipment, (ESF 3.42). Under ESF3.66, a further sixty-seven (67) participants with disabilities were trained in literacy skills using an innovative toolkit for the Maltese language.<sup>322</sup>

This Axis also financed three (3) studies aimed at identifying labour market distortions<sup>323</sup>. The results of a first-time detailed research on the impact of mental health in the labour market and how employers and employees can address the issue were presented in 2011 to the relevant stakeholders. These were subsequently formulated into recommendations for policy makers and used as a basis for one-to-one training to sixty-eight (68) human resources managers and employers (ESF 3.71). The first phase of a longitudinal study which aims at identifying the salient issues affecting the integration of people with disability into the labour market was completed in 2011 (ESF 3.62). A third observational research on the prevailing levels of occupational health and safety (OHS) in Malta was also finalised in 2011 (ESF 3.56). Its results include statistics on the access of workers to internal and external OHS services and the cost of the prevailing risks of OHS to the nation together with the creation of an accreditation system. These were presented to stakeholders during an end of project seminar so as to contribute towards future OHS strategies and policies.

The aid scheme's contribution towards the physical progress of the Axis, continues to be important. During 2011, 1,094 Grant Agreements were signed between the IB and the Beneficiary enterprises amounting to a total of €6,698,528, which is more than double the amount that was signed in comparison to 2010.<sup>324</sup> It should be noted that 85%<sup>325</sup> of the people entering in 2011 (for which a grant was signed) were inactive<sup>326</sup> whilst 60%<sup>327</sup> fall under the category of young people<sup>328</sup>.

The scheme's contribution towards Gozo's socio economic development has been significant. In this regard, 136 Gozo Grants were signed in 2011 (amounting to €739,130) bringing the total number of Grants signed

<sup>322</sup> Under ESF 3.66 a total of 189 vulnerable persons were trained, of which 67 are registered disabled persons

<sup>323</sup> ESF 3.71 - 'Impact Assessment of Mental Health on Employment for Policy Development'; ESF 3.62 - 'Longitudinal Research Study'; ESF 3.56 - 'Specialised Research on OHS and the development of an OHS accreditation system'

<sup>324</sup> In 2010, 682 Grant Agreements worth € 3,266,746 were signed

<sup>325</sup> 934 of the 1,094 people entering in 2011

<sup>326</sup> This includes persons not in education and/ or training

<sup>327</sup> 655 of the 1,094 people entering in 2011

<sup>328</sup> 15 – 24 year age bracket

with Gozitan beneficiaries to 486 for a total value of €2,625,415, representing almost 32% of the overall amount allocated to the scheme.

### 3.3.3 Qualitative Analysis

#### a) Analysis of indicators

**Table 13 Priority axis 3 Indicators (Output and Result Indicators)**

Priority axis 3 – Promoting an equal and inclusive labour market				2007	2008	2009	2010	2011	Total
Output	A	Indicator 1: Number of actions supporting a lifecycle approach to work	Achievement	0	0	0	0	0	0
			Target	n/a	n/a	n/a	n/a	n/a	10
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: Number of women trained/supported	Achievement	0	0	23	289	259	571
			Target	n/a	n/a	n/a	n/a	n/a	2,000 <sup>329</sup>
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 3: Number of families benefiting from childcare	Achievement	0	0	0	0	0	0
			Target	n/a	n/a	n/a	n/a	n/a	1,600
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 4: Number of vulnerable persons trained/supported	Achievement	0	0	590 <sup>330</sup>	4,121 <sup>331</sup>	4,591	9,302
			Target	n/a	n/a	n/a	n/a	n/a	6,500
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 5: Number of persons trained in capacity building courses	Achievement	0	0	24	258 <sup>332</sup>	30	312
			Target	n/a	0	n/a	n/a	n/a	600
			Baseline	n/a	0	n/a	n/a	n/a	n/a
		Indicator 6: Number of studies, actions, campaigns, research activities carried out	Achievement	0	0	n/a	4	9	13
			Target	n/a	n/a	n/a	n/a	n/a	10
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 7: Number of civil society projects	Achievement	0	0	2	0	1	3
			Target	n/a	n/a	n/a	n/a	n/a	50
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a

<sup>329</sup> This target only covers actions specifically addressing women. Other targets included in this Priority axis and other Priority axes also include female participants

<sup>330</sup> In Air 2009, the achievement under 'Number of vulnerable persons trained/supported' was erroneously reported as 656 instead of 590. In 2009, under ESF 3.64 66 participants were added to the indicator by mistake

<sup>331</sup> In Air 2010, the achievement under 'Number of vulnerable persons trained/supported' was erroneously reported as 4,500 instead of 4,121. In 2010, under ESF 3.52 three participants were added erroneously to the indicator, whilst under ESF 3.60, 422 had actually started training in 2011 and not in 2010 as was reported. Additionally, under ESF 3.64 and ESF 3.61 45 persons and 1 participant respectively were not added to the indicator of 2010

<sup>332</sup> In Air 2010, the achievement under 'Number of persons trained in capacity building courses' was erroneously reported as 252 instead of 258 since under ESF 3.42 5 participants were omitted from the reporting under this indicator

Results	A	Indicator 1: % of participants in employment or further study 6 months after receiving assistance	Achievement	0%	0%	0%	0%	5%	5%
			Target	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	na	n/a
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	0%	10% <sup>333</sup>	8%	18%
			Target	n/a	n/a	n/a	n/a	n/a	50%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 3: % of vulnerable persons in employment or further study 6 months after receiving assistance	Achievement	0%	0%	0%	10% <sup>334</sup>	46%	56%
			Target	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 4: % of participants in capacity building gaining a qualification/certification	Achievement	0%	0%	0%	38%	5%	43%
			Target	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a

The output indicators and the result indicators have experienced satisfactory progress during 2011. This is clearly the result of the status of implementation achieved by the projects. The *Number of vulnerable persons trained and supported* continued to register a significant increase in achievements highly exceeding the OP target together with the *Percentage of vulnerable persons in employment or further study*, which has reached that of 56%, well above the 20% target. This success has been mainly achieved through a significant contribution of the aid scheme (ESF3.64), with 901 participants retained in employment in 2011 and ESF3.60, with 5359 youths supported by end 2011, of whom 2532 were in employment or further studies.<sup>335</sup>

Constant progress was registered in the number of women trained in 2011, despite the fact that as at the end of 2011 only four (4)<sup>336</sup> projects are specifically addressing this indicator. For this purpose, the MA is planning to issue a specific Call for project proposals<sup>337</sup> which targets solely this indicator in an attempt to ensure that the set target will be achieved by the end of the programme. A positive note registered in 2011 in this regard is that 104 women entered *in employment or further study 6 months after receiving assistance* and an additional 164 received a qualification/certification in different areas of studies. The *Number of persons*

<sup>333</sup> In Air 2010, the achievement under the result indicator '% of participants gaining a qualification/certification' was erroneously reported as 10% rather than 54.66%. In 2010, under ESF 3.54, this indicator was calculated cumulatively on both the vulnerable persons trained and the women trained. Therefore in 2010, this should have been recorded as 82 female participants gaining qualification. Under ESF 3.52 10 participants were erroneously recorded as being certified, when no certification had taken place. Under ESF 3.43, no participants were recorded as being gaining a qualification in 2010 when this should have been reported as 137 participants

<sup>334</sup> In Air 2010, the achievement under the result indicator '% of vulnerable persons in employment or further study 6 months after receiving assistance' should read 10% instead of 11%. Under ESF 3.52, in 2010 this should have been reported as 3 participants instead of 1 participant. Under ESF 3.60, in 2010 this should have been reported as 246 participants instead of 292 participants

<sup>335</sup> As at the end of 2011, the number of youths in employment or further study for ESF 3.60 was 2532, out of whom 87% were in education and the remaining 13% were gainfully employed. Other projects which have registered achievements under this indicator were ESF 3.43, ESF 3.52, ESF 3.61, ESF 3.62, ESF 3.66

<sup>336</sup> ESF 3.48; ESF 3.54; ESF 3.107 and ESF 3.108

<sup>337</sup> Call 9 -PA 3 is planned to be issued in Q 2 of 2012

*trained in capacity building courses* continued to increase in 2011, surpassing half its respective target<sup>338</sup> and an additional thirty (30) professionals working in the social field were certified<sup>339</sup>. The target under *output indicator 6* has almost been reached and will, in all probability, be exceeded by the end of 2012, given that approved actions under this indicator are expected to be finalised during that year. No further calls targeting vulnerable groups are expected. With reference to those output indicators that did not register any achievement as at the end of 2011, namely *Number of actions supporting a lifecycle approach to work* and *Number of families benefiting from childcare*, it should be noted that, in the former, projects which are contributing towards the first indicator will complete the respective activities in 2012<sup>340</sup> whilst in the case of the latter indicator, the only significant project that was going to contribute to that indicator was withdrawn in 2010, as a result of lack of interest from participants.

Civil society involvement as Beneficiaries has been considerably limited to date. Apart from obvious financial constraints (most are run on a voluntary basis), civil society organisations are also particularly fragmented in Malta and therefore capacity also becomes a problem<sup>341</sup>. Nevertheless, although only three (3) projects are implemented by Voluntary Organisations, a further nine (9) projects (including the scheme) have partners which are coming from the NGO sector. The MA together with other authorities whose remit is to assist NGOs in tapping EU funding, have continuously endeavoured to encourage NGOs and Partner organisations, both via information and informal meetings and also through higher level initiatives such as the Monitoring Committee meetings. The Call 6 for project proposals did actually attract a number of possible Beneficiaries to the information sessions and a project submitted by a Voluntary Organisation was actually approved.<sup>342</sup> In spite of these efforts though, the take up is still not deemed satisfactory and the MA will keep directing considerable efforts in order to improve their level of uptake of the available ESF funding.

## b) Financial Analysis

**Table 14 Financial Progress Priority axis 3**

Priority axis	A Total contribution	Financial progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority axis 3 <i>Promoting an Equal and Inclusive Labour Market</i>	€36,900,000.00	€29,903,045	€14,752,053	€5,249,500	81%	40%	14%

<sup>338</sup> Projects registering achievements under this indicator are ESF 3.42; ESF 3.43; ESF 3.49 and ESF 3.66

<sup>339</sup> ESF 3.42

<sup>340</sup> ESF 3.47, ESF 3.49, ESF 3.108

<sup>341</sup> Article 13 of EC REG NO 1828/2006

<sup>342</sup> ESF 3.108 headed by Dar Guzeppa Debono.

The financial progress of the Priority axis is marked with an increase of the committed amount from 44% in 2010 to 81%, due to the approval of eight (8) new projects, with a total eligible budget amounting to €13,776,762. Contracting also continued to increase and in 2011, 40% of the committed amount was contracted, representing an increase of 44% on the achievement as at end of 2010.<sup>343</sup> This amount represents contracting undertaken with respect to the fifteen (15) projects (including one (1) Aid Scheme) approved in 2008/2009 and the main contributors to the progress were ESF 3.61 and ESF 3.62 with the contract/s signed in relation to training and support initiatives. As at end of 2011, payments reached €5,249,500<sup>344</sup>, representing 18% of the committed amount and 14% of the total PA allocation, of which €4,535,055 (86%) were disbursed on *mainstream* projects whilst €714,445 (14%) were reimbursed to enterprises through the aid scheme. It is clear that disbursement remains very low in relation to the commitments, largely due to the fact that the majority of projects under implementation registered severe problems in the procurement process in 2010. Given that a number of initiatives will conclude implementation in 2012, it is expected that the level of payments, verification and certification will increase significantly during 2012. Despite a similar scenario for the EAP in terms of payments, as at end 2011, the amount committed by the IB in grants (i.e. contracted) was €11,398,278, resulting in considerable over-commitment. There is constant monitoring by the IB on the commitment of the scheme vis-à-vis the reimbursements submitted by the Beneficiaries and experience garnered so far shows that actual (and eligible) reimbursement claims received usually amount to 70% – 75% of the commitments.

In 2011, management verifications by the MA amounted to €2,364,197 which were also certified to the EC in 2011, with an increase of 252% over 2010<sup>345</sup> and bringing the total amount of management checks on-the-spot by the MA (since the beginning of the programme) to €3,179,024. In order to verify these amounts, the MA undertook forty nine(49)<sup>346</sup> Article 13 checks during 2011 for a total of 641 hours spread over 117 visits. Out of these forty-nine (49) checks, eleven (11) were Physical Checks.

### 3.3.4 Significant problems encountered and measures taken to overcome them

Similar to the other Axis, significant problems encountered under this axis include procurement and fragmentation in implementation. In the case of Axis 3 this is more pronounced given that eleven (11) projects out of twenty three (23) operations being implemented under this Axis are for a value of less than €500,000. As in the past this Axis saw a high number of unsuccessful procurement procedures largely due to the lack of response from prospective bidders both due to the nature of the project and the specificity in the services requested, resulting in a number of re-launched procedures and the obvious delays which have not been recuperated. In order to mitigate against this issue, where possible the MA directed beneficiaries to consolidate tenders. The relative low value of most of the projects under this Axis, gives rise also to fragmentation in payments which then translates into delays in payments and subsequently also in the verification and certification processes.

In line with what was also said under Axis 2, the implementation of the Aid Scheme in itself presents a challenge. Both the lack of experience at enterprise level to cope with the administrative requirements and

<sup>343</sup> The Total contracted amount as at the end of 2011 is €14,752,053, The total contracted amount as at the end of 2010 was €10,266,662

<sup>344</sup> The total amount paid during 2011 only amounted to €3,019,923.

<sup>345</sup> The total amount certified during 2010 was that of €671,163.

<sup>346</sup> Nine(9) MA officers were engaged in undertaking such checks, dedicating a combined total of 1,115 hours

the checks that need to be undertaken by IBs prior to payments, presented to be a challenge to the system. Particularly under this scheme, given that payments can only be processed once the support period is terminated in accordance with the disbursement pattern of the aid scheme, the issues identified are compounded by the high concentration of claims in a particular period of the year. Even though disbursement flows as at end 2011 improved when compared to the same figures for the previous year; the forecasted disbursement was not achieved. In 2011, the IB took the necessary measures to revise and standardise documents as well as increase capacity to deal with the volume of payments. However the high number of incorrect and/or incomplete submissions<sup>347</sup> as well as instances of non-compliance with National Rules<sup>348</sup> have reduced the level of eligible payments and also slowed down the payment process. In an effort to mitigate against these difficulties, the IB undertook a simplification process and sought the assistance of Partners, including the Malta Chamber for Commerce, Enterprise and Industry (MCCEI), General Retailers and Traders Union (GRTU) and the Malta-EU Steering Action Committee (MEUSAC). These measures are expected to continue in 2012 when more focus will be made on translating commitments into payments, due to the fact that the scheme has already registered over-commitments.

