

Operational Programme II Cohesion Policy 2007-2013

Empowering People for More Jobs and a Better Quality of Life

Annual Implementation Report

2012



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

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: 2012

Date of approval of the annual report by the Monitoring Committee:

19th April, 2013

2 – Overview of the implementation

2.1 Achievement and analysis of the progress

2012 was the sixth year of the implementation of Operational programme II (OPII) in Malta and was characterised with progress in the implementation of approved projects, with some projects either completing the activities foreseen under the project or close to completion whilst at the same time new projects were being approved in an effort to fully commit the Operational Programme.

As at the end of the reporting year, there were seventy-five (75) approved operations¹ out of which twenty-eight (28) were in the closure process with four (4)² out of these also managed to submit their closure reports by the end of the year³.

In 2012 achievement was registered both in terms of progress from a budgetary point of view and in terms of results achieved on the ground. By December 2012, 90% of the OP's allocation was committed (€118,298,749) and 64% of the amounts committed were contracted. In order to achieve this success, in 2012 the MA issued several calls for proposals, which resulted in the approval of (twelve (12) additional projects), amounting to € 8.5million two (2) under PA 1⁴; two (2) under PA 2⁵ and eight (8) under PA 4⁶.

During the year under review, the programme registered a significant progress in disbursement, with €19,971,307,09 paid in 2012, representing an increase of €6,672,225.94 (50.17%) over the payments done in 2011, bringing the total cumulative payments as at the end of the year to €46,761,811.09 (public eligible), representing 39.5% of the committed amount.

The activity related to first level of control carried out by the Managing Authority (MA) and Intermediate Body (IB) increased accordingly. During the year under review, the MA carried out 108 unique Article 13 checks with a total of 2,860 hours spread over 291 visits⁷. This intensive activity resulted in a total expenditure amounting to €15,320,205.59⁸ verified by the MA in 2012 alone of which €13,373,146 was certified by the Certifying Authority (CA) in the same year. This brought the certified total public eligible

¹ Seventy-two (72) *mainstream* projects; 2 (two) Aid Schemes and (1) Technical Assistance

² ESF1.40, ESF3.42, ESF3.56 and ESF3.71

³ The other three projects that were reported in AIR 2011 as with completed activities, i.e. ESF1.21, ESF1.28 and ESF2.7 have still pending certification of payments and closure of issues as at the end of 2012

⁴ ESF1.209, ESF1.211 approved under Call 10

⁵ ESF2.186 approved under Call 8 and ESF2.201 approved under Call10

⁶ ESF4.164 , ESF4.167, ESF4.174, ESF4.175, ESF4.180, ESF4.181, ESF4.182, ESF4.189 approved under Call 8

⁷ Out of these 291 visits, 30 were Physical Checks

⁸ This amount does not include additional expenditure which was verified by the MA but not raised in SOE in view of pending clarifications

amount to €31,781,820.31⁹ representing 24% of the total OP allocation. This activity in terms of verification and certification of expenditure, meant that Malta achieved its financial targets (of the so-called 'n+2' target) in real terms, as was the case in previous year.

The programme implementation, which addresses the European Employment Strategy, continued to put in place measures which aimed at improving education and skills (54% of payments - PA 1); employability and adaptability in the labour market (29% of payments - PA 2); social inclusion (27% of payments - PA 3); and lifelong learning to strengthen the institutional and administrative capacity (19% of payments - PA 4), registering considerable results on the ground with a number of individuals that experienced the benefits of the ESF investments both in Malta and Gozo. In this regard, in 2012 achievements were registered in almost all output indicators¹⁰ and all result indicators.

Procurement continued to present the usual challenges in 2012. In 2012, there were twenty-two (22) DoC tenders launched with only three (3) tenders contracted within the same year¹¹. In addition, two (2) DoC tenders, which were launched in 2011, were contracted during the year under review. The rest of the tenders launched were still at evaluation stage, given that the majority were launched in the second semester of 2012. Besides tenders that were being administered by DoC, a number of departmental tenders were launched valuing €2.3 million with €714,000 contracted in the same year. In the case of NGO beneficiaries, they handle their own procurement. During the year under review, €3.2 million was contracting¹².

Throughout the Implementation the Managing Authority continuously sought to facilitate the various problems that delay the procurement processes through timely intervention with the relevant stakeholders. Previously, clarifications were sought through email correspondences and *ad hoc* meetings with the DoC. By third quarter 2012 the MA formalised such networking through the organisation of weekly meetings with this department holding ten (10) meetings in 2012. Such meetings are in addition to other bilateral meetings and discussions that were held. Such meeting are helping in facilitating the verification of expenditure (more timely feedback on contracting issues).

The IB (Employment Training Corporation (ETC)) for the two Aid Schemes under the ESF managed to contract all the amounts allocated to both Aid Schemes in the year under review through the signature of a total of 6,216 grants worth a total of €26.2 million¹³.

⁹ Out of which €27,014,457.26 are EU Funds (85%)

¹⁰ With the exception of output indicator 'Number of families benefiting from childcare' under PA 3, as this indicator is not being targeted by any of the approved operations because of implementation difficulties identified in terms of potential projects.

¹¹ From the five (5) contracted, two (2) were launched in 2011.

¹² Procurement by NGOs was mainly conducted through ESF1.131 and ESF3.108. ESF1.131 had a contract worth €366, 291 that was launched in 2011 whilst ESF3.108 faced unsuccessful procurement worth €11,033

¹³ As at the end of 2012, total amount contracted under TAF amounted to €9,524,722; whilst, under EAP amounted to €16,737,069. These figures include the over-committed amounts under both schemes (i.e. €673,102 under TAF; €4,537,069.83 under EAP) and they do not take into account the possible de-commitments that the IB will undertake in view of the claims received.

Of particular highlight during 2012 was the Audit Visits by the European Commission (DG Employment auditors) and the European Court of Auditors on the amounts claimed to the European Commission in previous years. The first visit was from the DG REGIO and DG Employment in mid-June and the second one was in mid-December by the European Court of Auditors. The latter was followed up by an Audit on operations in February 2013. In both cases the objective of the audits were to obtain reasonable assurances that the audits undertaken by the Audit Authority were compliant with the requirements of Council Regulation (EC) No 1083/2006. Other highlights for 2012 relate to: the launch of the new website which aims to complement the official MA website to publicise project achievements; recording the first results registered under the Cohort Study; the starting up of the preparatory work for the Ex-ante Evaluation on Structural Funds (European Social Fund, European Regional Development Fund and Cohesion Fund) for the next programming period.

2.1.1 Information on the physical progress of the Operational Programme

Project Selection Process

- ***Calls for Project Proposals***

Whilst in 2011, the Managing Authority focused on the evaluation of proposals submitted under Call 6 and 7¹⁴, in 2012 four (4) calls for project proposals were issued with a total indicative value of €33.5 million addressing all priority axes. This brings the total number of calls issued under OP11 as at end 2012 to eleven (11) calls.

The combined efforts made in 2012 by the MA (with the launch an average of two calls for Priority Axis¹⁵) and, subsequently by the Project Selection Committee (PSC) to evaluate the proposals, were dictated by the need to ensure full allocation of all the available resources under the Operational Programme, guarantying, at the same time, an appropriate timeframe for the implementation of approved operations.

In accordance to the policy adopted in the previous year, following recommendations put forward by the Mid-Term Evaluation, the majority of the calls for proposals were restricted to interventions targeting specific focus areas of the particular Priority Axes. This did not produce the expected results.

¹⁴ These calls were launched in 2010 addressing all priority axes. Thirty-four (34) project proposals with a total value of €49.9 million were submitted under Call 6 (PA 1 and 3) whilst twenty-eight (28) proposals with a total value of €19.3 million were submitted under Call 7 (Pa 2 and 4)

¹⁵ Two (2) calls (10 & 11) targeted PA 1, two (2) calls (8 & 10) targeted PA 2, two (2) calls targeted PA 4 (8 & 11) and one call targeted PA 3 (Call9)

The eighth Call for proposals was issued on 18th January 2012¹⁶ under PA 2 and PA 4 with an indicative allocation of €11.5million¹⁷. This call was restricted to interventions relating to “*Continuous Training and Education*” under PA 2¹⁸ whilst was open to all focus areas under PA 4, giving preference to specific actions in an effort to direct investment on those sectors that registered a low take-up¹⁹. This call was open to public entities, local councils, voluntary organisation and civil society organisations. Two (2) information sessions for prospective applicants were organised by the MA (on the 3rd and 6th February), attracting fifty-nine (59) participants.

As a result of this call, twenty seven (27) proposals were submitted with a total value of €23.5Mil²⁰.

The ninth Call was issued on 2nd May 2012²¹ under PA 3 with an indicative allocation of €5 million. The call was restricted to two Focus Areas “*Female participation in the labour market*” and “*Addressing labour market distortions and ensuring that work pays*”²². This call was open to public entities, local councils, voluntary organisation and civil society organisations, with the information session held on 15th May, attended by eleven (11) participants. Ten (10) proposals were submitted under this call, with a total estimated value of 2.5 million.

The tenth Call for project proposals was issued on 24th May 2012²³ under PA 1 and PA 2 with an indicative allocation of €7.5million²⁴. This call was restricted to focus areas “*Investing in the education system*” and “*Research and Innovation*” under PA 1 and to focus areas ‘*Continuous training and education and Innovative activities*’ under PA 2. This call was open to public entities, local councils, voluntary organisation and civil society organisations. One (1) information session was organised in Malta (6th June), where twenty-three (23) participants attended. Twelve (12) proposals were submitted under this call having a total a total estimated value of 7.5 Mil²⁵.

¹⁶ Call 8 closed on 2nd March 2012

¹⁷ In respect of PA 2, indicative allocation amounted to €4million (which could have increased on the basis of savings registered on the Programme) whilst in respect to PA 4, indicative allocation amounted to €7.5million

¹⁸ Preference was given to proposals addressing environment/green skills; RTDi-related skills as well as projects focusing on the employability and adaptability of older workers between 40-55 years

¹⁹ Preference was given to operations aiming at addressing focus area ‘*Strengthening the quality of employment services*’ and promoting capacity building actions bridging different skills within the same sector.

²⁰ Six (6) proposals were submitted under PA 2 with a total value of €7 million and twenty-one (21) proposals were submitted under PA 4 with a total value of €16.5 million

²¹ Call 9 closed on 15th June 2012

²² Priority was given to projects promoting skills for women returning to work, provision of childcare studies and piloting of innovative working arrangements ; addressing the optimisation of social benefits; bringing those at the furthest edges closer to the labour market through training, work assignments, etc; and the promotion of healthy and safe environments at work

²³ Call 10 closed on 6th July 2012

²⁴ Under PA 1 indicative allocation of €4million (which could have increased till 5 Mil) whilst under PA 2 indicative allocation amounted to €3.5million

²⁵ Four (4) proposals were submitted under PA 1 with a total value of €1.5 million and eight (8) proposals were submitted under PA 2 with a total value of €6million

The eleventh Call was issued on 2nd November 2012²⁶ under PA 1 and PA 4 with an indicative financial allocation of 9.5 Mil²⁷. The Call was open to all focus areas of intervention both under PA 1 and 4. No restrictions were made to potential applicants. One (1) information session was organised in Malta (14th November) attended by twenty-four (24) participants. Seventeen (17) proposals were submitted with an estimated value of 12Mil²⁸.

All calls were preceded by a Pre-announcement and were published via a press release as well as press adverts in local newspapers (both in English and Maltese), the Government Gazette, the PPCD website, the PPCD social networking page and also on the Malta-EU Steering & Action Committee (MEUSAC) website. All documentation related to the calls for proposals is accessible through the MA's website.