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<sup>347</sup> These include wrong dates, ineligible costs included in claim, wrong VAT numbers, incorrect trade name and miscalculations in pay slips and claim form, missing pay slips, attendance sheets and National Insurance receipts

<sup>348</sup> Such as issues related to the minimum wage and incorrect computations of NI



## 3.4 Priority axis 4 – Strengthening of institutional and administrative capacity

### 3.4.1 Achievement of targets and analysis of the progress

Priority axis 4 aims to undertake interventions addressing two main objectives: strengthening efficiency and effectiveness of the public sector and contributing towards the development of effective partnerships in a wide range of policy areas. As at the end of 2011, there were nine (9)<sup>349</sup> projects being implemented under this axis: seven (7) projects aim at fostering the efficiency and effectiveness in the public sector whilst two (2) projects target the strengthening of partnership between all relevant socioeconomic actors, in particular the Social Partners and Civil Society representatives, so to ensure an effective social dialogue at both national and European level. Sixteen (16) proposals were submitted under the 7<sup>th</sup> call for projects and three (3) projects (targeting 366 public employees) were approved in 2011<sup>350</sup> for a total value of € 1,182,593, representing 13% of the total committed amount under Axis 4 (up to December 2011). During the year under review, implementation of projects approved in 2009 gained momentum. As at the end of 2011, total committed amount under this Axis was €8,907,426, representing almost 42% of PA 4 allocation, which is slightly higher (16%) than the amount reported in 2010.<sup>351</sup> In Q4 2011, the MA issued a tailored pre-announcement with an indicative value of €7.5 million (65% of available resources) paving the way for a new call to be launched in 2012 under this Axis.<sup>352</sup>

<sup>349</sup> Six projects out of nine were approved in the latter half of 2009

<sup>350</sup> Projects approved in 2011 are: ESF 4.152 'Capacity Building for MCST', amounting to €538,417; ESF 4.159 'Developing Quality Management in the Public Administration through CAF' amounting to €294,755 and 4.163 'Training of Consumer & Competition Officials and Awareness Campaign', amounting to €538,417

<sup>351</sup> Committed amount in 2010 was €7,709,035

<sup>352</sup> Call 8 was launched in January 2012 and closed in March 2012. Twenty-one (21) proposals amounting to over 16Mil were submitted

### 3.4.2 Information on the physical and financial progress

The table below depicts the physical progress under this axis in accordance with Commission Regulation 1828/2006 Annex XXIII

**Table 15 Data on participants Priority axis 4**

TOTALS PA 4 2011		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+Unemployed+Inactive)	2205	641	2126	594
	Employed	2156	617	2077	570
	Self Employed	590	112	590	112
	Unemployed	13	7	13	7
	Long Term Unemployed	2	2	2	2
	Inactive	36	17	36	17
	Inactive in Education and Training	20	14	20	14
Age	Young People (15-24 years)	83	36	79	34
	Older Workers (55-64 years)	327	44	326	44
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	8	7	8	7
	Disabled	14	5	14	5
	Other Disadvantaged People	4	3	4	3
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	595	80	591	77
	Upper Secondary education (ISCED 3)	335	100	324	92
	Post-secondary non-tertiary education (ISCED 4)	278	100	270	96
	Tertiary Education (ISCED 5 & 6)	997	361	941	329

#### Physical Progress

No operations under this Axis were completed in 2011. Nevertheless, significant progress on the activities was registered on all projects approved in 2009. During the year under review, two (2) DoC tenders were contracted while another (10) DoC tenders for training under ESF4.100 were launched<sup>353</sup> together with two (2) departmental tenders<sup>354</sup>. In addition to that, during 2011, two calls for applications for scholarships for the public service were

<sup>353</sup> Appeals were lodged on one of the tenders

<sup>354</sup> One of the contracted departmental tenders was launched during 2009. Another tender was not evaluated as it was re-issued with no success

launched under ESF 4.100<sup>355</sup>. As a result of Call 1, eighty-two (82) awarded sponsorships for scholarships amounting to approximately €160,000<sup>356</sup> were approved. Over 1,200<sup>357</sup> public employees were trained as a result of the training activities undertaken in 2011 in Malta and abroad. The areas include simplification and better regulation procedures, promoting and sustaining an administrative culture supporting regulatory quality among senior Government policy makers (ESF 4.87); employee support issues (including awareness and support on psycho-social and/or disability issues that may affect employees experiencing personal, emotional and/or behavioural problems which are interfering with their work-life balance (ESF 4.97); HR management; IT information security and risk management (ESF 4.100). Other activities carried out in 2011 include studies, research and campaigns. In this context, the Management Efficiency Unit (MEU) under ESF 4.87 has conducted a study on the cost to businesses arising from over regulation whilst the Centre for Development Research and Training (CDRT) conducted a skills profiling exercise (ESF 4.100) as well as a study to investigate best practices in ICT focusing on public administration needs (ESF 4.98).

With regard to those initiatives aimed at fostering the role of partnership both at European and national level, significant activities have been carried out which contributed towards the enhancement of partnership and networks. Under ESF 4.94, training was provided to Social Partners within the Malta Council for Economic and Social Development (MCESD) in relation to current economic and development issues and on the collection and analysis of data to better respond to legislation and policy formulation undertaken by government, such as green policies. Training was also provided on ethics and values as well as on the link between social improvement and economic development. Such training is serving as an empowerment exercise to Social Partners so as to be able to address any incoming EU Directives or Regulations which can affect the various sectors in which the partners operate. It is expected that this will result in improved feedback and input in government policy making. On the same lines, during the year under review, an outreach activity with employers of micro enterprises was carried out so as to inform them about legislation ranging from employment laws and regulations to cost-effective and energy saving mechanisms (ESF 4.86). As at end 2011, 759 employers participated in the outreach programme.

### 3.4.3 Qualitative Analysis

#### a) Analysis of Indicators

**Table 16 Priority axis 4 Indicators (Output and Result Indicators)**

Priority axis 4 – Strengthening of institutional and administrative capacity				2007	2008	2009	2010	2011	Total
Output	A	Number of persons participating in training in a year	Achievement	0	0	0	213	2,205	2,418
			Target	n/a	n/a	n/a	n/a	n/a	4000 <sup>358</sup>
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Number of studies/actions/campaigns/research	Achievement	0	0	0	1	1	2
			Target	n/a	n/a	n/a	n/a	n/a	30

<sup>355</sup> Call 1 issued in January 2011 and Call 2 issued in August 2011

<sup>356</sup> As at end 2011, Call 2 was still under evaluation

<sup>357</sup> 1237 to be precise

<sup>358</sup> Includes repeat participants

		activities carried out	Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	Number of projects supporting partnership	Achievement	0	0	2	0	0	2
			Target	n/a	n/a	n/a	n/a	n/a	7
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
Results	A	% of participants gaining a qualification/certification	Achievement	0%	0%	0%	1%	37%	38%
			Target	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
	B	% increase in the technical capacity (secretariat) at MCESD to support Council (and sub-committees) in reaching informed opinions in policy issues	Achievement	0%	0%	0%	57%	0%	57%
			Target	n/a	n/a	n/a	n/a	n/a	50% <sup>359</sup>
			Baseline	n/a	n/a	n/a	n/a		n/a

The table above depicts the achievements registered on the output and results indicators under PA 4 as at end 2011. It must be highlighted that the reported achievements are solely attributable to the six (6) initiatives which were approved in 2009. Moreover, although implementation of these projects did pick up by the end of 2011, given that most of them were still at a relatively early stage of implementation, the achievements in the result indicators, in particular, were still below expectations. With regard to the achievements of the output indicators under this Axis, it is to be noted that under *Number of persons participating in training*, considering that all projects started to deliver training, this indicator registered a significant increase over 2010 achievements.<sup>360</sup> With reference to *Number of studies/ actions/ campaigns/ research activities carried out*, the achievements registered in 2011 relate to ESF 4.98 which has managed to conclude the research study on best practices in ICT in the public administration. The result indicator *% of participants gaining a qualification/certification* registered some progress particularly through ESF 4.97, which started to certify participants in 2011. The certification of 254 public employees who attended training in the Standard Cost Model and Better Regulation Principles was also registered under ESF 4.87 whilst sixteen (16) participants attending training abroad on ICT related issues were certified under ESF 4.98.

## b) Financial Analysis

<sup>359</sup> Baseline as at 2006 is three full time and one part-time

<sup>360</sup> In 2012 a review of this indicator was undertaken as part of the proposal for OP change presented in Q1 2012

**Table 17 Financial Progress Priority axis 4**

Priority axis	A Total contribution	Financial progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority axis 4 <i>Strengthening of Institutional and Administrative capacity</i>	21,405,000.00	8,907,426	3,052,184	1,481,194	42%	14%	7%

A brief overview of the financial progress of the Priority axis reveals a slight increase in the financial commitment when compared to the previous year, although commitments remain well below the 50% of the Axis' allocation. On the other hand, the contracted values increased, reaching €3,052,184 which represents 34% of the committed amount and 14% of the allocation under the Axis. The major contributor to this achievement is ESF 4.87, (€1.1 Mil contracted). As at the end of 2011, with exception of the newly approved projects and of ESF 4.100, all other projects managed to contract more than 50% of the total eligible public allocation. Improvement was also registered in the level of disbursement, with a ten (10) times increase when compared with 2010.<sup>361</sup> Payments represented almost 49% of the contracted amount and almost 17% of the commitments under this Axis. Although all projects approved during the last Q of 2009 registered payments as at the end of 2011, the level of disbursement under Axis 4 remains both low and slow. The reasons behind such slow achievements mainly depend on the small number of projects approved under this Axis so far but also on the complexity of projects approved, which have faced procurement issues resulting in significant delays in the implementation on the ground. These aspects will be further developed in the next section of this report.

In 2011, the documentary verifications carried out by the MA under this Axis resulted in €809,746 being verified to the Commission (55% of payments made), which were also eventually certified to the EC in 2011. In order to verify these amounts, the MA carried out 17<sup>362</sup> Article 13 checks during 2011 for a total of 258 hours spread over 44 visits in total. Out of 17 checks, 5 were Physical Checks.

#### **3.4.4 Significant problems encountered and measures taken to overcome them**

Axis 4 is clearly experiencing some difficulties when compared to the other Axes within the same OP. The delays registered in 2011 are primarily related to the low uptake of projects and to procurement issues. Despite the two calls for proposals issued under this Axis, the quality of proposals submitted and hence approved remains low. For this reason, following the MTE recommendations, the MA carried out an internal review in 2011, to identify the reasons underlying such low performance and prompt corrective actions.

<sup>361</sup> Total paid (in public eligible cost) in 2010 amounts to €132,242

<sup>362</sup> Nine (9) MA officers carried out these checks dedicating a combined total of 467 hours

The reasons are varied but could be primarily attributed to an exponential increase in workload<sup>363</sup> within the public sector in general – as a result of the change in work practices of many public organisations and government departments due to the new commitments and obligations arising primarily (but not exclusively) from EU membership,<sup>364</sup> coupled with a limited overall capacity due primarily (but yet again not exclusively<sup>365</sup>) to the crisis and its obvious repercussions on public spending. The combination of these factors seems to have led to a progressive decrease in demand and/or resorting to more innovative means of capacity building (e.g. train the trainers, distance learning, or shorter and more concise/focused training than originally planned) in order to be able to maintain capacity whilst at the same time limiting the duration / absence of the trainee from the workplace. This has limited the absorption of funds under this Axis. Social partners and Civil society organisations, also found it difficult to submit proposals due to limited capacity and also extensive volume of work they carry out which does not allow them to take up extra responsibilities.

In the light of the above and in line with Article 33 of the General Regulation the MA deems necessary to propose a shift of funds from Axis 4 to Axis 1. This shift shall still maintain a good level of resources for Axis 4 whilst at the same time will mitigate against potential losses. The shift will ensure that resources are maximised in those areas of the economy which are being prioritised. Moreover, Malta believes that shifting these resources from Axis 4 to Axis 1 is still in itself a measure of capacity building of the public administration as a number of key public sector organisations operating in the education sector such as MCAST, University of Malta, the Malta Qualification Council, the National Commission for Higher Education and the Department of Education benefit from Axis 1 projects.

On another note, procurement issues continued to represent a delaying factor for projects under implementation. In particular, the main training tender under ESF 4.98 was subject to an appeal whereby the ruling of the first appeal was then again counter-appealed. This has drastically hindered the implementation process and training under this tender could not commence in 2011. The first call for scholarships under ESF4.100, was also problematic resulting in low take up, also because of competing schemes under other projects and national resources. With the second call, take-up improved following revisions in the conditions including extending the eligibility till 2015.

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<sup>363</sup> Also many travel commitments that take up a lot of time, but which in themselves have also provided a wealth of knowledge in some areas resulting also in decreasing the previous training forecasts.

<sup>364</sup> At the time of programming (end of 2005) the full impact of these new roles and functions were not fully internalised

<sup>365</sup> Another element is high turnover (and therefore frequent periods of vacant positions until recruitment is undertaken) as well as the explosion of training and further education opportunities available in general.

## 3.5 Priority axis 5 – Technical Assistance

### 3.5.1 Achievement of targets and analysis of the progress

Technical Assistance (TA) continued to provide the necessary support to the MA and the relevant stakeholders in the efficient and effective management of the Programme. During the year under review, the implementation of TA focused mainly on actions that aimed at strengthening individual and organisational capacity. This was essential in order to ensure that the necessary skills and expertise were available to engage effectively in demanding processes related to the complexities brought about by increased momentum in implementation. In this context, technical assistance has financed a number of activities, which were mainly related to the monitoring of the physical and financial progress of the Programme, such as further development and fine-tuning of the management and information system, Monitoring Committee (MC) meetings and other monitoring tools and processes. Training activities sought to foster and increase expertise of personnel involved in the management and implementation of the Programme, whilst a number of awareness-raising initiatives aimed at informing the public regarding ESF funded actions were also financed through TA in 2011. Moreover, in order to assess the Programme's overall impact, in 2011, TA funded evaluation actions related to the mid-term evaluation whilst commitments were made regarding the cohort study and the thematic evaluations, the latter to be contracted in 2012. In this regard the contracted amount soared in 2011 and reached a total value of €2,858,217<sup>366</sup> (56% of the total allocation).

### 3.5.2 Information on physical and financial progress

The table below depicts the physical progress under this axis in accordance with Commission Regulation 1828/2006 Annex XXIII.

**Table 18 Data on participants Priority axis 5**

PA 5 - 2011		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants	31	9	31	9
	Employed	31	9	31	9
	Self Employed	0	0	0	0
	Unemployed	0	0	0	0
	Long Term Unemployed	0	0	0	0
	Inactive	0	0	0	0
	Inactive in Education and Training	0	0	0	0
Age	Young People (15-24 years)	1	0	1	0
	Older Workers (55-64 years)	5	2	5	2
ble Gro	Minorities	0	0	0	0

<sup>366</sup> This includes multi-annual commitments (as per contract) related to salaries, but does not take into account possible extensions of contract till end of the programming period and actions planned (communication actions) which would fully absorb the allocation.

	Migrants	0	0	0	0
	Disabled	0	0	0	0
	Other Disadvantaged People	0	0	0	0
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	0	0	0	0
	Upper Secondary education (ISCED 3)	0	0	0	0
	Post-secondary non-tertiary education (ISCED 4)	0	0	0	0
	Tertiary Education (ISCED 5 & 6)	31	9	31	9

## Physical progress

During 2011, Technical Assistance continued to finance activities under most budget components.<sup>367</sup> To this effect, forty (40)<sup>368</sup> requests were approved in 2011 totaling €292,568. The majority of the requests in 2011 were submitted under the *Capacity Building* component (47%), followed by *Implementation of Cohesion Policy* component (33%), *Information and Publicity* (15%) and *Evaluation* (5%). This demonstrates that, as implementation on the ground gains momentum, the technical capacity within the different stakeholders, including the MA, , needs to be increased so as to address the financial and human resource constraints. It should be noted that the requests relate to either actions approved to be financed solely through the ESF TA fund (such as the Cohort Study under the Evaluation component) or under the 70/30 arrangement when the action concerns both ERDF and ESF (such as the Annual Event). With regard to the procurement processes in 2011, numerous calls for quotations were issued together with three (3) procurement procedures which were launched and awarded within the same year<sup>369</sup>.

With regard to the financial progress under Axis 5, 2011 saw a substantial increase in the contracted amounts. In this regard, it should be noted that the majority of the contracts funded under TA in 2011 relate to employment contracts within the different stakeholders, followed by commitments related to the evaluation, information and publicity activities, participation in overseas training/meetings as well as monitoring activities<sup>370</sup> and the purchase of items needed for the day-to-day implementation of the Programme. The same situation may be observed under the payments processed. In this regard, the bulk of the payments were related to the implementation of Cohesion Policy component followed by disbursements related to evaluation, capacity building and training and information and publicity. Further information on the activities implemented under this Axis will be provided under Chapter 5 of this report.

### 3.5.3 Qualitative Analysis

#### a) Analysis of Indicators

<sup>367</sup> With the exception of the furniture and equipment component as no requests were received in this regard

<sup>368</sup> Technical Assistance is demand-driven. Eligible Applicants for TA are those stakeholders involved in the management, implementation and control of the relevant OP/Cohesion Policy. These include the MA, CA, AA, Treasury Department, DoC, IBs and LMs

<sup>369</sup> Two (2) procedures relate to the 2011 Annual Event and one to evaluation (Cohort Study).

<sup>370</sup> This includes: two Monitoring Committee meetings held in May and October 2011; the IMCC Meeting held on 21st February 2011 and bi-lateral project progress meeting held at MCC on the 25 March 2011 as well as PSC remuneration



**Table 19 Axis 5 Indicators (Output and Result Indicators)**

Priority axis 5 - Technical Assistance				2007	2008	2009	2010	2011	Total
Output	A	Indicator 1: Number of Persons Trained	Achievement	0	86	57	71	31	245 <sup>371</sup>
			Target	n/a	n/a	n/a	n/a	n/a	350 <sup>372</sup>
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: Number of evaluations carried out	Achievement	0	0	0	0	1 <sup>373</sup>	1
			Target	n/a	n/a	n/a	n/a	n/a	4
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 3: Number of Publicity measures undertaken	Achievement	3	5	4	5	5 <sup>374</sup>	22 <sup>375</sup>
			Target	n/a	n/a	n/a	n/a	n/a	15
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 4: Number of studies/research activities carried out	Achievement	0	0	1	0	0	1
			Target	n/a	n/a	n/a	n/a	n/a	5
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a
Result	A	Indicator 1: Reaching N+3/N+2 targets	Achievement	0%	0%	0%	0%	100% <sup>376</sup>	100% <sup>377</sup>
			Target	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a

In the course of 2011, output indicators have continued to witness an overall increase in achievements. An additional thirty-one (31) participants have been trained either locally or abroad. The number of publicity measures continued to increase steadily which included, a number of publicity activities such as the statutory Annual Event as well as the financing of promotional items and the Publicity Network meeting<sup>378</sup>. The steady

<sup>371</sup> This figure does not include repeat participants. Achievements registered in previous years included repeat participants and as at end 2011 amounted to a total of 468. This figure has now been revised to eliminate any repeat participants in accordance with the TA's OP target. Furthermore, the figure quoted in 2007 erroneously reported 3 participants which has now been corrected

<sup>372</sup> Does not include repeat trainees

<sup>373</sup> This refers to the Mid-Term Evaluation entitled " Mid-Term Evaluation for Operational Programmes I and II- Cohesion Policy 2007-2013" which was completed in 2011

<sup>374</sup> This figure includes: 1 (Annual Event); 1 (Promo-items); 1 (Publicity stickers); 1 (Local network meeting) and 1 (call for proposals)

<sup>375</sup> Achievement between 2007 and 2010 was reported as per Communication Plan, but reported as micro-publicity actions and as at end 2011 amounted to 34. These have now been revised to include macro- publicity actions in order to be in line with the TA OP target

<sup>376</sup> As at the end of 2011 (N+3 year), the total amount of € 15,648,075 (EU Share) was certified and therefore N+3 target was fully reached.

<sup>377</sup> Under this indicator the total achievements are not being calculated cumulatively but are reflecting the final reporting year

<sup>378</sup> Achievements in 2011 as per Communication Plan included: One (1) Annual Event, One (1) call for adverts for the pre-announcement call (call 8) and one (1) promotional items, one (1) publicity network meeting and one (1) publicity stickers

increase is due to the fact that as implementation peaks, there are more results to share. With the finalisation of the MTE, progress was registered in indicator 2: *Number of evaluations carried out*. Further progress is expected to be registered in 2012 with the issuing of the thematic evaluation and the implementation of the Cohort Study which were approved to be financed in 2011. With regard to the indicator *reaching the N+3 target*, the target was fully achieved for the year 2011.

## b) Financial progress

**Table 20 Financial Progress Priority axis 5**

Priority axis	A Total contribution	Financial progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority axis 5 <i>Investing in the employability and adaptability of the workforce</i>	5,064,705.00	5,064,705.00	2,858,217	1,075,008	100%	56%	21%

Disbursement in 2011 under this axis registered a substantial increase<sup>379</sup> when compared to 2010. As at the end of 2011, 42% of payments made (€ 626,377) were verified by the MA and certified by the CA.

### 3.5.4 Significant problems encountered and measures taken to overcome them

Comments made under the other axes also apply to TA especially with regard to the fragmentation of implementation. The TA consists of tens of mini operations and the processing of these actions is very resource intensive. Although the issue cannot be fully addressed, some mitigation measures undertaken include constant liaison with the main stakeholders involved in the process, namely the DCS, Treasury and Line Ministry. Another problem identified was the constant mistakes in the request for payments (sometimes even within invoices). Obviously such mistakes resulted in delays in the payment process. An effort was done to establish a standardised approach for the compilation of reimbursement requests. The situation has improved but some errors remain.

<sup>379</sup> Payments increase from just under €700,000 to just under €1,500,000

## 4 – ESF programmes: Coherence and Concentration

In accordance with Article 4(1) of Regulation (EC) No 1081/2006 actions supported by the ESF shall be consistent with and contribute to actions undertaken in pursuance of the European Employment Strategy (EES). Malta's ESF Operational Programme (OP) reflects and builds on the key priorities identified within the National Reform Programmes and the Community Strategic Guidelines/Integrated Employment Guidelines 2007-2013, essential components of the European Employment Strategy (EES) as explained in the same Operational Programme<sup>380</sup>.

Project proponents are required to specify which of the Community Strategic Guidelines/Integrated Employment Guidelines will be addressed through the project and also provide details of how the project will contribute towards the relevant priorities, as identified in the National Reform Programme. The projects approved in 2011 under Call 6 and 7, support actions contributing towards the NRP 2008-2010 which focuses on (i) *Unlocking Business Potential*; (ii) *Investing in Knowledge and Innovation*; and (iii) *Investing in People and Modernising Labour Markets*, while contribution towards the CSGs has increased in all areas during 2011.

In April 2011, Malta has launched a new NRP entitled '*Malta's National Reform Programme under the Europe 2020 Strategy*'. Project Proponents under calls to be issued from 2012 onwards, will be asked to identify their contribution towards the new NRP themes.

### 4.1 Links with the NRP

#### NRP 2005 – 2008

As reported in previous years, the NRP 2005-2008 is divided into five Strategic Themes (i) Sustainability of Public Finances, (ii) Competitiveness, (iii) Employment, (iv) Education and Training and (v) Environment. Projects approved under previous calls have indicated support to these themes and continued to address these themes throughout implementation.

#### NRP 2008 – 2010

The main thrust of the NRP 2008-2010 is based on four (4) Strategic Themes, namely (i) *Unlocking Business Potential*; (ii) *Investing in Knowledge and Innovation*; (iii) *Energy and Climate Change*; and (iv) *Investing in People and Modernising Labour Markets*. The main aim of these themes is to improve Malta's competitiveness for a better quality of life through growth and jobs. The Operational programme is currently sustaining investments under most of the areas identified by the NRP as will be highlighted throughout this section.

<sup>380</sup> OP II Chapter 3 "*Strategic Direction*".

In this context, the MA continued to ensure that newly approved projects address the priorities outlined in the NRP 2008-10. The Application Form template issued under Call 6 and Call 7 had, in fact, a specific section under which project proponents were requested to highlight the project's contribution to the themes as addressed in NRP2008-2010. Nonetheless, it is worth noting that projects approved during previous Calls, which were linked to the NRP 2005-08 priority themes, are deemed to be in line with the thrusts of the NRP 2008-10 while also addressing the objectives outlined in the new NRP launched in 2011<sup>381</sup>. In the following sub-sections, ESF projects addressing the three main themes relevant to Operational Programme II will be outlined.

- *Unlocking Business Potential*

OPII is currently funding two (2) projects that address this theme. ESF 1.125 will set up an Intellectual Property Framework at the University of Malta which shall contribute towards the protection of Intellectual property as well as increase awareness about the importance and benefits of trademarks and patents at a national level. ESF 4.163, under PA 4, also addresses this theme by building on the *Country Specific Recommendations of the NRP* and aims at reinforcing the role of the Competition Authority to strengthen competition. This is being done by enhancing the skills, knowledge and capabilities of the Malta Competition and Consumer Affairs Authority (MCCAA) officers who, in turn, will assist in improving the services provided by the MCCAA to consumers and traders.

As already stated, in addition to these two projects, other initiatives approved under OPII (linked to the previous NRP), are also in line with the thrusts of NRP 2008-10. In this regard, ESF 4.87 addresses this theme through the assessment of regulations in place and proposes ways of how regulations can be simplified with the aim of reducing administrative burden on enterprises which should allow them to focus more on developing their core business. Another two (2) projects implemented under PA 2<sup>382</sup> seek to re-train and attract people within the Tourism industry through Diversity Management<sup>383</sup> and support the up-skilling (and subsequent certification) of managers, supervisors and the unemployed in the tourism sector<sup>384</sup>.

- *Investing in Knowledge and Innovation*

Within the context of this theme, the OP is currently funding eleven (11) projects,<sup>385</sup> all approved during 2011. The major contribution to this theme within the OP is coming from Axis 1.<sup>386</sup> Initiatives include: R&D based innovation through the setting up of an Intellectual Property and Knowledge Transfer Framework, as well as developing training in entrepreneurship;<sup>387</sup> training educators in using e-Learning technology and use of interactive whiteboards<sup>388</sup> to foster knowledge and an interactive teaching approach; adopting a novel approach of staff professional development;<sup>389</sup> and upgrading vocational training with the aim of becoming

<sup>381</sup> However, these projects have not chosen these themes in the application form, given that at the time the NRP of 2005-2008 was available.

<sup>382</sup> ESF 2.78 and ESF 2.11

<sup>383</sup> ESF 2.78

<sup>384</sup> ESF 2.11

<sup>385</sup> 4 under PA 1, 2 under PA 2, 4 under PA 3, 1 under PA 4

<sup>386</sup> All four newly approved projects under Axis 1 address this theme.

<sup>387</sup> ESF 1.125

<sup>388</sup> ESF 1.123

<sup>389</sup> ESF 1.131

more relevant to the current demand<sup>390</sup>. Priority axis 2 projects also seek to address this priority area by offering courses through e-learning, innovative methods of teaching, job placements targeted to improve the service in the hospitality sector<sup>391</sup> as well as creating a pool of trainers and certifying pyrotechnicians with an NVQ level (which is a first for Malta).<sup>392</sup>

Projects approved under Priority axis 3<sup>393</sup> also address the thrust of Investing in Knowledge and Innovation through: new methods of training prison inmates<sup>394</sup>; the use of assistive technology and ICT for visually impaired people (an innovative concept for Malta);<sup>395</sup> and targeting Gozitan single mothers through training in various vocational and ICT skills.<sup>396</sup> All these actions aim to make the target group more employable. Finally one (1) project approved under Priority axis 4 addresses this theme<sup>397</sup> by training staff within the Malta Council for Science and Technology (MCST) in the management and operation of science popularisation infrastructures.

Other projects under implementation also contribute towards this theme. In this context, OP II is supporting Malta's aim in achieving growth and increasing expenditure on R&D through establishing bursaries for PhD research students<sup>398</sup> as well as promoting science and technology among students and the general public.<sup>399</sup> ICT, which is an equally important contributor to this theme, is being addressed throughout OP II and supported by various projects, from strengthening the public administration through specialist ICT training programmes<sup>400</sup> to the provision of a Diploma in IT, Information Systems and Computing for specific target groups.<sup>401</sup>

*- Investing in people and Modernising Labour markets.*

All projects approved during 2011 under Priority axis 1 support this theme. Amongst the expected results is a mass roll out of training for teachers to gear up for e-learning;<sup>402</sup> re-training teachers on how to deal with mixed ability classrooms trainers following the educational reforms;<sup>403</sup> training in Science and Technology by promoting an entrepreneurial culture through the training and support of prospective Science and Technology entrepreneurs,<sup>404</sup> and increasing the rates of educational attainment.

Contribution to this thrust is also significant under Priority axis 2. All projects approved during the year under review<sup>405</sup>, address this theme. Such projects aim to modernise the labour market by: introducing blended

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<sup>390</sup> ESF 1.130

<sup>391</sup> ESF 2.137

<sup>392</sup> ESF 2.138

<sup>393</sup> This accounts for 37.5% (three out of eight) of newly approved projects under Axis 3

<sup>394</sup> ESF 3.110

<sup>395</sup> ESF 3.112

<sup>396</sup> ESF 3.108

<sup>397</sup> This accounts for 33.3% (one out of three) of newly approved projects under Axis 4.

<sup>398</sup> ESF 1.25

<sup>399</sup> ESF 1.40

<sup>400</sup> ESF 4.98

<sup>401</sup> ESF 2.12

<sup>402</sup> ESF 1.123

<sup>403</sup> ESF 1.131

<sup>404</sup> ESF 1.125

<sup>405</sup> All four newly approved projects under this Axis.

learning as a training mechanism in various sectors of the economy;<sup>406</sup> providing opportunities for Gozitan employees in the tourism sector to upgrade and certify their skills; contributing towards modernisation and promoting competitiveness in the labour market;<sup>407</sup> as well as raising awareness in health and safety measures at the workplace.<sup>408</sup> Health and safety is in fact an aim under the cross-cutting theme of employment in the NRP2008-2010. Priority axis 3's contribution to this theme is also relevant. All projects approved during 2011 also address this theme.<sup>409</sup> These initiatives seek to promote lifelong learning for both disabled persons and staff who work with them through different methods (training and job placements).<sup>410</sup> A number of projects target vulnerable persons whose competences are being re-assessed and improved through up-skilling and re-training (in an effort to support the adaption to the work environment<sup>411</sup>).

Projects under Priority axis 4 also seek to *Invest in People and Modernise Labour Markets*.<sup>412</sup> The Country Specific Recommendations as listed in the NRP 2008-2010 places specific reference to improving the capacity of the organisation dealing with consumer and competition affairs in order to ensure that this organisation has the necessary capacity to monitor price movements, undertake market analysis and merger studies and therefore be in a position to take a more proactive approach in investigating allegations of market abuses. Capacity building of MCCA staff is particularly needed to address the current legal framework brought about by the amendments to the Competition Act. This is being addressed directly through the co-financing of ESF 4.163. As regards the other projects under implementation, it is worth noting that the themes of *Employment*, *Education and Training* are addressed by all ESF initiatives. In this regard, under the employment focus area, specific mention should be made of the projects which are being implemented by the Employment and Training Corporation (ETC) both in its role as a beneficiary and as an Intermediate Body (IB). Through the *Training Aid Framework*<sup>413</sup>, ESF provides training grants to the self-employed and to private sector employers to train their staff with on-and-off the job training. The *Employment Aid Programme*<sup>414</sup> facilitates the integration of disadvantaged groups into the labour market. Moreover, the *Employability Programme*<sup>415</sup> provides a wide range of training initiatives aimed mostly at jobseekers and the inactive. The *Youth Employment Programme*<sup>416</sup> is directly intended to increase the employability and labour market integration of young people, particularly early school-leavers, who benefit from further training.

Under the *Education and Training* focus area, which is cross-cutting throughout all of the Operational Programme, various ESF interventions are being mentioned. For instance increasing the number of graduates in Science and Technology is a priority for Malta. OP II is, in fact, funding scholarships at both Masters and PHD levels under the *STEPS*<sup>417</sup> project. Malta is also addressing this theme through top-up degrees offered in collaboration with reputable research institutions to develop academic courses in an effort

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<sup>406</sup> ESF 2.139

<sup>407</sup> ESF 2.141

<sup>408</sup> ESF 2.138

<sup>409</sup> All eight newly approved projects under this Axis.

<sup>410</sup> ESF 3.105

<sup>411</sup> Such projects include ESF 3.105, ESF 3.107, ESF 3.108, ESF 3.110, ESF 3.113, ESF 3.114.

<sup>412</sup> This accounts for 67% (two out of three) of the newly approved projects under Axis 4.

<sup>413</sup> ESF 2.65

<sup>414</sup> ESF 3.64

<sup>415</sup> ESF 2.40

<sup>416</sup> ESF 3.60

<sup>417</sup> ESF 1.25

to improve current offers of and launch new ones<sup>418</sup> for students and staff. Moreover, ESF is currently funding the training of teachers through an eLearning Platform.

### **Malta's National Reform Programme Under the Europe 2020 Strategy**

During 2011, Malta has published a new NRP which focuses on Malta's support to the Europe 2020 Strategy. The main priorities under this NRP are that of addressing labour productivity by focusing on education, investment, R&D, and improving market functioning, all of which seek to address Malta's competitiveness challenges.

Twenty-five (25) distinct new measures have been introduced in this NRP in order to ensure that Malta achieves its Europe 2020 targets in (i) Employment, (ii) Research and Development, (iii) Energy, (iv) Education and (v) Poverty.<sup>419</sup> Once again, ESF co-financing plays a major role in addressing these themes and various ESF projects are being identified in the NRP itself as contributing effectively towards them.

## **4.2 Links with the CSGs and IEGs**

Under Operational Programme II, Malta is committed to addressing the guidelines for growth and jobs. All of the Priority axes within OPII support the third pillar of the CSGs: to *'Increase investment in human capital through better education and skills'*. Moreover, all of the Priority axes feed into the first guideline *'Attracting and retaining more people in employment, increase the labour supply and modernise social protection systems'*. This is being done through the provision of career guidance to support the transition from education to work, promoting a lifecycle approach to work, supporting the inclusion of those facing difficulties in entering the labour market as well as strengthening labour market institutions.

The other pillars are directly addressed through operations financed under one (1) of the OP's PA. Priority axes 2 and 3 have a direct contribution to the second employment guideline, which seeks to *"Improve adaptability of workers and enterprises and the flexibility of the labour market"*. While Priority axis 2 is concerned with the flexibility of the workforce and enterprises to respond to changes in the labour market, Priority axis 3 supports workers in their lifecycle approach to work while also targeting the inclusion of disadvantaged groups into the labour market. Priority axis 4 is directly targeted towards the fourth guideline, *'Administrative Capacity'*, by targeting the improvement of efficiency of the public administration through actions supporting institutional and administrative capacity including that of the Social partners and Civil Society.

Projects co-financed under ESF are asked to link their project to the CSGs (one or more of the CSGs as outlined above). As at the end of 2011, ESF was funding sixty-one (61) projects and two (2) aid schemes which directly seek to address one or more of the CSGs and IEGs. The biggest contribution of the projects is to the CSG *'Increase investment in human capital through better education and skills'*. In fact, fifty (50) projects and one (1) aid scheme address this theme. Twenty-nine (29) projects<sup>420</sup> and one aid scheme

<sup>418</sup> ESF 1.36

<sup>419</sup> Project proponents under call 8 issued in Q 1 of 2012 have been invited to link their project to these strategic themes.