In 2012, the total number of project proposals submitted amounted to sixty-six (66) for a total value of €45.5 million. Call 11 was still pending assessment by the PSC as at year end. Finally in terms of additional call, in December the MA launched a Pre-Announcement of the Twelfth Call for Project Proposals under PA 3.²⁹

- **Project Selection Outcome**

As a result of the subsequent launching of the calls for project proposals, the Managing Authority immediately sought to proceed with the evaluation process. During 2012, the PSC met forty-four (44) times: twenty-seven (27) under Call 8; eight (8) under Call 9; nine (9) under Call 10³⁰. Evaluation of Call 11 is expected to start in 1st Quarter 2013.

Out of the forty-nine (49) proposals submitted under the three calls that were evaluated³¹ twelve (12) projects were approved in 2012: two under PA 1³²; two under PA 2³³; and eight under PA 4³⁴. The

²⁶ Call XI closed on 14 December 2012

²⁷ Under PA 1 indicative allocation of €5million (which could have increased depending on unallocated amounts) whilst under PA 4 indicative allocation amounted to €4.5million (which could have increased depending on unallocated funds) under the Axis

²⁸ Seven (7) proposals were submitted under PA 1 with a total value of €6.5 million and ten (10) proposals were submitted under PA 4 with a total value of €5.5 million

²⁹ The Pre-Announcement for Call 12 related to PA 3 'Promoting an equal and inclusive labour market Branding' ,was published on the 12th and 14th December 2012

³⁰ For Call 8, the PSC held six (6) sessions under PA 2 and twenty-one (21) sessions for PA 4, between the 12th March 2012 and 2nd October 2012; For Call 9, the PSC held eight (8) sessions under PA 3 between the 3rd September and 16th October; For Call 10, the PSC held four (4) sessions under PA 1 and five (5) sessions for PA 2, between the 2nd August 2012 and 16th October.

³¹ As at the end of 2012 the evaluation of call 9 was still ongoing in respect of three other submissions ESF3.193, ESF3.194, ESF 3.196

³² ESF1.209, ESF1.211 approved under Call 10,

³³ ESF2.186 approved under Call 8 and ESF2.201 approved under Call10.

³⁴ ESF4.164 , ESF4.167, ESF4.174, ESF4.175, ESF4.180, ESF4.181, ESF4.182, ESF4.189 approved under Call 8

estimated value of these projects amounted to €8,554,266³⁵ representing 7% of the overall committed amount.

Two (2) other projects submitted under PA2 (Call 10)³⁶, amounting to €1.23 million actually made the pass-mark and were placed on the reserve list due to full take-up of the budget available under the call.

Unsuccessful applicants continued to be informed through a rejection letter. During the year under review, eight (8) projects were rejected on eligibility grounds (two (2) under PA 2³⁷; two (2) under PA 3³⁸; and four (4) under PA 4³⁹) whilst twenty-three (23) were rejected as they did not make the 50% pass mark required two (2) under PA 1⁴⁰; eight (8) under PA 2⁴¹; five (5) under PA 3⁴² and eight (8) under PA 4⁴³). One project was withdrawn under PA 4 Call 8⁴⁴.

The corrective measures undertaken by PSC in 2011 aiming at reducing the delays of the evaluation process, resulted in speeding up the selection of an increased number of proposals when compared to previous years⁴⁵.

Even though the evaluation process was facilitated, the PSC still had to face a relatively high number of proposals to be rejected. Apart from rejections on eligibility criteria, a significant number of submissions failed to achieve the required pass mark. The main reason for such a relatively high number of *failed* applications is largely due to the difficulties in providing a solid justification for the project, anchored in the overall priorities under of the Priority Axis concerned and in the relevant national priorities. The lack of concrete and tangible results within the proposals also represented an obstacle in rendering the project valid for ESF support. As in previous years, the unsuccessful Applicants were given the possibility to appeal to the Project Selection Appeals Board (PSAB). During the year under review, two appeals were filed with PSAB⁴⁶. One of the appeals was evaluated by the PSAB and subsequently rejected whilst the outcome of for the other appeal was not finalised by the end of 2012.

³⁵ Total eligible amount of the projects as at December 2012

³⁶ ESF2.202 and ESF2.204 included in the reserve list under Call 10

³⁷ ESF2.185 under Call 8 and ESF2.206 under Call 10

³⁸ ESF3.197, ESF3.199 under Call 9

³⁹ ESF 4.166, ESF4.172, ESF4.173 ESF4.178 under Call 8

⁴⁰ ESF1.210, ESF1.212 under Call 10

⁴¹ ESF2.183, ESF2.184, ESF2.187, ESF2.188 under Call 8 and ESF2.203, ESF2.205, ESF2.207, ESF2.208 under Call 10

⁴² ESF 3.191, ESF3.192, ESF3.195, ESF3.198, ESF3.200 under Call 9

⁴³ ESF4.165, ESF4.169, ESF4.170, ESF4.171, ESF4.176, ESF4.177, ESF4.179, ESF4.190 under Call 8

⁴⁴ ESF4.168 (Withdrawal Letter dated, 14th May 2012)

⁴⁵ In 2009, PSC met forty-five (45) times assessing thirty (30) proposals; In 2010: PSC met thirteen (13) times assessing thirteen (13) proposals

⁴⁶ ESF3.199 under Call 9 contested against rejection on eligibility and ESF 4,190 under Call 8 contested rejection on the selection criteria

Progress in Programme Implementation

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

By the end of 2012, OP II has managed to achieve a commitment of €10,426,575, representing 7.9% out of the total public eligible funds for this programming period. This draws closer to the achievement of the 10% planned commitment towards Gozo socio-economic development in Gozo.

During 2012, the MA registered a satisfactory increase in the number of projects with a direct commitment to the Gozitan dimension. The change in the application form to include a specific section for Gozo related activities affected in 2011 kept paying off even in 2012. Ten (10) out of the twelve (12) newly approved projects in 2012 had in fact a financial commitment to implement specific activities to target the Gozo dimension amounting to €654,930, representing 7.65%⁴⁷ of the total public eligible amount committed under calls eight (8) and ten (10).

2012 was a successful year also for the level of commitment towards Gozo reached by the two (2) ESF aid schemes to enterprise. By the end of 2012, 744 grants were signed with Gozitan enterprises amounting to €3,765,418.80⁴⁸ under both EAP and TAF⁴⁹, representing a contribution of 36% to the overall Gozo commitment registered up to December 2012 at Programme level.

In this regard, it is worth noting that in 2012, the contribution of EAP towards Gozo has continued to register a significant success with 130 new commitments made in favour of the Gozitan population, amounting to €1,006,753. This brings the total number of employers that benefitted under EAP up till 2012 to 257 Gozitans from a total of 1,140 employers. As a result, in terms of participation, 576 Gozitan employees benefitted from this scheme out of the total 2,693 participants. With respect to the TAF, although the Gozitan interest remained lower than under EAP, progress was registered in 2012, when compared to 2011 with sixty (60)⁵⁰ new commitments made in favour of Gozitan companies in 2012, thus bringing the total number of grants signed for the benefit of Gozitans to 128 as at end of the year for a total amount of €333,077.

Up to December 2012, under OP II there were four (4) Gozo based *mainstream* projects, one in each PA⁵¹, as well as fifty-four (54) projects having a Gozo component (having either a Gozo based activity or targeting Gozo participants).

⁴⁷ The total committed amount under call 8 and 10 amounted to €8,556,820.37

⁴⁸ Public eligible: TAF - €333,077.80 and EAP €3,432,341

⁴⁹ As will be explained in the next sections of this report, the grants signed under TAF and EAP might decrease

⁵⁰ Amounting to €119,001

⁵¹ ESF 1.209, ESF 2.141, ESF 3.108, ESF4.189

The increase in the total committed amount which was registered by the end of 2012 when compared to the previous year⁵² (€886,315) shows that, besides the contribution of the newly approved projects, other interventions which are targeted Gozitan citizens (originally not calculated when the project was approved), have been reported and the commitment is now adjusted accordingly. This will continue to be the case in the future.

Efforts are being made to attain the 10% commitment goal by promoting favourable activities towards the Gozitan participation both during the launch of the new calls and the finalisation of the Grant Agreement but also during the projects' implementation. However the inherent difficulties faced by the various operations to implement actions which are exclusively targeting Gozo persists and are mainly due to the small population.

Overall, up until 2012 there was over €2,5Million disbursed⁵³ towards Gozo. Additional efforts will be required in the coming years, not only to ensure that the level of commitment will reach the 10% but also to increase the level of disbursement which will need to follow with the implementation of actions on the ground.

In this respect, during 2012, the MA continued operating the enhanced SFD features in order to allow for a better and more accurate tracking of specific Gozo expenditure, making it easier for the MA to report on the achievement of this target

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

During the year under review, the two (2) schemes implemented under Article 107 of the Treaty, both managed by the Employment and Training Corporation (ETC), registered a significant progress not only in terms of the level of commitment and disbursement reached but also, and more importantly, on the results that these initiatives registered on the ground.

As at the end of the year, the Training Aid Framework (TAF) and the Employment Aid Programme (EAP), achieved the full commitment of the total public eligible amount allocated, resulting in €21,051,620⁵⁴ committed in operations to be implemented by various enterprises, representing 18% of the total committed amount under OPII. In addition to that, considering the huge success under both schemes, ETC has over committed an additional amount⁵⁵ in order to be able to absorb the impact of any commitments that will not be eventually translated into payments. This was followed by the decision to

⁵² Amount committed towards Gozo in 2011 was €9,540,260

⁵³ €2,606,741 to be precise

⁵⁴ Represented by €8,851,620 committed under TAF (ESF 2.65); and €12,200,000 committed under EAP (ESF 3.64), excluding the over-commitment

⁵⁵ As at the end of 2012, total amount committed under TAF was €9,524,722; whilst, under EAP amounted to €16,737,069

temporarily close both initiatives. In second half of the year, the focus of the IB was primarily on processing payments, evaluating the last applications received and preparing respective grant agreements as well as, undertaking management verifications. In an effort to determine the real commitment under the two Aid Scheme, ETC started issuing deadlines to beneficiaries to submit the claims due. The approach adopted is that failure to submit the claims for reimbursement by the deadline, would be considered by ETC as a withdrawal of the grant from the beneficiary's side, and the funds allocated cancelled.

With respect to TAF, the ETC received a total of 4,420 applications as at the end of 2012, of which 1,972 were received in 2012. Out of the 4,420 applications, a total of 3,871 resulted in the signature of a Grant Agreement. Throughout the implementation of the scheme a number of de-commitments took place which reduced this figure to 3,253 valid Grants by end of December 2012⁵⁶. The total value of these Grants amounts to €9,524,722. This amount is expected to be reduced due to various scenarios including cases when the costs incurred are less than those indicated within the Grant Agreement and non-compliance with ESF regulations, National rules and/or TAF Guidelines. As affirmed above, following the high level of grants signed and in effort to ensure a timely disbursement and to identify the real commitment level, ETC decided to temporarily close the scheme on the 8th June 2012. These amount of grants signed, show the success of the scheme when compared to the performance indicators listed in Annex I of the Covenant. When the covenant was agreed between the MA and the IB, only 475 undertakings were expected to be supported. By June 2012, this target had already been exceeded by almost six times (3,253). From January to December 2012 the number of claims processed by ETC were 484 providing training to more than 3,180 workers. The unexpected high demand experienced throughout the implementation of the scheme may be attributed to the increased number of employers that decided to invest in training of their workforce in reaction to the global financial crisis. The private sector has in fact considered training as an effective measure, to support the restructuring process of their enterprises, introduce innovation as well as to instil motivation amongst the employees. It is worth noting that the training programmes being applied for under TAF vary and include a number of short soft-skills courses but also a number of courses that lead to qualifications such as Higher Diplomas, Degrees and Masters⁵⁷. This shows that the undertakings are investing in training in order to not only ensure that employees will perform better in their current positions but also to assist them in their career progression, becoming valuable elements for the company.