<sup>420</sup> Includes projects that are contributing to both

address the CSG '*Attract and retain more people in employment, increase labour supply and modernise social protection systems*'. The largest contribution to this aim is coming from Priority axis 3. Twelve (12) of the projects which are currently under implementation also seek to '*Improve adaptability of workers and enterprises*', with the highest number of projects being funded under Priority axis 2.<sup>421</sup> Ten (10) Projects address the CSG '*Administrative Capacity*'. This includes all of the projects under Priority axis 4<sup>422</sup> and one under Priority axis 3.

### 4.3 Links with the European Employment Strategy

The European Employment Strategy aims at increasing human capital and quality of work through education and training. In line with this strategy, Malta supports Europe 2020 targets and promotes Smart, Sustainable as well as Inclusive Growth by sustaining actions that create sustainable growth and jobs.

In this context, the National Reform Programme 2011 identifies five major bottlenecks for Malta, which are very much in line with actions that are considered necessary to support growth as outlined in the Joint Employment Report (JER), issued by the Council and the Commission (Brussels, 20 February 2012). These include: (i) *Ensuring the long-term sustainability of Public Finances in View of an Ageing Population*, (ii) *Ensuring that productivity growth underlines wage developments to safeguard competitiveness* (iii) *a further move to higher value-added activities by raising investment in new areas of growth* (iv) *Ensuring better Utilisation of the Economy's Labour Potential*, in particular that of Women and Older Workers and (V) *Improving the Skills Base of Labour Force*. Increasing skills mismatches and attracting more people into the labour market is also needed in order to ensure that labour markets respond to changing global trends.

In a country like Malta, where human resource is the only resource the development of people becomes even more crucial. OP II reflects these priorities across all of the Priority axes with each Axis concentrating on more specific area/s. In this regard, one of the flagships under the priority for Smart Growth under the Europe 2020 Strategy - *Youth on the Move*, seeks to increase educational attainment of young people and improve their job prospects. One of the aims of Priority axis 3 is to facilitate access to the labour market of disadvantaged groups including youth. Operational Objective B of the aforementioned Axis, in fact, seeks to contribute towards the integration, retention and progression of disadvantaged groups in the labour market. This is being done particularly by increasing employability of young people, addressing early school leavers, supporting young adolescents with emotional behaviour and enabling young people to get a fair start in life. This is being done through various actions such as training, outreach and guidance services<sup>423</sup>.

Another general aim, which is inherent to the European Employment Strategy and is one of the focus areas of the Joint Employment Report (JER) is to reduce unemployment rates in general particularly that pertaining to people in long-term unemployment. In this context, one of the schemes under OP II, the *Employment Aid Programme*, targets amongst others, the long-term unemployed. This group, together with that of registered unemployed, are eligible for a 52-week subsidy. The scheme aims to reduce the rate of long-term registered

<sup>421</sup> Seven projects addressing this

<sup>422</sup> This includes all 9 Projects under PA 4 and ESF 3.43

<sup>423</sup> Projects which address this aim include ESF 3.60, ESF 3.61, ESF 3.108



unemployment by 1%. By the end of 2011, circa 200 Beneficiaries classified under this client group had benefitted from this scheme.<sup>424</sup> The *Employability Programme*<sup>425</sup>, also targets the long-term unemployed by offering training in various areas, work orientation skills assessment possibilities, re-training programmes, traineeships and a training subsidy scheme.

The Priority of Inclusive Growth and the Flagship Initiatives for *An Agenda for new skills and jobs* as well as the *European Platform against poverty*, targets people at risk of poverty and social exclusion. The JER of 2012 also refers to the need to ensure that active inclusion strategies are in place in order to assist the most vulnerable groups. Priority axis 3, aims at promoting an equal and inclusive labour market with the main objective to promote the uptake of stable and quality employment by persons who find difficulties in participating in the labour market.<sup>426</sup> The OP is, in fact, targeting social exclusion by targeting vulnerable groups coming from all social strata including, but not limited to, prisoners, visually impaired persons and disabled persons. This is being done by providing training opportunities, learning support assistance, job coaching as well as personal assistance. These actions provide various skills-set which assist vulnerable people to become more employable<sup>427</sup>.

As already mentioned, Malta believes that addressing skills mismatches by investing in education and training, particularly through innovation, is important in ensuring growth. Skills mismatches in various sectors are being addressed through projects funded under ESF. This can be seen as a cross-cutting priority across all Priority axes within the OP and is evident in the many actions that are on offer to equip individuals with tools that are deemed necessary, if not indispensable, for future jobs in the most important sectors of the economy, including Tourism, Financial Services and ICT.<sup>428</sup>

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<sup>424</sup> In this context, it is worth noting that the National Statistics Office of Malta (NSO News Release 6 January 2012) has reported a decrease of 1.9% in the unemployment rate in 2011 when compared to the previous year. This is most likely attributed to the scheme.

<sup>425</sup> ESF 2.4

<sup>426</sup> ESF 3.110

<sup>427</sup> Such projects include ESF 3.110, ESF 3.112, ESF 3.113, ESF 3.114

<sup>428</sup> Such projects include ESF 2.141 and ESF 4.152

## 5 - Technical Assistance

During the fifth year of implementation of the Programme, Technical Assistance (TA) continued to contribute towards the provision of adequate support in the implementation of the Programme. Funds committed were mostly related to capacity building, staff costs, information and publicity actions, evaluation and monitoring and other expenditure required to facilitate the implementation of the Operational Programme.

In this regard, in 2011 the Managing Authority (MA) received and approved forty (40)<sup>429</sup> requests for the use of TA funds, submitted by both units within the MA (including the horizontal units) as well as from a number of horizontal stakeholders, including the Treasury Department, IAID and IBs. These included requests related to training and participation in conferences/meetings abroad, publicity actions, evaluation and capacity building activities. Request for TA to support the engagement of staff members was also received and approved in 2011.

Thirty-two (32) of the requests received in 2011 were for actions worth less than €2,000 mainly under the component of Capacity Building. This inevitably resulted in a fragmentation of implementation, which has its own administrative weight on a number of organisations<sup>430</sup>, namely the Directorate for Corporate Service within OPM and the Treasury, both involved in the payment process.

As already explained in previous sections of this report, in 2011 the Programme continued to gain momentum. In the year under review, the MA continued to select operations and monitor the physical and financial progress of the projects, which were at an advanced stage of implementation. This has increased the need for the first level of control in order to verify the increasing expenditure to be proposed for certification. These intensive and laborious activities have continued to generate the need for additional capacity and for training activities attended by the MA<sup>431</sup> as well as other stakeholders,<sup>432</sup> in order to strengthen their capacity in implementing the Programme and in carrying out their function. In this regards TA is financing officers within the OP II unit, the MA horizontal units<sup>433</sup> as well as outside the Managing Authority (MA)<sup>434</sup>.

Overall, in 2011, contracting under TA increased by 54% when compared to 2010<sup>435</sup>. The greater part of the expenditure was related to the reimbursement of officers' salaries, followed by the cost of Information and Publicity, Evaluation and Capacity building activities for MA officers and horizontal stakeholders involved in the management and implementation of the Programme as well as costs related to the enhancement of the Management and Information System (SFD 2007-2013). During the year under review, the MA managed to process the majority of the payments related to the commitments made in the same year.

<sup>429</sup> Refers to number of TA forms received

<sup>430</sup> Including the MA

<sup>431</sup> Includes officers working within the OP II unit as well as the horizontal units, such as the Finance Unit and the Communications, Evaluation and Training Unit

<sup>432</sup> Including Beneficiaries and the Audit Authority

<sup>433</sup> Four officers within the OP II unit and six officers within the horizontal units

<sup>434</sup> One officer within Treasury

<sup>435</sup> Refers to percentage increase in amount contracted through TA as at end December 2011. Figure contracted as at end 2010 amounted to € 1,851,071; figure as at end 2011 amounted to €2,858,217

## 5.1 Furniture and Equipment

During the year under review, no furniture and equipment requests were received.

## 5.2 Capacity Building

During 2011, under this component, TA funded the participation in training seminars as well as in meetings abroad<sup>436</sup> of those involved in the implementation of the Programme with the aim of increasing the efficiency in the management of EU funds.

In this context, during the year under review, thirty-one (31) participants attended training either locally or abroad. Twenty-eight (28) officers benefited from training that aim at providing new beneficiaries with the necessary information related to the implementation of the projects, including an overview of their obligations, but also at improving the actual skills and competencies of the officers' working within the main stakeholders.<sup>437</sup> Three (3) officers participated in training abroad (training on verification methods, evaluation as well as training of audits of Structural Funds).

Finally, eighteen (18) officers within the different stakeholders' organisations received TA funds to attend overseas seminars and conferences covering various topics related to the implementation of the two programmes (OPI and OPII) such as, financial control, audit functions, evaluation information and publicity activities but also exchange of practices during the New Member States conference and about the Future of Cohesion Policy.

## 5.3 Implementation of Cohesion Policy

With the rapid increase in implementation (as well as a result of other staff movements), a number of calls were issued in 2011 to increase capacity within a number of organisations. Recruitment took place in the last two quarters of 2011 and continued to spill over to the first half of 2012. Following the clarifications received from the CION in 2009 regarding IB management costs<sup>438</sup>, technical assistance continued to support the additional capacity for the IBs. As at end 2011, the OP had one (1) IB managing two Aid Schemes under PA 2, and PA 3.

In 2011, TA continued to be utilised for the remuneration of the Project Selection Committee members engaged in the selection activity of project proposals received for published calls. TA was also used to finance monitoring costs such as the financing of Monitoring Committees, which were held in May and

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<sup>436</sup> Twenty-one officers (21) went abroad either for training or for conference. Out of the twenty one (21), eighteen (18) officers attended meetings abroad, while three officers received training overseas. This does not double count officers. Twelve (12) officers were from the MA whilst nine (9) officers were horizontal stakeholders.

<sup>437</sup> Twenty-eight officers (28) were trained locally (officers attended training entitled "Induction training for new beneficiaries")

<sup>438</sup> Clarifications communicated by CION in its Letter 24374 dated 15<sup>th</sup> December 2009.

October 2011, the PPS bilateral meeting, which was held in March 2011 as well as the Intermediate Body Network (IB) meeting and Inter Ministerial Coordination Committee (IMCC) meeting, held in February 2011.<sup>439</sup>

TA also financed expenditure linked to enhancements relating to the Structural Funds Database 2007-13 (SFD 07-13). In this regard, 2011 saw the development of new modules such as the verification and audit module, new password module, notification of rejected invoices, and other modules linked to expenditure reporting.

## 5.4 Information and Publicity

TA is also an important source of funding for information and communication related activities at Programme Level<sup>440</sup> complementing information and communication actions undertaken by the Beneficiaries and the Intermediate Body<sup>441</sup> to disseminate information and increase awareness on the operations/projects and schemes being funded under the different Axes of the Programme.

As was the case in the past, the bulk of TA funds under this heading were used to finance the Annual Event (a regulatory obligation on the Member State<sup>442</sup>).

In 2011, the event consisted of visits (for the general public) to the various sites where projects were being implemented supplemented with experts in the various sectors giving short presentations on site (and on the bus) on the projects' objectives, state of progress and (expected) results. This event took place during the weekend of the 26th and 27th November, 2011 and covered more than twenty (20) sites in Malta and Gozo and a selection of 53 projects. In order to highlight the benefits of ESF (considering the non tangible nature of ESF operations) as part of the event a ten minute video documentary was produced. The documentary included testimonials of individuals and beneficiaries currently benefitting through ESF-funded projects. Complementing this event, a tender was launched for the supply of promotional items which were distributed to participants and the public at large<sup>443</sup>.

Furthermore, closer to the end of the year<sup>444</sup>, TA financed the holding of a Local Informal Information and Publicity Network (LIIP). LIIP aims at creating a forum for discussing various methods to promote and provide information about Cohesion Policy to the public and to coordinate publicity actions of different stakeholders.

Finally under the heading in 2011, TA funds were also used to finance the publication of the pre-announcement call advert, which was issued in December 2011<sup>445</sup>.

<sup>439</sup> A second IMCC meeting was held in September but no costs were involved.

<sup>440</sup> Actions financed under this heading are governed by the Communication Plan. The Plan was approved by the Commission in January 2008. An updated version of the Communication Plan was revised and presented during the MC in October 2011.

<sup>441</sup> Considering the budget limitation only limited actions could be financed through TA

<sup>442</sup> Article 7 of EC Regulation 1828/2006 obliges Member States to organise 'at least one major information activity a year, presenting the achievements of the operational programme.

<sup>443</sup> In line with Article 69 of Council Regulation (EC) No 1083/2006, the MA is responsible for the information and publicity measures using a range of media. The items consisted of hand power flash lights, wrist bands, customised umbrellas, flexible water bottles, highlighter jars, perpetual calendars, sticky notepads, sunshades and credit card USBs. Where possible, the items selected aimed to adhere to eco-friendly measures and were recyclable

<sup>444</sup> This was held on the 1st November 2011

<sup>445</sup> Calls are always preceded by pre-announcements that are also publicised on the local media to ensure wide participation as well as increased awareness

## 5.5 Evaluation and Monitoring

The actions under this heading are guided by the Evaluation Plan and financed through TA. The Evaluation Plan was approved in May 2008 and amended in October 2011<sup>446</sup>. In line with the (original) plan, in 2010 the MA had undertaken a Mid-Term Evaluation which started in Q2 2010 and was concluded in 2011.

In line with the same plan in 2011, work started on the drafting of the TORs for the thematic evaluation together with the preparations to compile the relevant tender dossiers (financed through TA). These are expected to be launched and contracted in 2012.

In addition to the above, TA approval for funding the ESF Cohort Study on training was also issued. During the year under review, the contract was finalised and signed on the 24<sup>th</sup> November 2011.

## 5.6 Conclusion

In conclusion, in line with Article 46 of the General Regulation EC/1083/2006, 3.84% of the total Community share of the Funds<sup>447</sup>, has been allocated for TA. Of these, 21.23% have been paid by end 2011. Further details related to TA disbursements are given in Chapter 3.5 of this report. In 2011 the contribution of TA for the implementation of the Programme was crucial especially in view of the increased need for administrative capacity due to the increase in the overall momentum of the Programme.

The TA implementation system is now well established and the learning curve amongst the various stakeholders within the MA, the Line Ministries and other stakeholders is levelling out, resulting in a more efficient processing of requests and payments. It is pertinent to note that the on-going TA payments continue to be of a very fragmented nature creating an administrative burden on both the MA and other stakeholders involved in the implementation of TA. However, constant and prompt exchanges of communication are made between the actors in an effort to make the payment process as efficient as possible.

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<sup>446</sup> The updated plan was submitted to the EC for informal comments on 19<sup>th</sup> October 2011.

<sup>447</sup> Total Community share of OPII Funds amounts to €112,000,000. Of these €4,305,000 represent the Community funding for Priority Axis 5.

## 6 – Information and Publicity

### 6.1 Measures taken to provide information and publicity on the Operational Programmes

In line with the obligations emanating from Implementing Commission Regulation (EC) No. 1828/2006, the objectives of the information and publicity activities are to increase visibility and awareness of both Operational Programmes. This approach ascertains that expenditure undertaken is in line with the principle of transparency whilst ensuring an increase in the overall awareness of EU Funds amongst the general public, potential Beneficiaries and stakeholders.

The original Communications Plan was approved by the EC on the 21<sup>st</sup> January 2008. During the Mid-Term Evaluation on the Operational Programmes held during 2010 and 2011, the MA, in its ongoing review of the Communications Plan, requested assistance from the experts in the form of an appraisal of the implementation of the original Communications Plan. Following this appraisal, the Communications Plan was revised and presented to the MC which was held on the 19<sup>th</sup> October 2011. The assessment of the Plan was already foreseen in the original Evaluation Plan.<sup>448</sup> Besides the foreseen mid-term assessment, the revision of the Plan was required to align the actions with the pace of Programme implementation (5 years into implementation) and to reflect a revision in the budget so as to reflect better the real market prices following the experience gained over the first half of the programming period. More details of the changes to the Communications Plan may be found towards the end of this chapter.

During 2011, the MA continued with the implementation of communication activities following on the lines of the revised Plan. The activities foreseen within the plan comprise of a number of information and promotional measures using a number of tools, which will either be financed by both Operational Programmes individually or jointly for common activities such as annual information events. The following is a detailed assessment of the activities undertaken in 2011.

#### 6.1.1 Analysis of Activities carried out in 2011

##### Annual Information Event:

In line with Article 7(2)(b) of Commission Regulation (EC) No 1828/2006, the MA is responsible for organising one major information activity to present the achievement of the operational programmes.

The 2011 Annual Event on Cohesion Policy was entitled **Rotta:EU07-13** and the event consisted of twelve (12) bus tours visiting various projects around Malta<sup>449</sup> and Gozo<sup>450</sup>. Further details about the routes can be found in Table 6.1 below. The Tours were held on the 26<sup>th</sup> and 27<sup>th</sup> November whereby participants<sup>451</sup> were given the opportunity to get a firsthand experience and learn more about projects that are currently being funded through both Operational Programmes. A press conference was organised in order to launch the

<sup>448</sup> The original Evaluation Plan was presented to the MC on 22<sup>nd</sup> May 2008 (both OPI & OPII) while the revised Evaluation Plan was presented to the MC on 19<sup>th</sup> October 2011 (OPII) and 17<sup>th</sup> November 2011 (OPI).

<sup>449</sup> Four (4) routes visiting different projects were organised in Malta A, B, C and D (see Table 6.1)

<sup>450</sup> Two (2) routes visiting different projects were organised in Gozo A and B (see Table 6.1)

<sup>451</sup> Four hundred (400) persons participated in the Tours over the two (2) days.

event on the 22<sup>nd</sup> November, with media presence covering and featuring the launch on national television stations. The then Parliamentary Secretary for Consumer Affairs, Fair Competition, Local Councils and Public Dialogue, within the Office of the Prime Minister, launched the event. Commission officials, from DG-Employment, also joined some of the tours organised over the two (2) days in Malta and Gozo.

The event had five (5) themes: Education, Employment and Training, Science and Technology, Social Inclusion, and Social Dialogue. Some of the projects presented during the tours included the Care creates change in People's lives (ESF 3.52), Wood CPR: Education & training in Wood Conservation Restoration (ESF 1.31) and the Aid Schemes implemented by the Employment and Training Corporation, namely Training Aid Framework (ESF 2.65) and Employment Aid Programme (ESF 3.64) and a number of projects in Gozo, amongst others<sup>452</sup>. In all, fifty-three (53) projects<sup>453</sup> with an approximate value of €412 million<sup>454</sup> in approved projects were directly promoted during the event. The tours were organised at the weekend with the aim of enabling as many people as possible to participate without disturbing their weekday commitments. Furthermore, the twelve (12) tours were organised in a way whereby six (6) different itineraries could be chosen and each itinerary would be repeated on the second day of the event, at an alternate time-slot. The tours ran from 08:30am to approximately 12:30pm and from 1:30pm to approximately 5:30pm. The approximate four (4) hour tour allowed for an average forty-five (45) minute stop at each of the designated sites whereby participants could interact with the project leaders as explained earlier. The following is the full list of the projects visited.

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<sup>452</sup> Table 6.1 below includes details of all ESF projects visited over the two (2) days.

<sup>453</sup> Thirty-seven (37) ERDF projects; one (1) CF project and fifteen (15) ESF projects. Also included are Aid Schemes which featured in the routes.

<sup>454</sup> Including also the projects that were shown in the ten (10) minute documentary which was aired during the route.

**Table 21 ESF projects visited over the two (2) days**

Route	Stop 1	Stop 2	Stop 3	Stop 4
<b>GOZO A</b>	<p><b>ERDF 56</b> Upgrading and Expansion of MCAST Institute of Mechanical Engineering</p> <p><b>ERDF 66</b> Computer Systems &amp; Computer Labs at MCAST</p> <p><b>ESF 2.65</b> Training Aid Framework*</p> <p><b>ESF 3.6</b> Youth Employment Programme*</p> <p><b>ESF3.64</b> Employment Aid Programme*</p> <p><b>ESF 2.7</b> Training courses to enhance employability and adaptability of workforce*</p>	<b>ERDF 68</b> Upgrading of Operating Theatre and Setting up of a Radiology Unit	<b>ERDF 24</b> Upgrading of Villa Rundle Gardens	/
<b>Gozo B</b>	<b>ERDF 147</b> Restoration of San Lawrenz Church to enhance cultural tourism	<b>ERDF 140</b> Discovering Cultural and Religious Tourism in Gozo	<b>ERDF 32</b> Archaeological Heritage Conservation Project	<b>ERDF 142</b> The Making of a People: A Cultural and Historical Eco-Museum
<b>Malta A</b>	<b>ESF 3.52</b> Care creates change in People's lives*	<p><b>CF 116</b> Malta South Sewage Treatment Infrastructure</p> <p><b>ESF 2.72</b> EPITOME – Empowerment Programme for IT*</p> <p><b>ESF 2.12</b> Second Step*</p>	Various <b>ERDF</b> and <b>ESF</b> projects at the Malta College of Arts, Science and Technology (MCAST)* <sup>455</sup>	/
<b>Malta B</b>	<p><b>ESF 1.31</b> Wood CPR: Education &amp; training in Wood Conservation Restoration*</p> <p><b>ERDF 39</b> Restoration and Rehabilitation of Historical Fortifications (Vittoriosa site)</p>	<p><b>ERDF 72</b> Construction &amp; Equipping of an Independent Living Centre</p> <p><b>ESF 3.42</b> An Independent Living</p>	Various <b>ERDF</b> and <b>ESF</b> projects at the Employment and Training Corporation* <sup>456</sup>	/

<sup>455</sup> Projects presented at MCAST were: ERDF 54: Multimedia Training Centre at MCAST's Institute of Art and Design; ERDF 62: Language Lab with Contact Centre facility at MCAST Institute of Business and Commerce; ERDF 65: Expansion of MCAST Institute of Electrical and Electronics Engineering; ERDF 101: Installation of Renewable Energy Sources at MCAST; ESF 1.34: Addressing skills mismatches in the aviation maintenance industry; ESF 1.28: Accrediting Quality Vocational Training (VQPACK); ESF 1.36: Professional development programmes for MCAST staff and students' top-up degrees; ESF 1.33: Increasing ICT Student Capacity in Malta

<sup>456</sup> Projects presented at the Employment and Training Corporation were: ESF 2.4: Employment Programme; ESF 2.65: Training Aid Framework (TAF); ESF 3.64: Employment Aid Programme (EAP)



	<b>ERDF 104</b> Stronger Cottonera Communities	Training Service for Disabled People in Malta*  <b>ESF 3.66</b> Ic-Cavetta Maltese Literacy Toolkit for employment and education inclusion*		
<b>Malta C</b>	<b>ERDF 39</b> Restoration and Rehabilitation of Historical Fortifications (Valletta site)	Various <b>ERDF</b> and <b>ESF</b> projects at the University of Malta* <sup>457</sup>	Malta Enterprise <b>ERDF</b> Grant Schemes <sup>458</sup>  <b>ERDF 196</b> Mater Dei Oncology Centre  <b>ERDF 199</b> Setting up of a Life Sciences Centre	/
<b>Malta D</b>	<b>ERDF 155</b> Construction of main Exhibition hangar & run-off water Reservoir at the Malta Aviation Museum  <b>ERDF 135</b> Grant Scheme for Sustainable Tourism Projects by Enterprises	<b>ERDF 39</b> Restoration and Rehabilitation of Historical Fortifications (Mdina site)	<b>ERDF 33</b> Tourism Zone Upgrade with landscaped urban spaces and other facilities (St. Paul's Bay site)	/

\* A presentation was delivered by the project leaders at these designated sites.<sup>459</sup>

A ten (10) minute documentary that featured testimonials of persons and beneficiaries currently benefitting from OPII funded projects (with a link to OPI projects)<sup>460</sup> was produced as part of the event and shown en-

<sup>457</sup> Projects presented at the University of Malta were: ERDF 17: Construction, Finishing and Equipping of ICT Faculty Building; ERDF 11: Furnishing and Equipping of Chemistry and Biology Building Extensions; ERDF 12: Developing an Interdisciplinary Material Testing and Rapid Prototyping R&D Facility; ERDF 18: Strengthening of Analytical Chemistry, Biomedical Engineering and Electromagnetics RTDI Facilities; ERDF 76: Refurbishing the Signal Processing Laboratory within the Department of CCE; ERDF 77: Electrical Energy and Efficiency Laboratory for the University of Malta; ERDF 79: Setting up of Mechanical Engineering Computer Modelling and Simulation Laboratory; ERDF 80: A Super Computer Laboratory for the University of Malta; ERDF 81: Enhancing the Health Biotechnology facilities at the University; ERDF 82: Modernizing the University of Malta's Control Systems Engineering Laboratory.

<sup>458</sup> Malta Enterprise Grant Schemes presented were: ERDF 127 Small Start-up Grant Scheme; ERDF 128 Innovation Actions Grant Scheme (Innovation); ERDF 128 Innovation Actions Grant Scheme (Environment); ERDF 129 e-Business Development Grant Scheme; ERDF 130 Research & Development Grant Scheme; ERDF 133 Energy Grant Scheme; ERDF 134 International Competitiveness Grant Scheme.

<sup>459</sup> The Pro-Rector delivered the presentation at the University of Malta explaining the overall nature of the numerous projects being implemented while the individual project leaders were present to interact with the participants on their respective areas.

<sup>460</sup> Examples: In the case of KNPD and ETC, both beneficiaries had infrastructures which were co-financed under ERDF whilst they benefit also under ESF. KNPD is implementing a project whereby therapists are assisting persons with disabilities to lead a more independent life – something that is complemented by the Sonia Tanti Independent Living Centre built through ERDF which provides samples of wheelchairs, vehicles etc which can make a disabled person's life more independent. On the other hand, ETC's new building is hosting courses being carried out through ESF. This complementary nature of the two (2) programmes was highlighted during the documentary.

route during the tours. The themes highlighted followed the same themes of the event i.e. Education, Employment and Training, Science and Technology, Social Inclusion, and Social Dialogue.

Leading up to the event, a three-week long campaign was launched to encourage participation amongst the general public. To start with, information on the event was made available through a dedicated website which included also an online registration form through which the public could book their seats on the tours. The online registration was also complemented with a phone-in facility for those who are not so comfortable using the internet.

The three-week promotional campaign comprised of adverts on a variety of media channels, intended to target and generate the interest of as wide an audience as possible. In order to retain a level of neutrality, the state-owned TV and radio channels were selected as the two (2) main vehicles for audio and audio-visual promotion while in terms of print and online media, all newspapers and news portals were used. Social media was also used during the last week which saw a burst campaign taking place which also included more TV adverts being included at prime times. In all, the media campaign saw:

- 21 full colour half page advertisements in seven local newspapers (Sunday Times, Independent on Sunday, Malta Today on Sunday, *Ilum* on Sunday, *it-Torca*, *Il-Mument*, *Kulhadd*) for three consecutive Sundays leading up to the event;
- 35, 30-second advertisements on local television station PBS – initially, these were timed to appear before the 20:00hrs news bulletin which is the most watched news bulletin on the island, however during the final week, additional advertisements were also placed during other popular programmes to capture the interest of a wider audience;
- 84, 30-second advertisements on two (2) local state-owned radio stations were broadcast for eighteen (18) days both in the morning and in the afternoon<sup>461</sup>;
- 1 animated banner leader strip advertisements on six (6) online newspaper websites (www.timesofmalta.com, www.maltarightnow.com, www.maltatoday.com, www.maltastar.com, www.il-gensiillum.com, www.independent.com.mt) were featured for three (3) consecutive weeks; and
- a 7-day burst advertising campaign on Facebook.

Additional to the paid media envisaged in the contract<sup>462</sup>, the MA, together with the contractor sought to promote the event further through gaining slots on popular TV and radio programmes for free where officers from the MA explained further the aim of the event in order to generate interest in participation. This resulted in:

- 1 interview and feature on *DotEU*, an EU affairs programme, broadcast the week before the event;
- 1 interview on *Familja Wahda*, a radio magazine programme, broadcasted on Radju Malta; and
- 1 interview on *Malta Illejla*, a TV magazine programme, broadcast on NET television.

Furthermore, during the event, two (2) television crews also joined the tours and aired features about them during the prime-time evening news bulletins and a full episode of *Dot EU* was dedicated to the event on 3<sup>rd</sup> December 2011.

<sup>461</sup> Adverts were broadcast twice per day on each station for the first fifteen (15) days. On the last three (3) days prior to the event, adverts were doubled to further create more awareness and interest on the event.

<sup>462</sup> Tender published on 15<sup>th</sup> July 2011; awarded on 3<sup>rd</sup> October 2011; contract signed on 27<sup>th</sup> October 2011

As additional follow-up to the event, the 10-minute documentary has been uploaded on the PPCD YouTube channel in the English language<sup>463</sup> so as to enable even non-Maltese speakers, both locally and abroad, to learn about the various initiatives being implemented in Malta under the two (2) OPs. The documentary can be viewed online<sup>464</sup> and a photographic slide show presenting the highlights of the event in a pictorial manner has also been uploaded on the same YouTube channel.<sup>465</sup> The same highlight photos are also available on the PPCD's Facebook page.<sup>466</sup>

As part of the annual event, colourful display banners, feather flags and a backdrop<sup>467</sup> were created in order to enhance the branding of the event. The display banners were attached to all the tour buses while the feather flags were used to mark each tour stop and served as a reference point to highlight the fact that the project is a beneficiary of Cohesion Policy 07-13.



**Image 1** Branded Rotta:EU07-13 coach



**Image 2** Participants were given the possibility of viewing restoration work following training given through ESF 1.31 Wood CPR

<sup>463</sup> The feature was originally in Maltese language considering the target group the event sought to attract.

<sup>464</sup> [http://www.youtube.com/watch?v=mf7\\_J34MZsU](http://www.youtube.com/watch?v=mf7_J34MZsU)

<sup>465</sup> <http://www.youtube.com/watch?v=Tk7gex5vUZ0&feature=relmfu>

<sup>466</sup> <http://www.facebook.com/media/set/?set=a.295141300517281.76637.160727680625311&type=3>

<sup>467</sup> Nine (9) bus banners; eighteen (18) tour name plates; one (1) backdrop and fourteen (14) feather flags



**Image 3** Participants seeing items made from recycled materials during the ESF3.52 Care Creates Change project



**Image 4** The Aid Schemes (ESF 2.65 and ESF 3.64) implemented by the Employment and Training Corporation and other projects implemented by the same entity being presented

## **Other Publicity Measures undertaken in 2011**

### **Calls for Projects and Information Sessions for Project Promoters**

No Calls for project proposals were published in 2011 although on 1st December 2011 a pre-announcement for project proposals to be launched under Priority Axes 2, 3 and 4 was issued. In line with the recommendations of the Mid-Term evaluators, the pre-announcement highlighted the priorities for the forthcoming call. In order to explain this properly one information session was held. The preliminary session was meant to provide additional guidance on the areas that were considered to be a priority of the forthcoming call. During this session forty-seven (47) participants attended.

In order to ensure wide participation from interested parties, the pre-announcement was publicised through adverts which appeared on all national Sunday newspapers and a press release on Department of Information (DOI) website, Malta EU Steering Action Committee (MEUSAC) publications and PPCD website and social network respectively. The aim of the pre-announcement was to enable interested applicants to start preparing projects ahead of the launch of the actual call. The pre-announcement also included information about the information session.

### **Information and Publicity Networks**

Article 10 of EC1828/2006 states that Managing Authorities shall designate contact persons to participate in community networks to ensure exchanges of good practice and experience, as well as engage in a discussion on results of the various communication activities across Member States.

In 2011, staff from the communications unit attended and participated in the INIO network meetings organised by DG EMPL held in Ghent, Belgium on the 8<sup>th</sup> of March and in Ljubljana, Slovenia on the 15<sup>th</sup> of June 2011.

The meeting in March included a presentation of the Commission's ESF Communication activities for 2011; a brief overview of Europe 2020 and the 'Youth on the Move' Campaign; viewing of the latest education production about ESF; and a presentation of the Danish Roadshow event held in 2010. A discussion was held on the issue of transparency on the use of EU funds especially after a number of critical articles were published in the Financial Times. A member of the Commission indicated that while Member States do indeed fulfil at least the minimum legal requirements, the question remained if higher transparency standards combined with a better harmonisation in terms of approach, technology and scope should be sought so as to improve ability to answer/pre-empt media requests at national and EU level. It was indicated that this debate should continue to be discussed at the next meeting. An update on the Hungarian Presidency was given as well as an overview on the upcoming Polish Presidency.

The June meeting included the customary exchange of best practices; however, the discussions focussed mostly on how the functioning of the INIO network could be maximised, particularly in light of the upcoming period of negotiations on the next programming period. Despite the first draft of the new regulations package not having been published yet, a discussion was undertaken on the preparations for the next programme. A presentation by the Commission was delivered whereby its objective to make rules clearer in terms of how to communicate and who has the responsibility to do what were explained. It was also mentioned that the Commission could facilitate matters by providing logos, templates etc and that the focus would be on an overarching 7 year strategy (developed without intervention of CION) and annual plan to be reviewed and discussed at Monitoring Committee. Emphasis was also laid on the fact that information needs to be more comparable and the information available per MS should be more consistent and transparent. Given that most Member States had engaged in their mid-term assessment by the June meeting, a plenary session on the subject was also included and a discussion on possible follow-ups ensued.

At a local level, the first Local Informal Information and Publicity (LIIP) network was organised. LIIP provides a forum to discuss various methods to promote and provide information about Cohesion Policy 2007-2013, foster the exchange of best practices and further reinforce cooperation between the MA, Beneficiaries, and other stakeholders<sup>468</sup> involved in communicating Cohesion Policy objectives and achievements. Beneficiaries, Line Ministries and Ministers' Communication Coordinators, MEUSAC and the EU Commission Representation in Malta were invited to join this network.