It is also worth noting that 92% of the training courses sponsored under TAF were for general training, which provides trainees with transferable skills, hence increasing their adaptability and employability both

⁵⁶ Should the number of grants remain as valid till the end of the programme, ETC is envisaging that approximately 34,000 trainees will receive support from TAF

⁵⁷ These are expected to be concluded in 2012/2013

within the same company and elsewhere. The areas of finance and IT were amongst the most common requests received by the IB throughout the implementation of the scheme. 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 past years. Applications for training subsidy for self-employed persons have also been increasingly in demand. It is worth noting that in 2010, the number of grants for self-employed persons amounted to nineteen (19). This figure increased with an addition of fifty-three (53) grants in 2011 and seventy (70) in 2012⁵⁸. 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.

Similar to other years, the EAP increased the number of grants signed resulting in a significant number of job placements for the seven (7) different client groups⁵⁹ eligible under the scheme⁶⁰. Due to the successful uptake of this scheme, in 2012, the MA decided to allocate an additional €4 million, bringing the total budget to €12.2 million.

Despite this increase, as already highlighted above, the budget allocated under EAP is still lower than the actual commitment. Taking into account the demand and the value of approved grants, in May 2012 an announcement was issued to inform interested applicants that the scheme allocation was fully committed and that applications under the two Aid Schemes will be accepted up to the 8th June 2012. Between the beginning of the year under review and the stipulated deadline, ETC received 1,035 applications, which represent almost 20% of the total amount of applications received under EAP. The latter resulted in 770 new grant agreements. This brings the total number of applications received under EAP up to the end of 2012, to 5,206 applications⁶¹ which resulted in 2,693 valid Grant Agreements amounting to €16,737,069⁶². As a result of the introduced measure to de-commit grants of Beneficiaries who exceeded the deadline to submit a claim for reimbursement, a de-commitment of 271 grant agreements⁶³ for the value of €1,229,148 has been affected during the year under review.

The sustainability of the EAP, which is reflected in the retention rate in employment of participants, has re-confirmed the impact of the scheme on several client groups also in 2012. Up to December, a total of

⁵⁸ These figures are an estimate based on the data collected at Grant Stage The final data for Annex XXIII is collected at reimbursement stage and represents data for which claim was processed for payment

⁵⁹ 1) Young people under the age of 25 who have completed full-time education in the last two years and have not yet obtained a first regular paid employment; 2) persons who seek re-employment after an absence of at least two years from work and/or from education; 3) persons who have not attained secondary-level qualifications or equivalent (ISCED Level 3) and who have been made redundant in the past six months; 4) single adults looking after dependants; 5) older workers (over 50 years) who are unemployed or at the risk of losing their job; 6) long-term unemployed registered persons; 7) registered persons with disability.

⁶⁰ As at the end of 2012, 5206 applications were received under EAP

⁶¹ 774 applications from Gozo and 4,432 from Malta

⁶² €1,183,654 represents the amount de-committed related to premature terminations of the grants This brings an expected expenditure of €15,553,415.

⁶³ 271 represent 9% of the original grants signed and €1,229,148 represent 7% of the original commitment

85% (1157) of the 1357 participants that completed their placement under the scheme were still in employment six months after the subsidy period. Considering the results to date, one can safely say that the target of 50% of those trained will not only be achieved but also exceeded if these results continue to be maintained.

With regard level of disbursement, it should be noted that under TAF in 2012 ,a total of 484 claims with a total value of € 1,441,095 were processed for payment out of which 393 with a value of € 1,278,878 were paid during the same period. The remaining claims will be paid in the beginning of 2013. This brings the total amount of claims paid till end 2012 to 884 with a total value of € 2,272,147⁶⁴ representing 26% of the total committed amount under the scheme and an increase of 28% when compared to 2011⁶⁵. The increase in disbursement under TAF was primarily the result of the simplification process implemented in June 2011 which was also facilitated by six (6) information sessions conducted in 2011 in order to reach the beneficiaries. In 2012, a further eight (8) events were held in order to encourage participation by enterprises but also towards improving the quality of claims submitted at reimbursement stage. In May 2012 the Corporation took stock of the reimbursement documents submitted, in order to assess the actual status of the claims due. Following this exercise, it transpired that only 13% of the claims due at the time were fully submitted. The remaining claims were either not submitted or only partially submitted (had a number of missing documents). This shed light on why correspondence between the IB and Beneficiaries during the reimbursement process consumed a significant part of the time of the IB thus hindering the rate at which the claims were being processed. In addition, in an effort to address the delays in the submission of claims, the Corporation decided to set a deadline on the 16th July 2012 whereby the claims that had been due by end March 2012 had to be submitted. This was done in order to determine which grants were actually going to be claimed and hence allowing the value of those which were not being claimed to be withdrawn and re-allocated. In total, approximately 400 letters were sent to different Beneficiaries covering over 2000 grants. Following the deadline of the 16th July 2012 and the resulting de-commitment, the IB continued to set deadlines for the submission of claims. The IB has also adopted a different internal procedure for the verification of the reimbursement documents which will ensure that beneficiaries are informed at the time of submission on whether the supportive documents are in line with what is required so for the claim to be processed. This has facilitated the reimbursement process as the TAF Reimbursement Executives are now in a position to immediately identify which claims can be processed and hence reducing significant time done chasing clients to submit the reimbursement documents. Nonetheless, problems hindering the reimbursement process still persist also due to the high turnover within ETC which were experienced throughout 2012.

⁶⁴ Under TAF - €25,136 were paid in 2010, €968,133 in 2011 and €1,278,878 in 2012

⁶⁵ Payments under TAF as at the end of 2011 amounted to 993,270

With regards to EAP, as indicated above, the closure of applications enabled ETC to focus more on the disbursement of funds allocated. In fact, under this scheme a considerable improvement has been recorded in the level of payments reached as at the end of 2012. A total of 659 claims were processed in 2012 only, amounting to €2,730,118, representing 382% increase when compared to disbursement up to December 2011⁶⁶. As at end 2012, the total amount disbursed under this scheme amounted to €3,444,563 representing 28.2% of the allocated budget. The deadlines system increased the number of claims received. Up to December the IB had received 94% of the claims due. Another significant progress was registered in the amount of claims certified during 2012. Out of €3,187,237 certified under the EAP, €2,706.755.70 were certified in 2012.

Whilst progress in disbursement during the year under review has been recorded, this still did not reach the desired results as is the case under TAF. However, the simplification process initiated in October and which changes came into effect in January 2012 was definitely one of the factors that improved the level of disbursement. Other measures as explained above were also implemented by the IB to increase the disbursement including the contracting of support services for two months to assist current staff in the processing of claims. Following, the positive results achieved through the provision of these services (contracting services), ETC contracted a consultancy company to review the processes (including an assessment of the resources available. It was concluded that in the case of both EAP and TAF, ETC does not have enough resources to be able to meet the disbursement schedule, and an estimate of the number of additional staff required was submitted. ETC is evaluating the options recommended.

- **Indicators**

During the year under review, the method of calculation of achievements under the programme's result indicators (%) has been modified. Specifically, the percentage (%) of the progress has been now calculated on the *achievements* of the relevant output indicator rather than on its *targets*.

Achievements under the result indicators have also been reported in absolute numbers under Table 2 of this report.

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	2012	Total

⁶⁶ Payments under EAP as at the end of 2011 amounted to €714,445

Output	A	Indicator 1: Number of persons participating in further or higher education & training programmes	Achievement ⁶⁷	0	v	141	153	146	44	484	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	600
			Baseline	n/a	n/a	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 ⁶⁸	0	15	582	605	731	391	2,324	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3000
			Baseline	n/a	n/a	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	29	52	2	91	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	250
			Baseline	n/a	n/a	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	0	5	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	C	Indicator 5: Number of persons trained through capacity building courses ⁶⁹	Achievement	0	0	110	1,835	384	387	2,716	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	750
			Baseline	n/a	n/a	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	3,545 ⁷⁰	6,333	10,493	
			Target	n/a	n/a	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	n/a	n/a
Indicator 7: Number of actions supporting educational quality, relevance, structures, systems, campaigns and research		Achievement	0	0	1	4	6	0	11		
		Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20	
		Baseline	n/a	n/a	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 ⁷¹	0%	0%	0%	28%	38%	61%	61%	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	75%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

⁶⁷ Achievements under ESF 1.25 were revised for all years given that output indicators were being recorded by signature date of contract rather than start date of contract.

⁶⁸ Achievements under ESF 1.25 were revised for all years given that output indicators were being recorded by signature date of contract rather than start date of contract. Moreover, ESF 1.33 figure for 2011 has increased given that students obtaining a scholarship were not included; ESF 1.34 amounts were erroneously reported for 2009 and 2010; whereas ESF 1.36 was erroneously reported for 2011

⁶⁹ Figures were revised for ESF 1.36 and the same comment under footnote 35 applies with regards to ESF 1.25.

⁷⁰ Achievement under ESF 1.123

⁷¹ The baseline for calculating the *result indicator 1 and 2* have been changed given that the output indicators were changed following the OP change and subsequent EC approval. This resulted in a change in the % reported for 2010 and 2011.

	B	Indicator 2: % of participants gaining a further or higher education & training qualification in S&T or ICT	Achievement	0%	0%	0%	18%	28%	47%	47%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	75%
			Baseline	n/a	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%	88%	41%	76%	100%	100%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	C	Indicator 4: % of participants gaining a qualification/certification ⁷²	Achievement	0%	0%	<u>2%</u>	48%	61%	88%	88%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Priority Axis 2 – Investing in the employability and adaptability of the workforce										
				2007	2008	2009	2010	2011	2012	Total
Output	A	Indicator 1: Number of persons trained/supported	Achievement	0	0	4,773	14,025	15,311 ⁷³	6,815	40,924
			Target	n/a	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	n/a
		Indicator 2: Number of actions supporting educational structures, systems, campaigns and research	Achievement	0	0	0	0	1	1	2
			Target	n/a	n/a	n/a	n/a	n/a	n/a	5
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 3: Number of undertakings supported	Achievement	0	0	156	971	1,028	1,098	3,253
			Target	n/a	n/a	n/a	n/a	n/a	n/a	700
			Baseline	n/a	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	Achievement	0%	0%	37%	51%	73%	76%	76%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a

⁷² Including certificates of attendance

⁷³ In AIR 2011 this was reported as 15,284. ESF2.11 and ESF2.72 had reported 28 participants and 13 participants, respectively less; whilst a difference of 14 participants more was reported on ESF2.84

		receiving assistance								
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	77%	83%	87%	89%	
			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%	93%	95%	99%	99%	
				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	2012	Total
Output	A	Indicator 1: Number of actions supporting a lifecycle approach to work	Achievement	0	0	0	0	1	2	3
			Target	n/a	n/a	n/a	n/a	n/a	n/a	10
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: Number of women trained/supported	Achievement	0	0	23	275 ⁷⁴	374 ⁷⁵	253	925
			Target	n/a	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	n/a
		Indicator 3: Number of families benefiting from childcare	Achievement	0	0	0	0	0	0	0
			Target	n/a	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	n/a
	B	Indicator 4: Number of	Achievement	0	0	511 ⁷⁶	3,509 ⁷⁷	4,372 ⁷⁸	1,725	10,117

⁷⁴ In AIR 2011, the achievement under 'Number of women trained/supported' was erroneously reported as 289 instead of 275. In 2010, under ESF 3.54, eleven (11) participants were added to the indicator by mistake. In AIR 2011, under ESF3.48, three (3) ineligible participants were included in the indicators by mistake.

⁷⁵ In AIR 2011 the achievement under 'Number of women trained /supported' was erroneously reported as 259 instead of 374. Specifically, under ESF 3.54, seventy-five (75) were omitted from the 2011 indicators and similarly in ESF3.48, forty (40) participants should have been added under this indicator

⁷⁶ In AIR 2011, the achievement under 'Number of vulnerable persons trained/supported' for 2009 was erroneously reported as 590 instead of 511. In 2009, under ESF3.64, hundred and forty – five (145) participants were added to the indicator but due to de-commitment they should have been omitted

⁷⁷ In AIR 2011, the achievement under 'Number of vulnerable persons trained/supported' for 2010 was erroneously reported as 4121 instead of 3509. In 2010, under ESF3.64, forty-nine (49) participants needed to be decreased from this indicator due to de-commitment. In addition, under ESF3.54, nine (9) participants were omitted under this indicator by mistake

		vulnerable persons trained/supported	Target	n/a	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	n/a
		Indicator 5: Number of persons trained in capacity building courses	Achievement	0	0	22 ⁷⁹	258	30	61	371
			Target	n/a	0	n/a	n/a	n/a	n/a	600
			Baseline	n/a	0	n/a	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 ⁸⁰	1	14
			Target	n/a	n/a	n/a	n/a	n/a	n/a	10
			Baseline	n/a	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	0	3
			Target	n/a	n/a	n/a	n/a	n/a	n/a	50
			Baseline	n/a	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%	15%	40%	40%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	0%	75%	61%	50%	50%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	50%
			Baseline	n/a	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%	8%	35%	61%	61%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 4: % of	Achievement	0%	0%	0%	81%	83%	69%	69%

⁷⁸ In AIR 2011, the achievement under 'Number of vulnerable persons trained/supported, was erroneously reported as 4,591 instead of 4,372. Under ESF3.64, hundred and nine (109) participants had to be removed from the 2010 indicators due to de-commitment. In addition, under ESF3.54, 122 participants were added by mistake under this indicator. In addition, achievements under ESF3.49, should have not been reported

⁷⁹ In AIR 2011, the achievement under 'Number of persons trained in capacity building courses' was erroneously reported as 24 instead of 22. Under ESF3.49, two (2) participants were added to the indicator by mistake

⁸⁰ In AIR 2011, the achievement under 'Number of studies, actions, campaigns, research activities carried out' was erroneously reported as 5 instead of 9. In fact, under ESF3.60, four (4) additional actions were completed during 2011 and therefore should have been added in this indicator

		Target	n/a	n/a	n/a	n/a	n/a	n/a	80%
		Baseline	n/a	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	2012	Total
Output	A	Indicator 1: Number of persons participating in training	Achievement	0	0	0	213	2,205	8,184	10,602
			Target	n/a	n/a	n/a	n/a	n/a	n/a	9000
			Baseline	n/a	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	3	5
			Target	n/a	n/a	n/a	n/a	n/a	n/a	30
			Baseline	n/a	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	0	2
			Target	n/a	n/a	n/a	n/a	n/a	n/a	7
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Results	A	Indicator 1: % of participants gaining qualification/certification ^a	Achievement	0%	0%	0%	15%	63%	88%	88%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	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%	0%	57%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	50%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Priority Axis 5 - Technical Assistance										
				2007	2008	2009	2010	2011	2012	Total

Output	A	Indicator 1: Number of Persons Trained	Achievement	0	86	57	71	31	44	289 ⁸¹	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	350 ⁸²
			Baseline	n/a	n/a	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	0	0	1
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4
			Baseline	n/a	n/a	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	3 ⁸³	3	25 ⁸⁴
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15
			Baseline	n/a	n/a	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	0	0	1
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5
			Baseline	n/a	n/a	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% ⁸⁵	100% ⁸⁶	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	80%	
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

⁸¹ 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

⁸² Does not include repeat trainees

⁸³ This figure includes: 1 (Annual Event); 1 (Local network meeting) and 1 (call for proposals, which included calls: 8, 9, 10 and 11)

⁸⁴ 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

⁸⁵ As at the end of 2012 (N+3 year), the total amount of € 24,572,978 (EU Share) was certified and therefore N+3 target was fully reached.

⁸⁶ Under this indicator the total achievements are not being calculated cumulatively but are reflecting the final reporting year

Result Indicators in Absolute numbers

The tables hereunder provide the achievements under the result indicators in absolute numbers

Table 2 - Achievements result indicators in absolute numbers

Priority Axis 1 — Improving education skills										
				2007	2008	2009	2010	2011	2012	Total
Results	A	Indicator 1: % of participants gaining a further or higher education & training qualification	Achievement	0	0	0	83	85	126	294
	B	Indicator 2: % of participants gaining a further or higher education & training qualification in S&T or ICT	Achievement	0	0	0	220	315	548	1,083
		Indicator 3: % of participants gaining a qualification/certification in capacity building education/training	Achievement	0	0	7	8	53	23	91
	C	Indicator 4: % of participants gaining a qualification/certification	Achievement	0	0	9	1,223	2,729	7,651	11,612

Priority Axis 2 – Investing in the employability and adaptability of the workforce										
				2007	2008	2009	2010	2011	2012	Total
Results	A	Indicator 1: % of participants in employment or further study 6 month after receiving assistance	Achievement	0	0	1,770	7,881	15,150	6,481	31,282
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0	0	3,699	11,876	14,210	6,480	36,265
	C	Indicator 3: % of participants gaining a qualification/certification	Achievement	0	0	551	1,030	1,773	45	3,399

Priority Axis 3 – Promoting an equal and inclusive labour market										
				2007	2008	2009	2010	2011	2012	Total
Results	A	Indicator 1: % of participants in employment or further study 6 months after receiving assistance	Achievement	0	0	0	0	104	263	367
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0	0	0	224	187	51	462
	B	Indicator 3: % of vulnerable persons in employment or further study 6 months after receiving assistance	Achievement	0	0	0	391	2,867	3,742	7,000
		Indicator 4: % of participants in capacity building gaining a qualification/certification	Achievement	0	0	0	226	30	0	256

Priority Axis 4 – Strengthening of institutional and administrative capacity										
				2007	2008	2009	2010	2011	2012	Total
Results	A	Indicator 1: % of participants gaining a qualification/certification	Achievement	0	0	0	31	1,486	7,762	9279
	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	2	0	0	0	2

- **Eligibility Rules**

No update to the eligibility rules was carried out in 2012. Version 3.2 (November 2011) was still in effect as at end of 2012⁸⁷.

⁸⁷ An update was undertaken in March 2013

- **Manual of Procedures 2007 – 2013**

No update to the Manual of Procedures 2007-2013 was carried out in 2012. Version 4 (January 2012) was still in effect as at end of 2012.

Strengthening administrative capacity

Capacity within Stakeholders

During 2012, the implementation of the Programme is peaking. Thus, the institutional capacity of the internal structures within the Managing Authority as well as of the main stakeholders was further strengthened given the workload increase. OPII unit saw an increase in capacity of three (3) FTE⁸⁸ while the Financial Control Unit within the MA saw a total net increase in capacity of one (1) FTE⁸⁹. The Administration Unit also experienced some changes with a reduction of one (1) FTE⁹⁰. The Structural Funds Database Unit also saw a decrease in staff capacity by 1 FTE⁹¹ which is expected to be replaced in 2013.

The Intermediate Body saw a substantial reduction of five (5) FTE⁹². This was offset by the provision of additional human resources⁹³ from external service providers⁹⁴ who helped in the processing of claims. With reference to the other main horizontal stakeholders, the largest change in capacity was felt by the Internal Audit and Investigations Authority with an increase of three (3) FTE.

Meanwhile, some internal reallocations within the MA were made to meet existing demand. As at end 2012, other calls within the MA were issued for the positions of EU Fund Officer⁹⁵, ICT Support Officer⁹⁶,

⁸⁸ Addition of three (3) Fund Officers

⁸⁹ Reduction in capacity of two (2) Project Managers, an increase in capacity of two (2) EU Fund Officers and an additional increase of one (1) Senior Manager

⁹⁰ Decrease in capacity of one (1) Assistant Director

⁹¹ Decrease in capacity of one (1) Systems Administrator

⁹² Reduction in capacity of three (3) Senior Executives, one (1) Unit Manager and two (2) Senior Clerks

⁹³ Between August and September 2012 the IB contracted external services to provide assistance in the processing of EAP claims for reimbursement. The contractors enrolled personnel who provided the services amounting to 7,393 hours.

⁹⁴ The additional capacity was only in respect to EAP. Expense was not funded through ESF

⁹⁵ Published on the Government Gazette of 18/11/11 and the Government Gazette of 22/06/12

⁹⁶ Published through PAHRO Circular No 174/2012

Senior Manager Support Services⁹⁷, and Systems Administrator⁹⁸. As a result, up till December 2012 the Managing Authority benefitted from a net increase of two (2) FTE⁹⁹ up till December 2012. The other calls are still being processed by the Personnel and Human Resources organisation within OPM with resource allocations expected in the first half of 2013.

Capacity Building / Training

During the course of 2012, a number of key stakeholder organisations involved in the implementation of Cohesion Policy 2007-2013 participated in various training activities with the aim of enhancing their administrative capacity.

During the year under review, the following training sessions took place:

- In-house training session on **Claiming of Flat Rate on Indirect Costs**, where a total of sixteen (16) participants attended the training, held on the 11th January 2012¹⁰⁰
- **SFD Train-the-Trainer** training which was ongoing between January and December 2012 and organised by the MA. A total of seventy-one (71) participants attended over eight (8) sessions¹⁰¹.
- A training workshop for Voluntary Organisations titled: **The Managing Authority's Observation from its Administrative Verifications on Voluntary Organisations (VOs)** was held on 27th March 2012 targeting different VOs. This workshop, which was organised for the first time, addressed common findings from administrative verifications (desk-based and on-the-spot checks) carried out by the MA on these organisations, with the aim of mitigating problems and promoting elements of good practice amongst VOs involved in the implementation of EU funded projects. This workshop was equally applicable to existing and newly appointed persons on projects implemented by VOs. Thirty-six (36) participants attended in all such workshop¹⁰².
- **Induction Training for New Beneficiaries**, spread over five days between where sixty-nine (69) officers participated¹⁰³, was held between the 19th November and the 28th November 2012. This training involved the following modules:

- a) General overview of Cohesion Policy;

⁹⁷ Published on the Government Gazette of 26/10/12

⁹⁸ Published on the Government Gazette of 05/10/12

⁹⁹ Of which one EU Fund Officer was assigned to OP11 and one EU Fund Officer assigned to FCU.

¹⁰⁰ Two (2) of the participants worked on OP11 and ten (10) worked on OPI/OP11

¹⁰¹ Twenty-three (23) of the participants worked on OP11 and seven (7) worked on OP/OP11

¹⁰² Nine (9) worked on OP11 and 1 on OPI/OP11

¹⁰³ Thirty-one (31) OP11 beneficiaries and two (2) OPI/OP11 beneficiaries

- b) Introduction to Administrative Procedures: Who's who in Cohesion Policy in Malta PPCD;
- c) Introduction to Project Management (including Project Scheduling & Monitoring; and Drafting and Researching Terms of Reference and Specifications);
- d) Cohesion Policy: Publicity Requirements;
- e) National Procurement Regulations: Overview of main tenets; Tendering procedures for Services,
- f) Supplies and Works; Evaluation of Tenders;
- g) Introduction to Payment Procedures;
- h) Guidelines on the VAT implications for Maltese entities implementing projects financed through EU Structural Funds;
- i) Document Retention and Basic Principles of Control; Preparing for a Spot Check;
- j) Reporting requirements (Project Progress Report [PPR])\Indicators\ Annex XXIII).