During the first meeting the MA highlighted the importance of publicity and participants were encouraged to keep a look out as to what is being reported in the media and that at all times the appropriate reference to the source of funding is to be provided whenever projects feature in media reports. Rectifications should be sought as needed.

During the meeting the project leader of the Youth Employment Programme (YEP)<sup>469</sup> was invited to deliver a presentation about the publicity measures undertaken to promote the project. Other presentations were also delivered during the meeting. It was agreed that the LIIP will be held twice a year with the next meeting in the first half of 2012<sup>470</sup>.

### **Website and Social Network page**

In 2011 the PPCD website continued to be updated with news about the pre-announcement of the upcoming calls for project proposals under PA 2, 3 and 4 of OPII and other information related to the Programme Implementation (AIR, MC presentations etc.).<sup>471</sup> Furthermore, in line with EC/1828/2006 Art 7(2) (d) the MA continued to update the list of Beneficiaries with new information as necessary.<sup>472</sup>

Information related to the annual event ([http://www.ppcd.gov.mt/newsarchives\\_2011](http://www.ppcd.gov.mt/newsarchives_2011)) and to the information sessions, as well as other more generic press releases and news items issued by the Division are accessible through the website ([info.ppcd@gov.mt](mailto:info.ppcd@gov.mt)). In addition, in 2011 the PPCD Email Helpdesk processed ninety two (92) queries, five (5) of which were from the media.<sup>473</sup>

The PPCD page on a popular social networking site was also continuously updated to further supplement the website. The page has a timeline layout which allows the administrators to immediately gauge the popularity of the page through a snapshot of the 'insights' facility. Furthermore, through the use of a 'cover photo', the page has become more in line with the official PPCD website, thereby providing a less formal albeit uniform and complementary online presence. Every call for project proposal (or pre-announcement thereof) is uploaded on the PPCD Facebook page, through the notes function, thereby increasing the outreach and

<sup>468</sup> Key Stakeholders included Line Ministries and Ministers' Communication Coordinators, MEUSAC and the EU Commission Representation in Malta

<sup>469</sup> ESF 3.6 Youth Employment Programme

<sup>470</sup> The LIIP was held on the 13 April 2012

<sup>471</sup> The website also acts as a depository of documentation related to both open calls – such as application forms and guidance notes, required for the project proposal submission – as well as closed calls – which can come in handy as a point of reference. Both open and closed calls are also available on the website for transparency purposes.

<sup>472</sup> The list is update at least twice a year.

<sup>473</sup> This is the number of emails received on [info.ppcd@gov.mt](mailto:info.ppcd@gov.mt). There are many other, additional queries, which come to officers' personal accounts.

targeting a wider audience. Since setting up the page on Facebook on 26<sup>th</sup> October 2010, the page generated 198 'Likes', the majority of which are local, which have kept rising over the months<sup>474</sup>.



Image 5 PPCD Facebook front page, as seen by the page administrators

## Others Initiatives

A number of branded promotional items were procured as giveaways to be distributed during events, meetings and information sessions. The promotional items included the purchase of perpetual calendars, umbrellas, and sunshields amongst others. Finally, in line with EC1828/2006 Article 7 (2) (c), the EU flag was flown outside the MA's premises during the week of the 9<sup>th</sup> May 2011 (Europe Day).

### 6.1.2 Expenditure during 2011

As can be show in the table below, in 2011 the total expenditure related to ESF publicity actions amounted to €28,935.31. The bulk of the expenditure was the Annual Event that amounting to €23,121.31 or 80% of the total expenditure for 2011.<sup>475</sup> The purchasing of branded promotional items, accounted for almost 11% of the expenditure during the year and is the second largest expense for the year. The promotional items included the purchase of perpetual calendars, umbrellas, and sunshields amongst others. Considering the type of

<sup>474</sup> On 16<sup>th</sup> April 2012, the Facebook page reports a total of 248 'Likes'.

<sup>475</sup> Since the event took place in late November 2011, the amount will be expended in 2012

event held this year, it is understandable that this would take up the largest chunk out of the year's expenditure. Likewise, since the promotional items were procured primarily for distribution during the annual event, one could expect that this measure would require substantial funds.

**Table 22 ESF Publicity Expenditure 2011**

	Expenditure 2011
<b>Visibility and Awareness of Cohesion Policy Aims and Results</b>	
Annual Event including launch events	€ 23,121.31
Local and other Communication Networks	€ 125.40
<b>Complementary measures to support the Information Events</b>	
Publications and collateral materials	€ -
Media Campaigns	€ -
Promotional Items	€ 3,050.10
<b>Measures relating to Transparency, Technical and Procedural Information</b>	
Calls for Project Proposals inc. Information Sessions	€ 2,444.40
Other ad hoc measures incl. ongoing monitoring and evaluation	€ 194.10
<b>Total</b>	<b>€ 28,935.31</b>

The third largest expenditure for the year was related to calls for project proposals and information sessions held in order to provide information about calls for project proposals under PA 2, 3 and 4 respectively. These constituted 8.45% of the year's expenditure in light of the fact only one (1) pre-announcement was issued and one (1) briefing session was held. It is expected that 2012 will register higher expenses to cater for the actual calls for project proposals pre-announced in 2011. It is also expected that any other remaining calls are issued during 2012 so as to allow newly approved projects enough time to implement. On the other hand, one can expect that the following years will not register expenses on this measure (or hardly any) once all funds available are committed to projects.

Around 1% of the expenditure accounted for the Local Informal Network Meeting (LIIP) and DOI adverts for tenders (as other expenditure). No expenditure was spent on media advertising since the media-campaign undertaken during the annual event was covered through the cost of the event itself and this also does not include the various articles about OPII projects in the media undertaken by beneficiaries. No informative publications<sup>476</sup> were produced last year; however, a documentary was produced as part of the annual event which was later uploaded and shared online.

## 6.2 Expenditure to Date<sup>477</sup>

Considering the regulatory obligation and the plan related to communication actions, the largest share (of the total ESF budget allocated) is allocated towards the Annual events. Expenditure to date on annual information events amounts to around 21% of the ESF share allocated towards events as indicated in the

<sup>476</sup> Featuring with a €0 allocation in the Figure 1

<sup>477</sup> Information in this section relates to measures implemented from the start of the programming period up to December 2011.



table below. Almost in all the years<sup>478</sup>, the events themselves are held in both Malta and Gozo which requires a considerable commitment of financial resources.

Expenditure on promotional items (giveaways) amounts to 26.73% of expenditure from its allocated budget share to date. Promotional items are primarily disseminated at annual events as well as other information events and among stakeholders and hence the MA needs to procure enough items to cater for all intended targets accordingly. Promotional items are an ideal tool in the promotion of the Programmes as owners and users of such items are constantly reminded of the Programmes and their respective achievements. Furthermore, when used, items handed out at Annual Events would conjure up the memory and the information gained during that event. Promotional items are envisaged to remain a regular item on the MA's budget until the end of the programming period.

Calls for project proposals and information sessions held in order to facilitate the application process constitute 12% (or €70,800) of the ESF Communication budget. Out of this amount, 42% has already been expended on this information measure. As remarked earlier, it is expected that any remaining expenditure on this measure is done within 2012 with a view to allow for timely project implementation. Calls for applications are expected to diminish in frequency over the next years as more and more projects are approved. Hence, while the first half of the programming period saw a constant flux of expenditure in this regard, the last two (2) to three (3) years of the programming period will eventually even report nil expenditure.

Given that the cost of the media campaign and the documentary<sup>479</sup> produced in 2011 was part of the cost of the Annual Event and the same was done for the 2010 event, a relatively low commitment is currently registered at this stage on the media campaigns and publications. Furthermore, no audio-visual or published material was produced separately from that produced in the Annual Event (i.e. the documentary) since such measures are considered more opportune at the outset of the Programming period (to provide information on the Funds in general and what can be done with the funding opportunities made available) and towards the end of the Programming period (to show what has been achieved in real terms). Still the MA envisages that a larger share on these areas will be made towards the end of the Programme when there are more examples of completed projects and tangible results to demonstrate.

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<sup>478</sup> With the exception of 2008 when the event was held only in Malta

<sup>479</sup> The documentary amounted to €4,105 (net of VAT) out of the total cost of the Annual Event (€77,071.02). The ESF share of co-financing amounted to €1,231.50 (EU Funds: €1,046.78; MT Funds: €184.73)

**Table 23 Publicity Expenditure per Measure to date**

	% of Budget	Communication Plan Budget ESF (MA share)	Total Expenditure to date	% Expenditure on Budget
<b>Visibility and Awareness of Cohesion Policy Aims and Results</b>				
Annual Event including launch events	43%	€ 253,700.00	€ 53,335.61	21.02%
Local and other Communication Networks	2%	€ 11,800.00	€ 125.40	1.06%
<b>Complementary measures to support the Information Events</b>				
Publications and collateral materials	10%	€ 59,000.00	€ 2,331.05	3.95%
Media Campaigns	15%	€ 88,500.00	€ 5,018.48	5.67%
Promotional Items	15%	€ 88,500.00	€ 23,653.92	26.73%
<b>Measures relating to Transparency, Technical and Procedural Information</b>				
Calls for Project Proposals inc. Information Sessions	12%	€ 70,800.00	€ 29,749.92	42.02%
Other ad hoc measures incl. ongoing monitoring and evaluation	3%	€ 17,700.00	€ 875.81	4.95%
<b>Total</b>	<b>100%</b>	<b>€ 590,000.00</b>	<b>€ 115,090.19</b>	<b>19.51%</b>

### 6.3 Information and Publicity by Intermediate Bodies in 2011

The Intermediate Body of OP II, the Employment and Training Corporation (ETC) continues to complement actions<sup>480</sup> carried out by the MA through a series of activities to promote and further disseminate information about its' Aid Schemes which are the *Training Aid Framework (TAF)*<sup>481</sup> and the *Employment Aid Programme (EAP)*<sup>482</sup>. These measures included publicity in the media, websites<sup>483</sup> as well as marketing and information measures with potential Beneficiaries.

In 2011, the IB took an active role during the MA's annual event on Cohesion Policy held in November 2011, promoting the schemes and highlighting the results reached so far to the general public. During the event, the IB presented the EAP scheme at the MCAST campus in Gozo, together with other projects which it is implementing as a beneficiary, all of which offer an added assistance to youths once they finish their schooling at MCAST. On the other hand, in Malta, the IB presented both TAF and EAP, as well as other projects it implements as a beneficiary, in its own headquarters, thereby presenting a consistent and multi-faceted approach towards reducing unemployment, re-skilling and up-skilling the Maltese workforce.

#### Training Aid Framework (TAF)

<sup>480</sup> It should be noted that funds for IB publicity are provided by the IBs concerned and are not financed through the programme funds.

<sup>481</sup> Identified as ESF 2.65

<sup>482</sup> Identified as ESF 3.64

<sup>483</sup> Websites providing information in relation to schemes: TAF <http://www.etc.gov.mt/site/page.aspx?pageid=2280> and EAP <http://www.etc.gov.mt/site/page.aspx?pageid=2304>

During the year under review, five (5) information sessions were held for TAF beneficiaries, four (4) in June and one (1) in December addressing a total of 130 participants.<sup>484</sup> The scope of the sessions held in June was to explain the reimbursement process to various employers and ensure that claims received were free from errors and mistakes. The information session in December outlined the benefits of TAF to potential applicants operating in the financial services sector.

Being a demand-driven scheme, there were no calls published under TAF; however, ETC continued to promote this initiative through various activities, such as issuing trainees with certificates or a letter bearing the visual identity and information that the training was being financed through ESF and issuing certificates to be affixed in prominent places to eligible undertakings participating in the scheme. It has also continued monitoring the beneficiaries to ensure compliance to publicity regulations.

In 2011, the list of TAF beneficiaries continued to be updated and regularly made available online on both the ETC and MA's websites respectively in line with EC Regulations.

### **Employment Aid Programme (EAP)**

The EAP is also a demand-driven scheme and therefore no calls for projects are published. The scheme was launched in February 2009 and it has to date featured in a number of seminars, conferences and workshops. During the first half 2011, 21 adverts were published on various local newspapers<sup>485</sup> and a TV spot was aired 25 times.<sup>486</sup> The list of EAP beneficiaries is also available online on both the ETC<sup>487</sup> and MA's websites respectively.

The publicity carried out during 2011 was not as intensive as in the previous year given that the targeted placements through the project had been reached.<sup>488</sup> A total of 2,226<sup>489</sup> persons were placed in jobs through the scheme as at the end of 2011. Since the project commitment has been reached, the publicity campaign of the project will now be targeting employers in order to promote the reimbursement process and thus encourage employers to apply for the re-imbursement of funds they are entitled to.

#### **6.3.1 Information and Publicity by Beneficiaries**

Beneficiaries have continued to implement a mixture of publicity activities throughout 2011 in order to promote their respective projects. Publicity measures carried out by beneficiaries are reported through the bi-annual Project Progress Reports which have a specific section dedicated to publicity. The chart below gives an overview of the publicity measures implemented during 2011<sup>490</sup>.

<sup>484</sup> 17<sup>th</sup> June – 20 participants; 20<sup>th</sup> June – 40 participants; 21<sup>st</sup> June – 50 participants; 28<sup>th</sup> June – 10 participants; 1<sup>st</sup> December – 10 participants.

<sup>485</sup> Sunday Times x 5; Independent on Sunday x 3; Il-Mument x 4; It-Torca x 4; KullHadd x 2; Illum x 1; Malta Today x 2

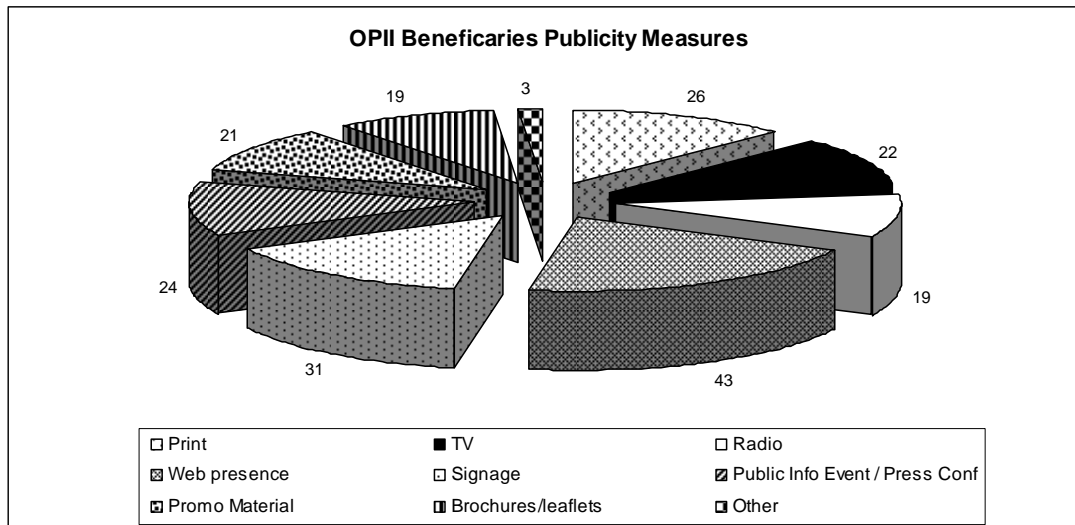
<sup>486</sup> Aired on the national TV station

<sup>487</sup> Website <http://etc.gov.mt/Category/4/35/EAP.aspx>

<sup>488</sup> The first phase of the scheme's publicity targeted jobseekers and employers.