- **Training for New Recruits** was held in April, May and September 2012. These training sessions were held for the staff of the Managing Authority and also for the new recruits working within the Line Ministries and stakeholders. Eighty-four (84) participants attended these sessions¹⁰⁴.

- A full-day practical training session on **1st Level of Control & Audits** was also organised on 9th October 2012 for all the staff at the Managing Authority. This training included case studies on audit findings and an evaluation of the Programmes and the lessons learnt from management verifications. It also included an evaluation of the most common findings from IAID audits. A total of sixty-one (61) participants attended this training¹⁰⁵.

In addition, five (5) members of staff from different stakeholder organisations working on OPII¹⁰⁶ also participated in a number of conferences and training seminars which were organised abroad by foreign institutions/organisations¹⁰⁷.

¹⁰⁴ Six (6) worked on OPII and twenty-five (25) on both OPI/OPII

¹⁰⁵ Fifteen (15) worked on OPII and twelve (12) on OPI/OPII.

¹⁰⁶ One (1) worked on OPII and four (4) on both OPI/OPII

¹⁰⁷ European Public Procurement Rules, Policy and Practice (Maastricht, 28 February - 2 March 2012);

Implementing the Structural Funds Regulations in 2007-2013 and 2014-2020; (Maastricht, 7-8 March 2012);

State Aid in the EU: Latest Development on Policy and Practice and Introductory Workshop; (Maastricht, 12-14 March 2012);

Performance Audit in the Public Sector Planning, Preparing and Carrying out Value for Money Audits; (Berlin, 28 and 27 November 2012)

Implementation of the ESF Flat Rate Rule

In 2012 the Managing Authority approved twelve (12) new projects out of which eleven¹⁰⁸ (11) applied for overheads declared on a flat rate basis. This brings the total amount of projects benefitting from indirect costs declared on a flat rate basis up to thirty-six (36).

During the year under review, projects being implemented under ESF started to claim indirect costs declared on a flat-rate basis. As at the end of year, six (6) projects submitted their claims, which were also included in a statement of expenditure.¹⁰⁹ The slow submission of claims for reimbursement of indirect costs is attributed to the fact that these are claimed on the basis of funds that have been already certified to the Commission. In this regard, the Managing Authority expects a peak in claims towards the end of this programming period when the majority of funds would have been certified.

Furthermore during the last quarter of 2012, in terms of paragraph 8 of the First Schedule of the Auditor General and National Audit Office Act, 1997, the Managing Authority took part in a Performance Audit¹¹⁰ on the simplification of the regulations within the Structural Funds, which audit was carried out by the National Audit Office. The simplification measures reviewed during this performance audit dealt mainly with indirect costs on a flat-rate basis as this is the only measure being implemented so far under Operational Programme II.

The principal objectives of this performance audit were to examine whether simplification measures have been implemented in Malta; elicit feedback from the relevant authorities and beneficiaries on their experiences so far; determine why certain simplification measures¹¹¹ were not implemented; and gather feedback from authorities with regard to the implementation of simplification measures in the forthcoming programming period. The MA's role in this performance audit was to provide the National Audit Office with the relevant documentation and data in relation to the application of the flat rate on indirect costs in ESF. The MA, together with a number of beneficiaries, also participated in a focus group organised by NAO¹¹² with the aim to determine whether the simplification measure applied proved valuable and whether the introduction of further simplification measures would be welcome in the future programming period. Further conclusions and recommendations on this Performance Audit will be made available once the NAO report is finalised and made available to all relevant stakeholders.

¹⁰⁸ ESF1.209, ESF1.211, ESF2.186, ESF2.201, ESF4.167, ESF4.174, ESF4.175, ESF4.180, ESF4.181, ESF4.182, ESF4.189

¹⁰⁹ The projects are ESF1.22, ESF1.23, ESF3.60, ESF3.66, ESF3.71, ESF4.97

¹¹⁰ Commissioned by the Contact Committee of the Supreme Audit Institutions. This audit is currently in its last stages and is expected to be concluded in the first half of 2013.

¹¹¹ Such as standard scale of unit costs; lump sums; etc.

¹¹² Held on 04/12/2012

2.1.2 Financial information

Advance Payments

No further advance payments were due to Malta in 2012. The total amount of advance payments received under ESF remained €10,080,000.

Interim Payments

Interim payments received in 2012 amounted to €8,925,605, accounting for 36% of all interim payments received from the Commission by the end of the year (€24,572,978). The MA launched the Statement of Expenditure (SoE) process on six separate occasions in 2012: January, May, July, October (Aid Schemes only), November, and December¹¹³ (Aid Schemes only). Table 2 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 2012.

Table 3 - Summary of Verified, Certified and Received Amounts

Summary - Verified, Certified and Received	Verified by MA in 2012	Certified by CA in 2012	Received from EC in 2012
	(public share, €)	(public share, €)	(EU share, €)
ESF – January	4,683,885.58	4,683,885.58	3,981,302.77 ¹¹⁴
ESF – May	1,564,438.00	1,564,438.00	1,329,772.07 ¹¹⁵
ESF – July	4,252,388.18	4,252,388.18	3,614,529.95 ¹¹⁶
ESF – October	576,159.79	575,200.94	- ¹¹⁷
ESF – November	4,243,334.04	2,297,233.43	- ¹¹⁸
Total	15,320,205.59	13,373,146.13	8,925,604.79

¹¹³ The December SOE was not verified by the end of 2012

¹¹⁴ Amount received from the EC on 8th May 2012

¹¹⁵ Amount received from the EC on 13th September 2012

¹¹⁶ Amount received from the EC on 24th December 2012

¹¹⁷ Amount still due from the EC

¹¹⁸ Amount still due from the EC

Table 4 - Priority Axes by source of funding (€)

	Total funding of operational programme (Union and national)	Basis for calculating Union contribution (Public or Total cost) ¹¹⁹	Total amount of certified eligible expenditure paid by Beneficiaries ¹²⁰	Corresponding public contribution (CERTIFIED ONLY) ¹²¹	Implementation rate in %
	a	b	C	d	e = c/a if T or e = d/a if P
Priority Axis 1 - Improving education and skills	41,400,000.00	P	18,117,726.34	18,117,726.34	44%
Priority Axis 2 - Investing in the employability and adaptability of the workforce	30,995,000.00	P	4,751,553.88	4,751,553.88	15%
Priority Axis 3 - Promoting an equal and inclusive labour market	36,900,000.00	P	6,190,057.36	6,190,057.36	17%
Priority Axis 4 - Strengthening of institutional & administrative capacity	17,199,117.00	P	1,657,500.15	1,657,500.15	10%
Priority Axis 5 - Technical Assistance	5,270,588.00	P	1,064,982.58	1,064,982.58	20%
Grand total	131,764,705.00	P	31,781,820.31	31,781,820.31	24%

- Audit by the European Commission (DG REGIO and DG EMPL, 11-19 June)**

In June 2012, an audit mission was carried out by the auditors from the Directorate General for Employment, Social Affairs and Inclusion. The main aim of this mission was to obtain assurance on the functioning of the systems for the programming period 2007-2013 through the review of the work of the

¹¹⁹ Art. 53(1) - EC1083/2006 OP II document table, pg 110.

¹²⁰ Includes Public only, certified by CA Art. 53(1) - EC1083/2006

¹²¹ Cumulative certified public

Audit Authority. The audit review was carried out in accordance to Article 72(2) of Council Regulation (EC) No 1083/2006 and it consisted of three main areas. These include:

1. Desk review of (i) organizational arrangements of the Audit Authority and other audit bodies and (ii) audit methodology prepared by the Audit Authority and other audit bodies;
2. Audit missions at the level of Audit Authority (assessment of application of the audit methodology, review of working papers of two systems audits and seven audit of operations under OP II);
3. Audits of seven selected operations at the level of beneficiaries under OP II.

Based on the work carried out, the Commission auditors have obtained reasonable assurance that the work carried out by the Audit Authority is compliant with the requirements of Regulation (EC) No 1083/2006, in particular with Article 62, and the results of the Audit Authority's audit work presented in the annual control reports and that the annual opinions can be relied on for building the overall assurance for the Audit Authority Review (Article 73 of Reg. 1083/2006).

Audit Mission by the European Court of Auditors

In December 2012, the European Court of Auditors carried out an audit mission. The main objective of the mission was to obtain reasonable assurance that the work carried out by the Audit Authority was compliant with the requirement of Council Regulation (EC) No 1083/2006. The audit work included the following:

1. a review of (i) organizational arrangements of the Audit Authority and (ii) audit methodology prepared by the Audit Authority;
2. a review of the Audit Authority's working documents from two systems audits (TSDU (OP I) and CA); and
3. a review of the Audit Authority's working documents from twenty audits of operations - (sixteen under OPI and four under OP II).

The audit mission was followed by another week in February 2013 in order to carry out a re-performance of five operations (four under OPI and one under OP II) at the level of beneficiaries and a review of the Audit Authority's working documents from preparation of the annual control reports.

Annual Control Report

The 2012 Annual Control Report (ACR) for both Programmes (OPI and OPII), is based on systems audits and audits on operations that had expenditure declared to the Commission in 2011. The ACR, was submitted by IAID (the sole audit authority responsible to carry out the audits) on 28th December 2012 via SFC, in terms of Article 62 (1) (d) (i) of Council Regulation EC/1083/2006 and Article 18 (2) of Commission Regulation EC/1828/2006.

During the year under review, three (3) systems audits were carried out. These include the Certifying Authority, the Employment and Training Corporation (IB) and the Tourism and Sustainable Development Unit (OPI-IB). In addition seven (7) claims were randomly selected from OP II from a total of three hundred and nine (309) claims certified in 2011. These claims were related to seven (7) operations. The operations selected statistically for auditing covered different types of operations, different types of Beneficiaries, including beneficiaries of aid schemes. In the second half of the year, a Contradictory Procedure was also implemented, whereby draft audit reports were forwarded to the Managing Authority with a request for a written reply within a given time-limit. The Managing Authority, in consultation with the Beneficiary, provided the Audit Authority with the required clarifications to the noted findings. The Audit on Operations Report then followed.

The Annual Control Report includes also ineligible amounts detected by the Audit Authority. Ineligible amounts detected under OPII amount to €461.93 out of €2,051,531 of audited expenditure. Having said that, the Annual Control Report confirms that the irregularities detected were not of a systemic character and thus no additional financial corrections were necessary. It concludes with an unqualified audit opinion in terms of Article 62 (1) (d) (ii) of EC/1083/2006 which confirms that the management and control systems of the Operational Programmes function well and provides a high level of assurance as derived from the systems audits and audits on operations¹²².

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 31st December 2012.

Table 5 - 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	1	3	14	MT0 - Malta	1,704,438.40
			22	MT0 - Malta	956,755.61
			18	MT0 - Malta	2,706,991.63
			20	MT0 - Malta	459,848.67
			3	MT0 - Malta	395,993.53
			4	MT0 - Malta	395,993.53

¹²² The Annual Control Report was accepted and deemed to meet the requirements set out in Article 62 (1) (d) of EC/1083/2006 through CION letter dated 8th February 2013.