<sup>489</sup> The number is set to increase to 2242 in early 2012

<sup>490</sup> It is important to note that projects exercise more than one publicity measure at the same time



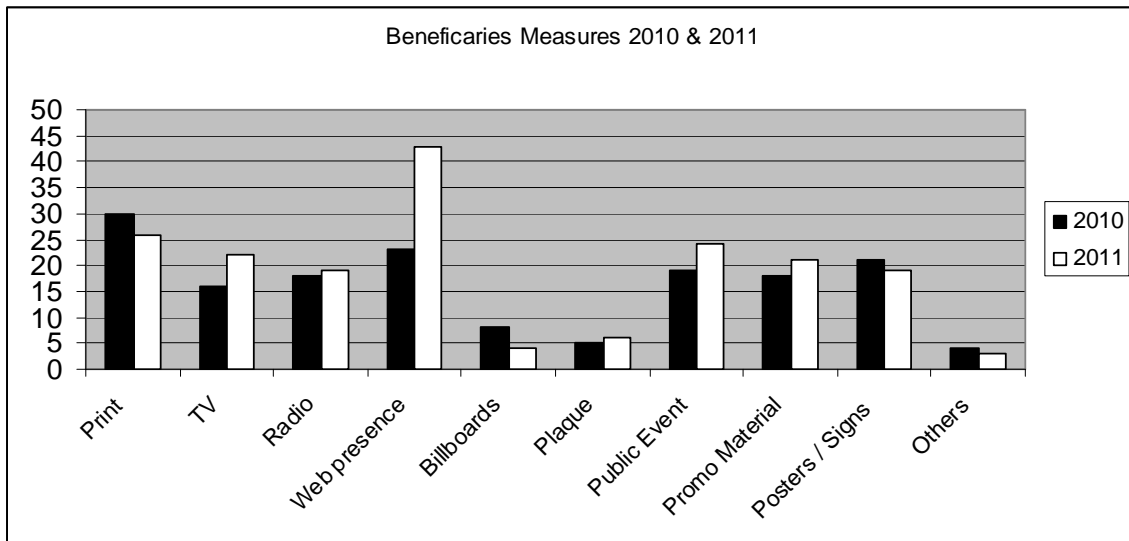
**Figure 1** Publicity Actions carried out by OPII Beneficiaries

As can be seen from the above chart, online presence registered the largest share with a combination of websites, web-pages, use of social networks and e-newsletters. The lowest share was registered under the 'Other' type of publicity that consisted of advertising on bus shelters, use of backdrops and banners; and production of a video clip. Signage was the second most popular choice of publicity together with print media (adverts). A number of projects also produced brochures or leaflets. Use of Audio-Visual media collectively registered a fair share as a means of publicity used with the majority of the projects featuring on TV/radio interviews and programmes. Some projects complemented these interviews with publicity spots, whilst others just used either one or the other option.

The overall statistics are as follows:

- twenty-six (26) projects used print adverts in the form of newspaper adverts and articles with a total 625 features;
- nineteen (19) projects produced brochures/leaflets;
- twenty-two (22) projects made use of TV and nineteen (19) projects used radio ranging from spots, interview and participation in programmes under both media with a combined of 8,093 airings between them;
- In terms of online presence, five (5) projects have a dedicated website; nineteen (19) have a webpage, nine (9) have a social network presence, seven (7) made use of e-newsletters and three (3) projects made use of online adverts;
- Twenty-one (21) projects made use of promotional items with a total distribution of 31,432 items varying between CDs/DVDs, stationery items, folders, bags etc;
- Nineteen (19) projects made use of posters, six (6) made use of plaques, four (4) made use of billboards and two (2) projects made use of stickers; and

- Twenty-four projects (24) organised/participated in a total of 125 information events that included launches; information seminars; training sessions; participation in fairs; and participation in MA events<sup>491</sup>. Through these events organised/participated in, the projects reached out to a total of 20,292 persons.



**Figure 2** Beneficiaries Information and Publicity Measures 2010 & 2011

As can be noted, 2011 registered an increase in projects reporting online presence; public events as well as TV and radio usage. This increase in web presence could be due to the fact that online media is an effective promotional tool and it is also very cost-effective. For example having a page on a social network does not incur any cost and very wide outreach can be achieved. One also notices that the type of publicity measures being used reflects also the nature of the projects co-financed under ESF which lend themselves better to audio-visual and online media and the holding of events. Promotional items are also very opportune in the case of ESF projects given that these materials are usually handed out at training sessions held under the respective projects. It is to be noted at this stage, that the data is based on the number of projects actually reporting their activities for the year only and these are not necessarily repeated in the report of the following year.

<sup>491</sup> Participating ESF projects in MA event: ESF 1.28, ESF 1.31, ESF 1.33, ESF 1.34, ESF 1.36, ESF 1.40, ESF 2.12, ESF 2.40, ESF 2.65, ESF 2.70, ESF 2.72, ESF 3.42, ESF 3.52, ESF 3.60, ESF 3.64 and ESF 3.66.

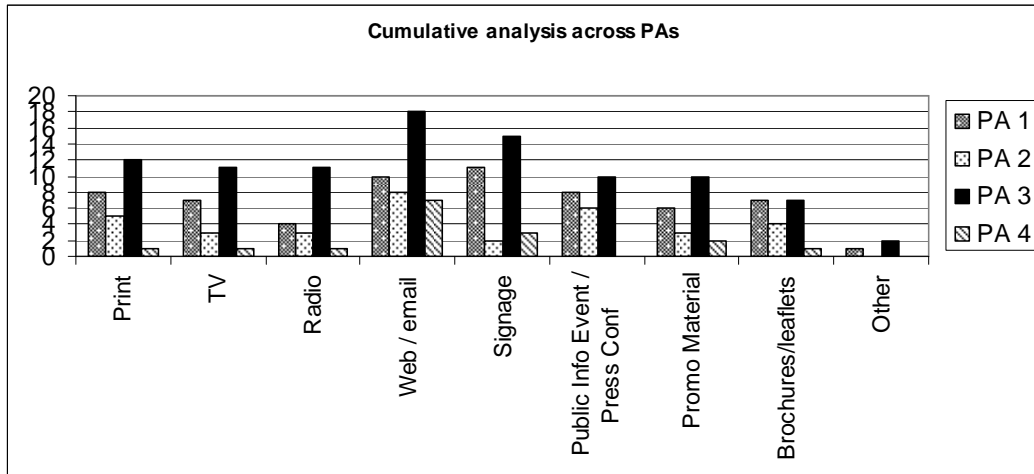


Figure 3 Cumulative analysis across PAs

As can be noted from the bar-chart above, PA 3 has the highest use of all publicity measures overall, whilst PA 4 has the least usage overall. This is due to the intrinsic nature of the initiatives funded under PA 3 which aims at increasing awareness on social-economic issues and where a number of campaign-style projects<sup>492</sup> have been approved. The EAP is also contributing to sustain a significant number of publicity initiatives under PA 3<sup>493</sup> thus the outreach and visibility is wider-reaching. The reason of a lower use of publicity actions under PA 4 is twofold: considering that the axis mainly targets the public administration, the Beneficiaries are encouraged to use the ordinary Government communication tools as a means to inform the target group of the projects' activities. In addition PA 4 has the lowest share of projects out of the four (4) Axes. In their reports, beneficiaries were also asked to indicate the two most effective publicity measures which they have implemented. This is indicated in the bar-chart below.

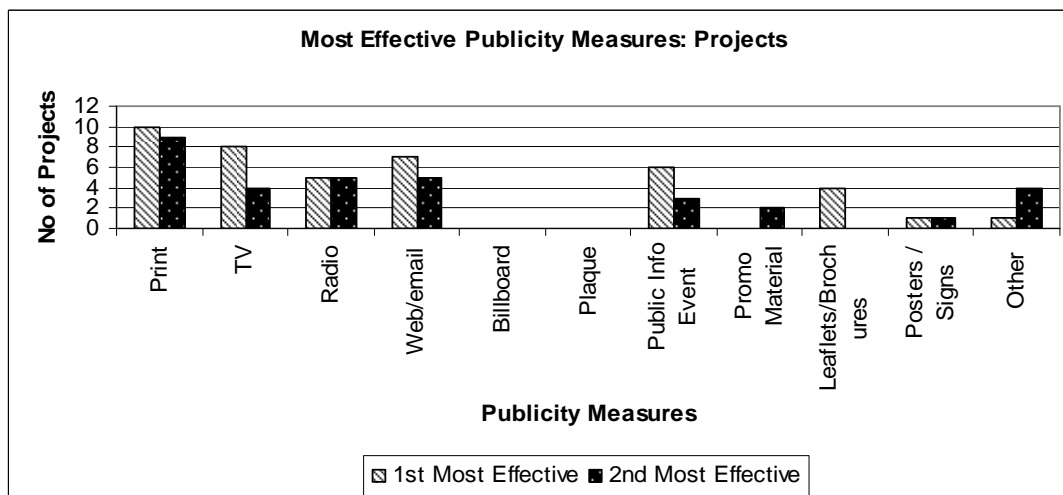


Figure 4 Publicity actions deemed most effective by PLs, as per PPR

<sup>492</sup> ESF 3.59 and ESF 3.43

<sup>493</sup> ESF 3.64

Print was once again<sup>494</sup> rated as the most effective measure overall (first and second measures) with a total of nineteen (19) projects reporting that this was the most effective all round. Newspaper adverts were rated as effective due high circulation rates and to the outreach they provide. Two projects<sup>495</sup> reported that the adverts served to attract more participants to training sessions. TV came in as the second most effective measure followed by Web/Online presence and Radio also due to their outreach and target audiences.

Sixteen (16) projects reported positively about the interest generated through publicity initiatives/actions undertaken. Some examples include; the project 3.43 (Dignity for Domestic Violence Survivors) reporting an increase in police reports on domestic violence and reports to an organisation that deals with such instances; project 3.47 (Unlocking Female Potential/ Equality Mark) indicated an increase in awareness and an interest from employers/business to apply for the Equality mark; project 1.29 (Skills-plus) indicated that positive feedback was received for its informative DVD by project partners and students; and project 1.34 (Addressing skills mismatches in the aviation industry) indicated a good response in the number of applicants to join the course.

Project 2.40 (Employability Programme) reported that the targeted number of participants was exceeded and some trainees attended other training courses and other found employment. Use of audio-visual media as well as online media all helped to attract participants to follow the courses. Project 3.66 (Ic-Cavetta) also reported that project target had been exceeded due to adverts on the beneficiary's website and newspaper adverts have helped in recruiting the necessary number of tutors for the projects.

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<sup>494</sup> Following the data collected for 2010.

<sup>495</sup> ES 3.64 and ESF 4.94

## 6.4 Communications 2011: Operational Programme II - Indicators as per Communication Plan<sup>496</sup>

Type of Activity	Implementing Indicators		Result Indicators
	Number	Budget	
<b>EVENTS</b>	<i>No. of events</i>		<i>No. of participants</i>
Annual Event 2011		€77,071 of which ESF share – €23,121 (30%)	451 participants
	2 Events – 1 in Malta & 1 in Gozo		
	6 tours over 2 days ( 12 in total)		
<b>MEDIA</b>			
<i>Articles, interviews in the media</i>	<i>No. Of items</i>	<i>cost</i>	<i>No. Of questions from the media</i> <i>% increase in web site visits</i> <i>2.8% increase in website visits</i>
Interviews	4 interviews - 3 TV and 1 radio	0.00	approx. 7 questions per interview
TV Features	4 news features	0.00	

<sup>496</sup> The figures in the 2007, 2008 and 2009 columns are as reported in previous AIRs



TV programme	3 programme features	0.00
TV adverts promoting event	37 spots	€18,577.50 <sup>497</sup>
Radio adverts promoting event	84 spots	€968.60 <sup>498</sup>
Print adverts	21 adverts newspapers	€10,650.14 <sup>499</sup>
Online adverts/features	31 online adverts	€2,571.78 <sup>500</sup>
Adverts call for projects	7 newspaper adverts	€2,444.40
Press Releases call for projects	2 press releases	0.00

## PUBLIC DISPLAYS

<i>Public Displays (billboards, exhibitions etc)</i>	<i>No of displays</i>		<i>No of questions from the media + public % increase in web visits</i>
bus banners	9	€840 <sup>501</sup>	N/A

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<sup>497</sup> Part of annual event cost

<sup>498</sup> Ibid

<sup>499</sup> Ibid

<sup>500</sup> Ibid

<sup>501</sup> Part of the annual event cost

name plates	18	0.00
feather flags	14	€4,560 <sup>502</sup>
EU Flag display	1	0.00
Backdrops	1	0.00

#### INFORMATION SESSIONS

<i>Information sessions for project promoters</i>	<i>No of sessions</i>	<i>cost</i>	<i>No of participants</i>
Information sessions for applicants	1 info session	0.00	47 participants

#### NETWORKS

##### *Information & publicity networks*

LIP meeting	1 meeting	€418.00 of which ESF share €125.40	31 participants
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<sup>502</sup> Ibid

**WEBSITE**

<i>Website</i>	<i>No of pages No of new pages</i>	<i>costs</i>	<i>No of visits No of pages viewed Bounce rate, time on site, etc</i>
PPCD website – 1 website	40 pages	0.00	402 visitors per day 5,675 average page views per day
Social Network page	1 social page	0.00	200 likes

**INFO DESK**

Email helpdesk	1 info email	0.00	92 queries received
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**OTHERS**

Promotional Items	9 different items - total quantity 6,200		N/A
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## **6.5 Changes to the Communication Plan**

As indicated in the Annual Implementation Report of 2010, the MA laid out the background (following its internal review) to the proposed modifications to the Communication Plan with the aim to have a better Plan that would reflect better the current Cohesion Policy visibility scenario and be more linear with the pace of Programme implementation. During the Mid-Term Evaluation of the Operation Programmes, the experts were also requested to assist the MA in its ongoing review of the Communication Plan by providing an appraisal of the implementation of the original Plan.

The proposed changes to the Communication Plan arising from the MA's internal review were notified to and discussed by the Monitoring Committee in May 2010 and the final set of changes were presented to the Monitoring Committees of OPI, in November 2011.

### **6.5.1 Rationale of the changes to the Communication Plan**

The analysis and justifications of the changes to the Communication Plan, as presented to the Monitoring Committee, comprised:

- *Information and publicity measures proportionate to the pace of Programme implementation:* larger scale annual events and increased publicity through media campaigns and publications would be carried out once tangible results start becoming more visible, thus enabling a better comprehension of the impact and benefits of the projects, by the general public.
- *Timing of campaigns:* too many campaigns running concurrently, that in essence all impart similar messages, may lead to disaffection and unfortunately be misinterpreted as propaganda.
- *Context scenario:* publicity in general tends to be directed more towards Operational Programme II (OPII) because of the nature of the projects funded under ESF. Considering the small size of Malta, infrastructural project in themselves need limited publicity whilst the construction is ongoing (as investments are more visible to the general public who are the target audience of publicity actions by the MA). Therefore it was concluded that both OPs merit ad hoc information and publicity taking into account the broader context. While OPI projects tend to have more visibility since they are mostly of an infrastructural nature, actual publicity tends to be limited to the minimum requirements stipulated by the Regulation and do not have long term effects. The MA is therefore seeking ways in which ERDF and CF interventions can be further promoted through additional measures throughout the rest of the Programming period.
- *Improvement of monitoring systems:* one of the recommendations that emerged from the appraisal suggested an improvement of the monitoring systems in place. In this respect the indicators and the target of the Communication Plan were adjusted to enable monitoring of own measures both from a statistical and financial perspective. The revised indicators did not alter the targets but merely defined better what they are recording. In addition the MA split the indicators in more defined categories according to the respective information and publicity measures identified in the Revised Communication Plan. This was done with the aim to distinguish between actions. For example, adverts undertaken as part of the Annual Event (once again better defined as physical events such as information festivals against non-physical events such as media campaigns) have been separated

from adverts related to calls for applications or tendering. This allows the MA to better monitor its own actions and expenses according to the specific information and publicity measure.

- *Over budgeting:* past experience has shown that the cost of certain activities is lower than what was originally budgeted for. Additionally, items such as website, helpdesk and the publishing of press releases did not involve any costs contrary to the budgets allocated for in the original Communication Plan.<sup>503</sup> In the revised plan and the revised budget, due consideration was given to the delays experienced in the implementation of the programme which had an impact on the actions that could be implemented in the initial years of the implementation. This was reflected in the revision of the budget. The revised budget allocated to OPI was presented to the MC in November 2011.

### 6.5.2 Highlight of the changes to the Communication Plan

The main modifications to the Communication Plan may be summarised as follows:

**Table 24 Modifications of the Communication Plan**

Area of change	Main changes	Context
Events	1. Large-scale Annual Events to be held towards the final phase of Programme Implementation so that more tangible results can be shown	<i>Carried out to tally with and reflect the pace of programme implementation</i>
	2. The budgets for such Events have been shifted to the latter years of the Programme	<i>Internally, an exercise has been carried out to allocate budgets on a yearly basis, according to change 1 above</i>
	3. The overall budget has been revised to reflect real market prices	<i>Previous actual costs have been taken into consideration and over-budgeted allocations have been cut down.</i>
Publicity by IBs, beneficiaries and other stakeholders	4. Evident overall visibility of ESF-focused measures through many activities undertaken by IBs and in particular Beneficiaries	<i>Heavy usage of TV and radio to promote schemes; a number of ESF projects are campaign-based, hence they have wide-spread reach among target audiences and general public</i>
	5. Dense local media scenario leading to risk of overkill and disaffection	<i>Local media scenario includes 6 TV stations, 13 radio stations, 13 newspapers (incl. daily, weekly, fortnightly) and 8 electronic news</i>

<sup>503</sup> The cost of the website and the running of the helpdesk are as general Government administrative costs while the press releases are sent through the centralised Department of Information at no cost.