			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	1	3	14	MT0 - Malta	262,480.91
64	1	3	18	MT0 - Malta	39,922.80
65	1	3	0	MT0 - Malta	101,181.08
66	1	3	1	MT0 - Malta	32,419.19
			2	MT0 - Malta	32,419.19
			3	MT0 - Malta	32,419.19
			4	MT0 - Malta	32,419.19
			5	MT0 - Malta	32,419.19
			6	MT0 - Malta	32,419.19
			7	MT0 - Malta	32,419.19
			8	MT0 - Malta	32,419.19
			9	MT0 - Malta	32,419.19
			10	MT0 - Malta	32,419.19
			11	MT0 - Malta	32,419.19
			12	MT0 - Malta	32,419.19
			13	MT0 - Malta	32,419.19
			14	MT0 - Malta	32,419.19
			15	MT0 - Malta	32,419.19
			16	MT0 - Malta	32,419.19
			17	MT0 - Malta	170,864.24
			18	MT0 - Malta	2,962,336.42
			19	MT0 - Malta	383,957.24
			20	MT0 - Malta	32,419.19
			21	MT0 - Malta	32,419.19
			22	MT0 - Malta	32,419.19
68	1	3	18	MT0 - Malta	452720.2
69	1	3	18	MT0 - Malta	1,814,711.38
			20	MT0 - Malta	259,368.15

			22	MT0 - Malta	1,067,815.73
71	1	3	1	MT0 - Malta	493,809.52
			2	MT0 - Malta	493,809.53
			3	MT0 - Malta	493,809.53
			4	MT0 - Malta	493,809.53
			5	MT0 - Malta	493,809.53
			6	MT0 - Malta	493,809.53
			8	MT0 - Malta	493,809.53
			9	MT0 - Malta	493,809.53
			10	MT0 - Malta	493,809.53
			11	MT0 - Malta	493,809.52
			12	MT0 - Malta	493,809.52
			13	MT0 - Malta	493,809.52
			14	MT0 - Malta	493,809.52
			15	MT0 - Malta	493,809.52
			16	MT0 - Malta	493,809.52
			17	MT0 - Malta	493,809.52
			18	MT0 - Malta	759,365.67
			19	MT0 - Malta	493,809.52
			20	MT0 - Malta	4,652,808.02
			21	MT0 - Malta	493,809.52
			22	MT0 - Malta	1,424,705.72
			0	MT0 - Malta	56,961.82
72	1	3	1	MT0 - Malta	127,515.48
			2	MT0 - Malta	127,515.48
			3	MT0 - Malta	127,515.48
			4	MT0 - Malta	127,515.48
			5	MT0 - Malta	127,515.48
			6	MT0 - Malta	127,515.48
			7	MT0 - Malta	127,515.48
			8	MT0 - Malta	127,515.48
			9	MT0 - Malta	127,515.48
			10	MT0 - Malta	127,515.48
			11	MT0 - Malta	127,515.48
			12	MT0 - Malta	127,515.48
			13	MT0 - Malta	127,515.48
			14	MT0 - Malta	127,515.48
			15	MT0 - Malta	127,515.48
			16	MT0 - Malta	127,515.48
			17	MT0 - Malta	1,420,130.19
			18	MT0 - Malta	25,113,833.98

			19	MT0 - Malta	127,515.48
			20	MT0 - Malta	668,435.81
			21	MT0 - Malta	127,515.48
			22	MT0 - Malta	127,515.48
73	1	3	1	MT0 - Malta	56,193.26
			2	MT0 - Malta	56,193.26
			3	MT0 - Malta	56,193.26
			4	MT0 - Malta	56,193.26
			5	MT0 - Malta	56,193.26
			6	MT0 - Malta	56,193.26
			7	MT0 - Malta	56,193.26
			8	MT0 - Malta	56,193.26
			9	MT0 - Malta	56,193.26
			10	MT0 - Malta	56,193.26
			11	MT0 - Malta	56,193.26
			12	MT0 - Malta	56,193.26
			13	MT0 - Malta	56,193.26
			14	MT0 - Malta	616,955.35
			15	MT0 - Malta	56,193.26
			16	MT0 - Malta	56,193.26
			18	MT0 - Malta	9,901,347.01
			19	MT0 - Malta	166,930.41
			20	MT0 - Malta	83,725.66
			21	MT0 - Malta	56,193.26
			22	MT0 - Malta	296,519.87
74	1	3	18	MT0 - Malta	8,917,365.79
81	1	3	17	MT0 - Malta	8,922,525.56
			18	MT0 - Malta	462,663.36
			0	MT0 - Malta	104,890.37
			22	MT0 - Malta	397,224.55
85	1	3	0	MT0 - Malta	2,992,499.80
	1	3	0	MT0 - Malta	1,487,500.00
Grand Total					100,556,106.75 ¹²³

¹²³ 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 (€21,015,620) of which €12.2m are funds allocated for the EAP and €8.851,620 for the TAF. As indicated earlier, an amount of €26,2m was in fact committed by the IBs; TAF € 9,524,722 and EAP €16,737,069. In 2012 a considerable value has been decommitted due to the withdrawal of a number of grants or ineligibility of claims for reimbursement. In 2013 similar decommitments will be effected.

Code	Economic Activity	Value	%
1	Agriculture, hunting and forestry	€ 0.00	0
2	Fishing	€ 0.00	0
3	Manufacture of food products and beverages	€ 457,464.07	5.17
4	Manufacture of textile and textile products	€ 0.00	0
5	Manufacture of transport equipment	€ 0.00	0
6	Unspecified manufacturing industries	€ 2,187,491.55	24.71
7	Mining and quarrying of energy producing materials	€ 6,609.56	0.07
8	Electricity, gas, steam and hot water supply	€ 0.00	0
9	Collection, purification and distribution of water	€ 634.19	0.01
10	Post and telecommunications	€ 376,447.17	4.25
11	Transport	€ 893,453.94	10.09
12	Construction	€ 266,381.89	3.01
13	Wholesale and retail trade	€ 1,309,497.29	14.79
14	Hotels and restaurants	€ 720,530.95	8.14
15	Financial intermediation	€ 394,553.22	4.46
16	Real estate, renting and business activities	€ 1,562,449.06	17.65
17	Public administration	€ 0.00	0
18	Education	€ 153,364.76	1.73
19	Human health activities	€ 114,158.29	1.29
20	Social work, community, social and personal services	€ 239,337.68	2.70
21	Activities linked to the environment	€ 0.00	0
22	Other unsepecified services	€ 169,246.39	1.91
0	Not applicable	€ 0.00	0
	Total Amount	€ 8,851,620.00	100

In this regard, the total amount committed by EAP by the end of 2012 (€16,737,069) is divided by code of economic activities, as follows:

Employment Aid Programme

Code	Economic Activity	Value	%
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1	Agriculture, hunting and forestry	€ 187,880.00	1.54
2	Fishing	€ 0.00	0
3	Manufacture of food products and beverages	€ 340,380.00	2.79
4	Manufacture of textile and textile products	€ 45,140.00	0.37
5	Manufacture of transport equipment	€ 10,980.00	0.09
6	Unspecified manufacturing industries	€ 1,887,340.00	15.47
7	Mining and quarrying of energy producing materials	€ 19,520.00	0.16
8	Electricity, gas, steam and hot water supply	€ 0.00	0
9	Collection, purification and distribution of water	€ 0.00	0
10	Post and telecommunications	€ 894,260.00	7.33
11	Transport	€ 326,960.00	2.68
12	Construction	€ 544,120.00	4.46
13	Wholesale and retail trade	€ 2,697,420.00	22.11
14	Hotels and restaurants	€ 594,140.00	4.87
15	Financial intermediation	€ 481,900.00	3.95
16	Real estate, renting and business activities	2,691,320.00	22.06
17	Public administration	€ 0.00	0
18	Education	€ 225,700.00	1.85
19	Human health activities	€ 134,200.00	1.1
20	Social work, community, social and personal services	€ 28,060.00	0.23
21	Activities linked to the environment	€ 37,820.00	0.31
22	Other unsepecified services	€ 1,045,540.00	8.57
0	Not applicable	€ 7,320.00	0.06
	Total Amount	€ 12,200,000.00	100

2.1.4 Assistance by target group

During 2012, collation of data in accordance with Commission Regulation 1828/2006, Annex XXIII, continued to be inserted by Beneficiaries in the management and information system (SFD) and to be reported in PPRs. The table below provides the cumulative figures.

Table 6 - Annex XXIII

AIR 2012 Data on Participants		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants	24348	12365	27517	14738
	Employed	17791	9796	21073	12428
	Self Employed	277	89	354	116
	Unemployed	3874	1260	3782	1200
	Long Term Unemployed	1087	241	1054	226
	Inactive	2653	1303	2576	1088
	Inactive in Education and Training	1032	508	807	204
Age	Young People (15-24 years)	5023	2595	5057	2589
	Older Workers (55-64 years)	2298	882	2698	1181

Vulnerable Groups	Minorities	0	0	0	0
	Migrants	103	24	108	30
	Disabled	374	73	369	77
	Other Disadvantaged People	1177	462	1391	545
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	8045	2814	8173	2684
	Upper Secondary education (ISCED 3)	4194	2426	5063	3206
	Post-secondary non-tertiary education (ISCED 3)	3335	1916	3691	2356
	Tertiary Education (ISCED 5 & 6)	8774	5209	10590	6492

2.1.5 Assistance repaid or re-used

In the year under review, financial corrections amounting to €24,918 were made to amounts already certified under 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). Amounts cancelled have been returned to the Programme to be committed in newly approved projects.

2.1.6 Qualitative analysis

In 2012, the Programme implementation presented both financial and physical challenges. As in previous years, the MA maintained the required momentum in evaluating proposals and leading the process towards finalising Grant Agreements but also in guiding implementation on the ground. The latter included identifying problems and facilitating their timely resolution. In terms of financial challenges, a concerted effort continued to be done in order to ensure a timely verification of payments. In order to do this, 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 N+2 targets. This process did not only require the persistent input by the MA and the IB (the latter in case of the two Aid Schemes under Article 107 of the Treaty) but also by other stakeholders, in particular the DoC, the Line Ministries, the Treasury and most of all the Beneficiaries themselves.

The overall commitment rate reached 90% of the OP's allocation with €118,298,749.05 of funds committed up to December 2012 and 64% of this amount was contracted at the end of the year. In order to maintain this success, in 2012 the MA issued several calls for proposals, which resulted in the approval

of twelve (12) additional projects, amounting to € 8.5million; two (2) under PA 1¹²⁴; two (2) under PA 2¹²⁵ and eight (8) under PA 4¹²⁶. Consequently as at the end of the reporting year, there were seventy-five (75) approved projects¹²⁷ out of which: twenty two (22) were at the initial stages of implementation whilst twenty-eight (28) were in the closure process with four (4) managing to submit their closure reports by the end of the year¹²⁸.

During the year under review, the programme registered a significant progress in disbursement, with €19,971,307.09 paid in 2012, bringing the total cumulative payments as at the end of the year to €46,761,811.09¹²⁹ representing 39.5% of the committed amount.

In 2012, a total of 24,348¹³⁰ people participated in the various initiatives financed through the Operational Programme. When compared to the previous year this shows a decrease in participants, however this is explained through the fact that as explained above there were a number of operations in their final phase (closure) with 30% of approved operations in their initial stages (thus the volume of training was less than in previous years). Out of 24,348 participants, 11,983 (49%) were male and 12,365 (51%) were female. Moreover, 17,791 were *employed*¹³¹ (73%), 3,874 (16%) were *unemployed*¹³², whilst 2,653 (11%) were *economically inactive*¹³³. The participation of young people was at a considerably high level standing at 5,023 (representing 21% of total participants), whilst 2,298 were older workers (9%). Persons coming from different vulnerable groups also benefited from operations implemented under OPII during the reporting year. 1,654 participants falling in the category of vulnerable groups entered training during 2012, 374 were people with disabilities (2%). In terms of performance and results, as highlighted in *Table 1 Physical progress of the OP*, in 2012 achievements were registered on twenty-three (23) output indicators and all result indicators.

As already highlighted in previous section of this report, in July 2012, the EC approved the proposed changes to OPII which 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 three (3) output indicators (two

¹²⁴ ESF1.209, ESF1.211 approved under under Call 10,

¹²⁵ ESF2.186 approved under Call 8 and ESF2.201 approved under Call10.

¹²⁶ ESF4.164 , ESF4.167, ESF4.174, ESF4.175, ESF4.180, ESF4.181, ESF4.182, ESF4.189 approved under Call 8

¹²⁷ Seventy-two (72) *mainstream* projects; 2 (two) Aid Schemes and (1) Technical Assistance

¹²⁸ ESF1.40, ESF3.42, ESF3.56 and ESF3.71

¹²⁹ Public eligible less adjustments.

¹³⁰ 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

¹³¹ Of which 277 were *self-employed* – 2% of the total Employed

¹³² Of which 1,087 were *long term unemployed* – 28% of the total Unemployed

¹³³ Of which 1,032 were *inactive in education and training* – 39% of the total Inactive.

under PA 1 and one under PA 4). These changes were necessary in order to ensure that the objectives and resources of the OP II address the current economic and social trends.

As already highlighted in previous section of this report, during the year under review two audited missions by EU institutions were undertaken: by the European Commission (DG REGIO and DG EMPL) between the 11-19 June and European Court of Auditors Mission between 10-14 December.

Between 11th and 19th June, two teams of auditors – one from DG Regio and another from DG Empl – carried out audits on the work of the Audit Authority (IAID), in accordance with Article 72.2 of Council Regulation (EC) No 1083/2006. The audit covered all the systems audits performed by the AA by the end of 2011 (i.e. on the MA, IBs and the Department of Contracts), and five audits on ESF operations (ESF1.21, ESF1.24, ESF1.28, ESF1.36 and ESF2.4)¹³⁴. These projects were sampled from the population of invoices certified to the Commission in the year 2011. During their visit the auditors reviewed the audit files of the AA (i.e. the organisational arrangements of the Audit Authority and the audit methodology prepared by the Audit Authority), a sample of contracts at the Department of Contracts and the project files at the Beneficiaries' end. The main objective of the review was to obtain reasonable assurance that the work carried out by the Audit Authority was compliant with the requirements of Council Regulation (EC) No 1083/2006, in particular with Article 62 and, consequently, to assess the degree of reliance to be placed by the Commission services on the results of the work of the Audit Authority presented in the annual control reports and annual opinions submitted under Article 62.d.(i) and (ii) of Council Regulation (EC) No 1083/2006.

Between the 10th and 14th of December 2012¹³⁵, the work of the AA was audited again, this time by a delegation from the European Court of Auditors (ECA). In the framework of DAS¹³⁶ 2012, the ECA Auditors selected a sample of Audit Authorities in order to perform audit in respect of the activity they have carried out and assurance provided by the Annual Control Report. Like the previous audit by DG Regio and DG Empl, the main objective of the Court's audit was to obtain reasonable assurance that the work carried out by the Audit Authority was compliant with the requirements of Council Regulation EC/1083/2006.

During the December audit, the ECA reviewed IAID's organisational arrangements, audit methodology and IAID's working documents on two systems audits and twenty audits on operations. The Audit continued in 2013.

¹³⁴ Besides these other operations under ERDF and CF were audited, i.e. four ERDF operations (ERDF012, ERDF048 and two beneficiaries under the aid scheme ERDF128), two CF projects (CF116 and CF124)

¹³⁵ A follow-up audit took place between the 1st and 8th February 2013

¹³⁶ DAS refers to *Déclaration d'Assurance* which is the Court of Auditors formal opinion on the reliability of the EU accounts and on the legality and regularity of the underlying transactions.

The outcome of the Commission audit revealed that there are not significant deficiencies in the management and control's system in place in Malta. However, there were suggested improvements in the systems which will be taken on board by the MA to prevent the increase and the recurrence of irregularities.

Operational Programme's contribution towards the Lisbon Objectives

Malta is committed towards the achievement of the Lisbon Objectives through OP II and has participated voluntarily in the Lisbon Earmarking exercise. OP II targets thirteen (13) Lisbon earmarked categories of expenditure as referred to in Article 9 (3) of 1083/2006 and identified in Annex IV of the same Regulation.

Following the OP changes approved in July 2012 Malta has increased its efforts towards the earmarking process. As a result, up to December 2012, the total Community amount allocated for earmarking has increased from 82% to 86% of the Community Funds¹³⁷ when compared to previous year with an overall commitment amounting to €96,500,800 to be achieved by the end of the Programme.

Out of this, a total amount of €86,188,803 (89%) was committed in approved projects as at end 2012. The main achievements are outlined in Table 4 Cumulative breakdown of allocations of the Community contribution by category (Part C of Annex II). Throughout 2012, the MA continued to monitor the earmarking process. As at end of the year, there were ten¹³⁸ (10) newly approved projects which contributed towards the categories addressing the improvement of human capital and the social inclusion of less favoured persons. In view of this additional commitment, some codes of expenditure continued to register an over commitment¹³⁹, which is a clear indication of the increased demand in certain areas over others.

The following categories are those most targeted by approved projects under OP II:

- 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*);
- 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*);

¹³⁷ In 2012, 4Mil have been shifted to earmarked categories of expenditures, resulting in a total amount of €96,500,800 allocated under earmarked codes

¹³⁸ The project approved in 2012 contribute mainly to Category 72, 73 and 81

¹³⁹ To date the earmarked that have registered an over commitment are category codes 66,72,74. Codes 81 and 85 have also registered an over commitment.

- 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)

On the other hand, some Lisbon-related categories of expenditure remained untapped or with a low commitment. These are codes 63, 64, 65, 67, 68, 69 and 70¹⁴⁰, which clearly indicates the current difficulties in introducing innovative ways of organising work, especially for small and medium enterprises which are challenged with the economic crisis.

In addition to that, it was noted that the commitment under some codes has decreased when compared to previous year. The table below indicate the decreased allocation under the specific codes:

Codes	Commitment as at end 2011	Commitment as at end 2012
62	12,156,079.29	11,767,937.20
63	360,157.75	262,480.91
64	89,935.95	39,922.80
69	3,200,920.65	3,141,895.26
72	29,703,939.10	29,625,194.15
73	12,566,298.78	11,964,570.52
74	8,927,692.58	8,917,365.79

The reduction in the commitment was mainly due to the savings registered and returned to the programme under several projects (ESF 1.22; ESF 1.23; ESF 1.24; ESF 1.25; 1.28; ESF 1.29; ESF 1.31 ; ESF 1.33; ESF 1.36; ESF 2.11; ESF 2.12; ESF 2.84; ESF 2.78 ESF 2.7; ESF 3.59; ESF 3.48 ; ESF 3.49) as well as the variation in the project's budget from the time of the submission to the Grant Agreement's signature (ESF 2.137; ESF 2.138; ESF 2.141; ESF 3.107; ESF 3.102) as well as withdrawn of one project (ESF 2.80).

- **Environmental sustainability**

¹⁴⁰ Codes 63,64,65,68 and 69 are below the 50% of the targeted percentage allocated in the OP whilst there are still no commitments under Codes 67, 70 and 80.

Environmental sustainability features as a core dimension of the Maltese Government's Agenda as reflected in a range of national and sectoral policies¹⁴¹. In this regard, environment is considered together with employment, education, equality and health as the pillar of the society's welfare and included as one of the main priority in the NRP under the EU 2020. The strategy outlined in this document aims to set out ambitious yet realistic targets to address Malta's challenges in this area also through projects funded by Cohesion Policy.

During the year under review, the MA continued to promote environmental sustainability. In this regard, project proponents are asked to identify, at the onset, the contribution of the project to environmental sustainability. With this in mind, during the preliminary stages applicants are requested to highlight the contribution of the project towards environment sustainability, which, in turn, may result in an additional 5% of the marks during the project selection process. As a result, all newly approved project under PA1; PA 2 and PA 4 in 2012 contributed to environmental sustainability in one way or another depending on the activities foreseen within the project.

In this regard, it should be noted that the measures proposed remain more or less similar to what has been proposed so far, such as: the use of electronic training material so as to reduce paper use¹⁴²; activities targeting the Gozitan population taking place in Gozo instead of in Malta (so to contribute to the reduction of carbon dioxide and other green gas emissions)¹⁴³ and the inclusion of environmental themes in the training provided so as to raise awareness with regards environmental sustainability.¹⁴⁴

In addition, students pursuing higher education in environmental related studies and research were given preference by the STEPS evaluation board¹⁴⁵ though the provision of additional marks to those students undertaking studies in areas that are more likely to have an impact on the development of Malta.

Concrete results have been achieved through various projects in relation to environmental sustainability (e.g. under ESF 2.12, a lecture was delivered by a MEPA representative and focused on MEPA's Information Resources, GIS mapping, Spatial Information and Legislation. In addition in a number of projects environmental sustainability was further promoted by posters promoting green environmental actions in the lecture rooms.

As anticipated last year, in 2012 the circular¹⁴⁶ on 'Green Public Procurement' (GPP) issued by DoC entered into effect. The circular makes it madatory that all contracting authorities within the public

¹⁴¹ Sectoral policies including Public Consultations on sustainable development are available from MRRA (<http://www.mrra.gov.mt>), MEPA (www.mepa.or.mt) and MRA website (<http://www.mra.gov.mt>).

¹⁴² ESF 1.209 "Training Courses for the educational sector in Gozo"; ESF4.174 "Training Health Care Professionals for Integrating acute and community care"

¹⁴³ ESF 1.209 "Training Courses for the educational sector in Gozo"; ESF4.174 "Training Health Care Professionals for Integrating acute and community care"; ESF 4.189 "Continuous Training and Development for the Public Sector in Gozo"

¹⁴⁴ ESF 2.201 "Enhancing employability through training" ; ESF2.186 "Re-Skilling of Workers for the Local Film Industry"

¹⁴⁵ ESF1.25 "STEPS"

administration integrate green public procurement criteria in the tender documents for the procurement of certain goods and works with a reduced environmental impact. GPP can play a significant role in an effort to influence also the private sector towards the shift towards sustainable products and services.

- **Equal Opportunities**

Combating discrimination and fighting inequality is an important a Horizontal objective under Operational Programme II. All projects submitted under OP II must in fact display commitment to respect the principles of non-discrimination and Equal Opportunities. Given the significance of this area, the objective of Equal Opportunities apart from being a horizontal priority across all the Priority Axes, is also a vertical priority under PA 3 which aims to promote an equal and inclusive labour market.