		<p>portals;  according to Eurobarometer survey<sup>504</sup>,  the Maltese prefer TV (77%),  newspapers (30%) and radio (16%) as  their information sources, hence while  use of such media is encouraged, it is  to be done judiciously and effectively</p>
	6. Additional information and publicity actions by other stakeholders	<p>Malta-EU Steering and Action  Committee (MEUSAC) multiply a lot of  information released by PPCD and  carry out their own initiatives using  Cohesion Policy projects<sup>505</sup>;  wide media coverage triggered through  Ministers' own Communication  coordinators when visiting projects;  EU Commission Representation Office  multiplies dissemination of calls;  others through award giving  ceremonies etc</p>
MA Scenario	7. Retention of equal coverage of OPs but increased flexibility for ad hoc measures	<p>Most of information and publicity  measures by MA will keep showcasing  both OPI &amp; OPII;  however, given OPI's lesser publicity in  terms of campaigns, etc, allowance has  been made to include OPI-specific,  longer-term publicity measures to  compensate for OPII measures  triggered by beneficiaries / IBs.</p>

### Changes in the Communications Plan Budget

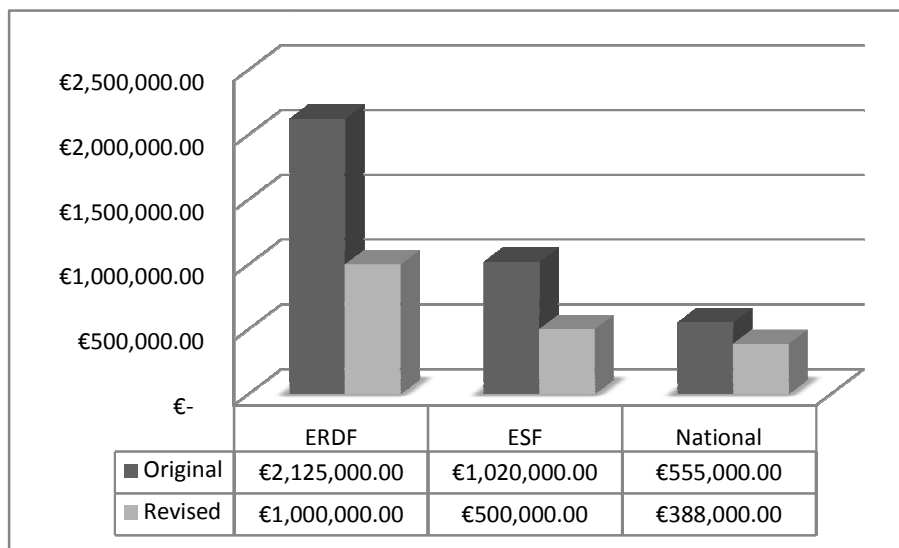
As indicated above, the Communication budget was revised after taking into account experience gained in implementing publicity actions during the first half of the programming period. The change in budget did not change the main thrust of the Communication Plan which remains geared towards promoting

<sup>504</sup> October 2010

<sup>505</sup> In 2011, a selection of Cohesion Policy 2007-2013 projects were displayed on star-shaped street installations in a number of public areas; a publication titled *Going beyond 10 million* featured a number of both ERDF and ESF projects by NGOs and Local Councils (MEUSAC's clients); MEUSAC News and [www.funding360.eu](http://www.funding360.eu) multiply dissemination of calls issued and / or feature project success stories regularly; in 2012, a number of tours targeted to the selected audiences and general public, titled *L-Ewropa fuq ir-Roti (Europe on Wheels)* will be carried out visiting select Cohesion Policy 2007-2013 projects.

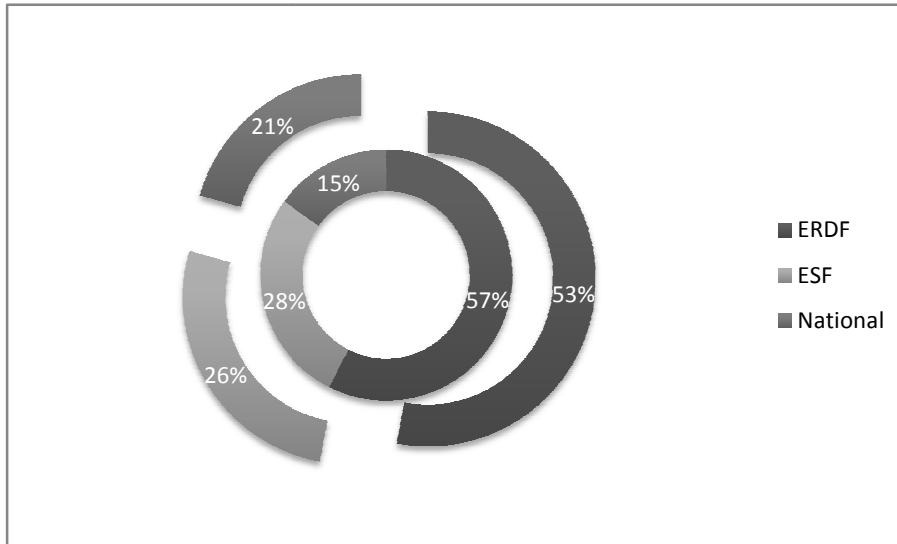
Cohesion Policy 2007-2013 through joint actions that capture both OPs (such as annual events). Nevertheless, the Plan has been given an element of flexibility in order to have a more tailored approach to address the visibility of each OP as required. The element of flexibility comes in since the MA may decide to undertake additional ad hoc publicity measures for ERDF-related projects in view of the fact that media campaign-wise these projects do not promote themselves as much as ESF-related projects. This approach is also reflected in the new budget as indicated in table 1 below.

The original Communication Plan envisaged a total of just over €3.5M (ERDF + ESF + National Funds) on information and publicity activities. Following the revision exercise, this amount has been re-dimensioned to €1,888,000 in total over ERDF, ESF and National Funds. The breakdown of these total budgets is the following:



**Figure 5** Comparison between the Original and the Revised Communication Plan Budgets

In comparison, the revised budget shows a larger percentage share of National Funds since this now also envisages the information and publicity measures implemented by the IBs as well as by other stakeholders. For this reason, the ERDF and ESF percentage share appear to have registered a decrease; however, as explained earlier, while the amount is lower in the Revised Communication Plan, the thrust and targets remain unchanged.



**Figure 6** Percentage budget share comparison between Original Communication Plan (inner circle) and Revised Communication Plan (outer circle)

### 6.5.3 Indicators

With regard to the indicators, the changes envisaged was to align indicators to costs and define better the way indicators will be measured in order to ensure that there is a good monitoring tool for actions implemented and their impact.

The latter was particularly highlighted during the review, and it was felt that the original indicators needed to be reviewed in order to be rendered more realistic and ensure effective monitoring. The review of the indicators was undertaken by the MA together with experts who suggested that the new indicators should be aligned to costs so as to better monitor financial spending against targets. In addition, as indicated above, the budget was revised to take into account the actions that could be implemented in the remaining time span which required a revision to the indicators.

Apart from the indicators now being better defined and thus more measureable, in order to carry out better monitoring, the procurement of publicity activities (events, promotional items, etc.) will include a more detailed budgetary breakdown element in order to gauge costs at unit level. This approach will allow the MA to carry out and plan its expenditure more effectively, whilst also gauging expenditure trends over the years and better quantify spending on the various measures.

## 6.6 Mid-term Appraisal of the Communication Plan

The Communication Plan was reviewed and appraised as part of the Mid-Term Evaluation on Operational Programmes I and II upon the request of the MA as indicated earlier in the chapter.

The experts were given the draft Communication Plan review in order to assist the MA in its exercise. The experts held a number of meetings with the Communications Team, carried out an analysis of AIR 2009, consulted a sample of the general public (during the annual event) and OP Beneficiaries in order to gauge the effectiveness of the publicity actions carried out by the MA. The experts also attended the Annual



Information Event of 2010 and assessed it through a survey among participants, and through their own observations which were highlighted in AIR 2010.

The Annual Event was rated positively overall since at least half of the participants visited at least one (1) information booth (considering that Cohesion Policy is not an audience-friendly subject) and felt they gained a better understanding of the Funds and projects on display. A number of suggestions to improve future events and ensure effective information dissemination were made by the experts. In light of this, the MA made it a point to take on board the experts' comments during its implementation of the 2011 Annual Event described earlier in this chapter. Summarily the suggestions made include the following:

**Recommendation made:**

**Action taken:**

Better planning and selection of dates for events in order to avoid clashing with other national or local festivities which might deter attendance;

Dates planned for the 2011 Annual Event did not coincide with other national or local events;

An early start to the promotion of event in order to increase awareness;

Promotion started 3 weeks in advance of the event and was far reaching;

Ensuring that venues are easily accessible and well lit when events take place in the evening;

Venues to be visited were checked prior through on-site visits and ensured that all sites were easily accessible and constituted no danger to the participants;

Animators, staff, etc. should take a more pro-active 'meet and greet' approach by e.g. welcoming attendees and leading them to information booths (if event is structured in such manner) or similar actions.

Given the nature of this year's events, a group of animators were involved on each tour to welcome participants, guide them to the venues and manage the crowds, as well as handing out refreshments and promotional material throughout the tours, while ensuring that the participants are comfortable and enjoying themselves at all times.

The recommendations made for the 2010 Annual Event remain valid lessons learnt for other future events the MA will be holding as part of its obligations in light of EC1828/2006 Art.7(2)(b).

Overall Beneficiaries rated very positively the publicity carried out by the MA. The consultation with the general public highlighted the fact that the public is more familiar with the individual funds (ERDF and ESF) rather than the terms Cohesion Policy, Structural Funds or Cohesion Fund. Thus in view of this finding, the MA will direct its promotion and actions to creating a better understanding of the concept of Cohesion Policy and the overarching benefits derived from the interventions being implemented through the Funds.

## 7. Concluding Remarks

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The Annual Implementation report for the year 2011 is showing the Programme success both in financial and physical terms. A total of sixty-two (62)<sup>506</sup> projects and two (2) aid schemes were under implementation out of which forty (40) at an advance stage of Implementation and another seven (7) completed by end of year. In 2011, progress was also registered with regards to the Programme's overall commitment which as at year end stood at 83% of the OP's financial allocation. Contracting stood at more than 43% and over 20% was disbursed by year end. Individuals and enterprise are benefiting from the progress in implementation with more than 30,000 individuals benefiting from actions under the OP and more than 2,200 grants with enterprises in 2011 alone. Thanks to these achievements, the Programme has managed to not only attain its first N+3 year target but also exceed it by 49%.

The main challenges for the next year will be to fully commit the Programme and at the same time sustain progress in implementation of ESF actions on the ground (publication of tenders and their timely evaluation, timely implementation of activities and their corresponding payments) which should ensure not just financial absorption which is an important objective in itself, but primarily the delivery of outcomes and results which will impact positively the lives of citizens for years to come.

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<sup>506</sup> Including Technical Assistance.

## Annex 1 – Cumulative Expenditure Table<sup>507</sup>

Priority axes	A Total contribution	Financial progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority axis 1 (ESF) <i>Improving education and skills</i>	37,400,000.00	€36,585,378	€21,804,745	13,495,513	98%	58%	36%
Priority axis 2 (ESF) <i>Investing in the employability and adaptability of the workforce</i>	30,995,000.00	€28,329,903	€15,412,971	5,489,288	91%	50%	18%
Priority axis 3 (ESF) <i>Promoting an equal and inclusive labour market</i>	36,900,000.00	€29,903,046	€14,752,053	5,249,500	81%	40%	14%
Priority axis 4 (ESF) <i>Strengthening of Institutional and Administrative Capacity</i>	21,405,000.00	€8,907,426	€3,052,184	1,481,194	42%	14%	7%
Priority axis 5 (ESF) <i>Technical Assistance</i>	5,064,705.00	€5,064,705	€2,858,217	1,075,008	100%	56%	21%
<b>Grand Total</b>	<b>131,764,705.00</b>	<b>108,790,458</b>	<b>€ 57.880.170</b>	<b>26.790.504</b>	<b>83%</b>	<b>44%</b>	<b>20%</b>

<sup>507</sup> Figures quoted represent progress as at end 2011 and are expressed in total public eligible cost.

## **Annex 2 – List of Projects & Aid Schemes as at end December 2011**

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### **Projects**

- 1) Online e-Learning Management System for Post-graduate Medical Training Activities (ESF 1.19)
- 2) Parents and Teachers Fusion ICT Training Programme (ESF 1.21)
- 3) Research Analysis and Training for Enhancing the University Library (ESF 1.22)
- 4) Higher education courses to address skills mismatches in Gozo (ESF 1.23)
- 5) Career Guidance Capacity Building (ESF 1.24)
- 6) Strategic Educational Pathway Scholarships - STEPS (ESF 1.25)
- 7) Accrediting Quality Vocational Training (VQPACK) (ESF 1.28)
- 8) Valuing all Skills for the Labour Market (SKILLSPLUS) (ESF 1.29)
- 9) Wood CPR: Education & Training in Wood Conservation Restoration (ICMCH) (ESF 1.31)
- 10) Increasing ICT Student Capacity in Malta (ESF 1.33)
- 11) Addressing skills mismatches in the aviation maintenance industry (ESF 1.34)
- 12) Professional development programmes for MCAST staff & student's top-up degrees (ESF 1.36)
- 13) Science Popularisation Campaign (ESF 1.40)
- 14) Training Support for the e-Learning Programme (ESF 1.123)
- 15) Creating a Knowledge Transfer Framework and Technology Entrepreneurship Training Programme (ESF 1.125)
- 16) Making VET Education More Relevant and Attractive (ESF 1.130)
- 17) Training Educators for Diversity (TED) (ESF 1.131)
- 18) Developing Leaders for Change and Innovation in Tourism (ESF 2.11)
- 19) Second Step (ESF 2.12)
- 20) Employability Programme (ESF 2.4)
- 21) Training Courses to enhance Employability and Adaptability of the Workforce (ESF 2.7)

- 22) EPITOME - Empowerment Programme for IT use: Outreach for Micro Entrepreneurship (ESF 2.72)
- 23) Retaining and Attracting People within Tourism through Diversity Management (ESF 2.78)
- 24) Cultural Heritage Awareness for Front-Liners (CHAF project) (ESF 2.80)
- 25) Promoting Life-Long Learning amongst Civil Society Organizations' Voluntary Staff (ESF 2.84)
- 26) Linking Industrial Needs and VET to Optimise Human Capital (ESF 2.85)
- 27) Train to Succeed (ESF 2.137)
- 28) Empowering Pyrotechnicians For Longevity and a Safer Quality of Workplace (ESF 2.138)
- 29) Increasing Accessibility, Flexibility and Innovation to MCAST Life-Longlearning Course Offer (ESF 2.139)
- 30) Skills Upgrading for the Tourism Sector in Gozo (ESF 2.141)
- 31) An Independent living training service for disabled people in Malta (ESF 3.42)
- 32) Dignity for Domestic Violence Survivors (ESF 3.43)
- 33) Unlocking the female potential (ESF 3.47)
- 34) Lifelong Learning for enhanced employability for parents (LLEEP) (ESF 3.48)
- 35) Training of Inclusion Coordinators for Secondary Education (ESF 3.49)
- 36) Care creates changes in people's lives (ESF 3.52)
- 37) REACH- Opportunities close to home (ESF 3.54)
- 38) Specialised research on OHS and the development of OHS accreditation (ESF 3.56)
- 39) Nista': The benefits of sharing life's responsibilities campaign (ESF 3.59)
- 40) Youth Employment Programme (ESF3.60)
- 41) E4L: Embark for Life - Labour market integration of socially excluded youth (ESF 3.61)
- 42) ME2 (ESF 3.62)
- 43) Ic-Cavetta - Maltese Literacy Toolkit for employment and education inclusion (ESF 3.66)
- 44) Impact Assessment of Mental Health on Employment for Policy Development (ESF 3.71)
- 45) Inclusion for Employment (ESF 3.102)

- 46) Promoting the Social Inclusion of Disabled persons with Challenging Behaviour (ESF 3.105)
- 47) ICT specialisations for inclusive upskilling/re-skilling of women and disadvantaged groups (ESF 3.107)
- 48) LWIEN (ESF 3.108)
- 49) Better Future: Promoting an Equal & Inclusive Labour Market (ESF 3.110)
- 50) Training Rehabilitation Workers for persons with visual impairment (ESF 3.112)
- 51) Employment Support for Persons with Disabilities (ESF 3.113)
- 52) Employment in the Social Economy (ESF 3.114)
- 53) Capacity Building for Equipping and Representing Micro Businesses Employers (ESF 4.86)
- 54) Developing the Maltese Public Sector's Capacity to Implement Better Regulation (ESF 4.87)
- 55) Closer to Europe (ESF 4.94)
- 56) Employee Support Programme (ESP) for Public Employees (ESF 4.97)
- 57) Strengthening IMU's and other related functions through Specialist Training Programmes (ESF 4.98)
- 58) Developing Core Skills in the Public Service (ESF 4.100)
- 59) Capacity Building for MCST (ESF 4.152)
- 60) Development Quality Management in the Public Administration through CAF (ESF 4.159)
- 61) Training of Consumer and Competition Officials and Awareness Campaign (ESF 4.163)

**Aid Schemes**

- 62) Training Aid Framework (TAF) (ESF 2.65)
- 63) Employment Aid Programme (EAP) (ESF 3.64)