To further enforce this priority and provide support on how to best integrate equal opportunities in ESF projects, the MA deems the involvement of the National Commission for the Promotion of Equality (NCPE) and the National Commission for Persons with Disability (KNPD) as being valuable in the implementation of the various operations under ESF. During the year under review, NCPE and Knpd were consulted by prospective applicants on active measures to be incorporated in the project design to ensure that there is mainstream equality in all projects implemented under OP II. The list below provides the measures (addressing the horizontal priorities of equality) that Beneficiaries of projects approved in 2012 have committed to:

Provision of remedial measures to cater for the diverse needs of the pupils and students with learning difficulties¹⁴⁷ ;

- The selection of training premises fully equipped and accessible to persons with mobility problems¹⁴⁸;
- The use of both the English and Maltese language when delivering training¹⁴⁹ ;
- The availability of course material in alternative formats thus ensuring accessibility for all¹⁵⁰;
- Talks will be delivered by NCPE's and KNPD's during training so as to increase the awareness and become more active in the promotion of gender equality¹⁵¹;

¹⁴⁶ Circular CT 5021/2011

¹⁴⁷ ESF1.209 Training Courses for the educational sector in Gozo; ESF4.181 "Improving Public Management and Governance at Local Level"

¹⁴⁸ ESF2.201 Enhancing employability through training; ESF4.182 "Strengthening the Office for Competition for better functioning markets"; ESF2.186 "Re-Skilling of Workers for the Local Film Industry"

¹⁴⁹ ESF 4.174 "Training Health Care Professionals for Integrating acute and community care"

¹⁵⁰ ESF4.182 "Strengthening the Office for Competition for better functioning markets"; ESF4.180 "Enhancing Data Protection Compliance in the Public Service" ; ESF4.167 Enhancing the Public Service's HR Management Competence"

¹⁵¹ ESF4.181 "Improving Public Management and Governance at Local Level"

- The elimination of gender stereotypes in the information and publicity material¹⁵².

Meanwhile, actions implemented in 2012 by approved projects include: training and support of six (6) disabled persons under ESF3.62 “ME2”; information made available under ESF 4.94 “Closer to Europe” is now also accessible to all potential stakeholders which are interested in strengthening social dialogue. The awarding of the Equality mark to nineteen (19) organisations under ESF3.47 “Unlocking the Female Potential”, following the assessment and the recognition on their respective policies towards, equality and sexual harassment; equal opportunities in recruitment and employment; equality in career advancement and personal development; shows the increased awareness amongst private operators. In addition fifty (50) training sessions under ESF 1.131 were held during school hours to more than 1500 participants so that participants could continue to avail themselves of their usual arrangements for taking care of children. All these actions serve to enhance the awareness on equality and to encourage the widest possible participation within ESF programmes and promote equal treatment and equal opportunities at the workplace.

Partnership

In line with the provisions of Article 11 of Regulation 1083/2006, the Maltese authorities have continued to work in partnership with different stakeholders in the different phases of the programme cycle. From a monitoring standpoint, social and economic partners are represented within the MC and therefore these are directly engaged in the monitoring and appraisal of implementation and efficient spending of the funds under OP II. The Managing Authority continues to support applicants to involve partners to take part in the Programme, particularly joint proposals between government and non-government organizations / local councils. With this in mind, during the preliminary stages applicants are asked to include partners in their project proposals and therefore taking advantage of additional marks during the project selection process.

Taking into examination the projects approved in 2012, one notes that out of the twelve (12) projects that were approved in 2012 all of them were undertaking activities in collaboration with one or more partner (local or transnational).

During the year under review, the Partners’ role and participation in the projects’ implementation varied in degree such as being present during selection boards, meetings, provided advice and support in the development of activities. The role that the partners contribute to during the implementation of the project is deemed to be one of extreme importance by the Managing Authority. Concrete examples where the

¹⁵² ESF4.189 “Continuous Training and Development for the Public Sector in Gozo”

partners were directly involved in the implementation of the project activities include ESF3.49: “*Training of Inclusion Coordinators for Secondary Education*” where the University of Malta regulated the qualifications and course requirements including practical training and quality assurance of the training course according to the post-graduate degree regulations of the University. In the case of ESF 3.61 ‘*E4L: Embark for Life - Labour market integration of socially excluded youth*’, the contribution of ETC and the Housing Authority was significant to address the complex social issues the project aims to address. With reference to this project the Housing Authority also contributed to a conference held by the beneficiary in presenting various housing schemes aimed at assisting young people in finding suitable accommodation. In the case of ESF 3.62 “*Me2 – Integration of Persons with Disability into the Labour Market*”, ETC as partner involved in this initiative aided in reaching the target set in integrating persons with disability into the labour market¹⁵³. [As a partner within ESF 3.102 “*Inclusion for Employment*”, KNPD delivered in 2012 six (6) training sessions to MCAST Institute staff to create awareness of the needs of disabled students. In addition, as part of the partnership within ESF 3.114 “*Employment in the Social Economy*”, MEUSAC helped in disseminating information and promoting the project’s aim of assisting disadvantaged persons to find employment with NGO’s. MEUSAC also organised an information session for NGOs, local councils and individuals to encourage take up. Under ESF 4.175 “*Capacity Building for Medical Physics Services in Malta*” led by the Ministry of Health, University of Malta, who are partners, are entrusted to develop the curriculum for the Master for Medical Physics that will be offered.

Innovative activities

Innovation is included as a cross cutting principle across the Priority Axis. Projects that meet the principle of innovation, as defined under the Priority Axis, also stand to gain additional points in the selection process. In this regard, during 2012, five (5) of the twelve (12) approved projects were regarded as encompassing an innovative aspect¹⁵⁴. Examples of the proposed measures include: introduction of a new Masters in Medical Physics developed on a reduced period of time done by intensive training and clinical placement abroad, remote e-learning and parallel concurrent education and training¹⁵⁵; the testing of an e-learning programme and the launch of new training programmes in relation to the use of other sources of energy¹⁵⁶, the creation of a diversified pool of professions for the film industry¹⁵⁷; a training approach that will promote flexibility and adaptability at work whilst also introducing an innovative aspect

¹⁵³ ETC

¹⁵⁴ ESF1.211, ESF2.186, ESF2.201, ESF4.164, ESF4.175,

¹⁵⁵ ESF4.175

¹⁵⁶ ESF 2.201

¹⁵⁷ ESF 2.186

in works restoration techniques¹⁵⁸; The setting up of e-portfolio to record and facilitate the management of both clinical as well as personal development through learning, helping trainees record the progressive achievement of competences intended to improve the training quality and provide a means of reflection and professional development for trainees¹⁵⁹. During the course of 2012, there were a number of projects which addressed the principle of innovation through the implementation of particular actions. These include: actions which support the integration in employment of people at risk of social exclusion through the adoption of new ways and tools¹⁶⁰ through the provision of sheltered employment to the target group; activities that encourage the participation in the social dialogue of different stakeholders¹⁶¹; the introduction of a new Master Programme for medical physics, following an innovative intensive curriculum with a reduced time frame has been approved by the European Federation of Organizations for Medical Physics, which will allow new graduates to specialise and improve their skills, boosting research and development in an area where Malta is still significantly dependent in the recruitment of high specialised experts from foreign institutions¹⁶².

Transnational Actions

The inclusion of transnational partnerships is highly encouraged under Operational Programme II, especially alongside innovation and this can be seen in the allocation of marks during project selection processes whereby 10% of marks are awarded to transnational and innovative actions.

During the course of 2012, there were fifteen (15) projects under implementation¹⁶³ that include a transnational dimension of which four¹⁶⁴ (4) projects approved in 2012.

Some of the initiatives proposed under the newly approved projects include the sharing of expertise, in various areas such as health, local governance; restoration and competition¹⁶⁵; exchange of best practice¹⁶⁶; job shadowing¹⁶⁷ and the provision of training.¹⁶⁸ Transnational cooperation under the newly

¹⁵⁸ ESF4.164

¹⁵⁹ ESF 1.211

¹⁶⁰ ESF3.62

¹⁶¹ ESF4.86

¹⁶² ESF4.175

¹⁶³ ESF 1.31, ESF 3.43, ESF 3.59, ESF 3.66, ESF 3.62, ESF 3.108, ESF 3.110, ESF 4.86, ESF 4.100, ESF 4.159, ESF 4.163, ESF 4.164, ESF 4.174, EF 4.181, ESF 4.182.

¹⁶⁴ ESF 4.164, ESF 4.174, ESF 4.181, ESF 4.182

¹⁶⁵ ESF 4.174, ESF 4.181, ESF 4.164, ESF 4.182

¹⁶⁶ ESF 4.174,

¹⁶⁷ ESF 4.174, ESF 4.181

¹⁶⁸ ESF 4.182

approved projects during 2012 will take place with organisations from Belgium¹⁶⁹, France¹⁷⁰, Northern Ireland¹⁷¹ and Italy¹⁷².

Transnational actions carried out in 2012 by projects already under implementation include sharing knowledge and exchanging best-practices in relation to professional support to be given to target participants;¹⁷³ provision of expertise in relation to the training programme based on social and life skills;¹⁷⁴ sharing of information with the foreign partner related to inmates and their training¹⁷⁵ as well as serving as a reference point to the project beneficiary in the field of competition.¹⁷⁶

It is worth noting that under ESF 3.62 during June 2012, a total of ten (10) disabled participants carried out a job shadowing experience in Bristol, UK. Each client benefited from a different job experience such as gardening, carpentry, packing, crafts, pottery and farming. They have also met local persons with disability who were carrying out the same type of work in the hosting country. This experience served as a platform to involve a wide range of actors addressing common themes in the area of inclusion.

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).

Gender Mainstreaming

Operational Programme II is committed to strengthen gender equality and this is a horizontal theme throughout projects. 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.

Nine (9)¹⁷⁷ out of the twelve (12) projects approved in 2012 seek to promote gender mainstreaming on a horizontal level.¹⁷⁸ The actions being proposed include: providing opportunities for training and

¹⁶⁹ ESF 4.174,

¹⁷⁰ ESF 4.181

¹⁷¹ ESF 4.174

¹⁷² ESF 4.164 and ESF 4.182

¹⁷³ ESF 3.108

¹⁷⁴ ESF 3.108

¹⁷⁵ ESF 3.110

¹⁷⁶ ESF 4.182

¹⁷⁷ ESF 2.189; ESF2.201; ESF4.164; ESF4.174; ESF4.182; ESF4.189; ESF4.167; ESF4.180; ESF4.181

employment for women by targeting a sector which allows for flexible work so as to attract inactive women to enter the labour market;¹⁷⁹ ensuring that the training is free from any gender stereotypes;¹⁸⁰ the reimbursement of childcare services for parents who undertake training outside the employee's normal working hours¹⁸¹.

During the course of 2012, projects under implementation carried out significant activities addressing gender mainstreaming. Within this context, various initiatives have taken place that seek to promote gender equality in employment towards stable and quality employment for all men and women¹⁸² and initiatives in favour of equal opportunities over and above the minimum legal requirements within the tender document¹⁸³.

Reducing inequalities between men and women in the labour market and at home has become a key objective also at a national level. In this regard, a number of projects under implementation aim at promoting family-friendly measures so as to achieve work and family balance between men and women which in turn will result in more involvement in family life of both parents. One of the actions carried out during the whole course being provided under ESF 1.34 was the provision of flexible course time-tables so as to ensure that parents engaged in life-long learning have the necessary flexibility to fully follow the course. Furthermore, during 2012, seven (7) projects¹⁸⁴ offered childcare facilities for parents who participated in ESF funded activities.

Other actions supporting gender mainstreaming include the organising of a public awareness campaign¹⁸⁵, conducting organisational audits and awarding equality as well as the provision of training to persons involved in equality representation¹⁸⁶.

The promotion of education is deemed crucial to reduce gender disparities and it is seen as an entry point to other opportunities, which can have ripple effects within the family and across generations. In this

¹⁷⁸ ESF1.209; ESF1.211; ESF2.186; ESF2.201; ESF4.164; ESF4.174; ESF4.182; ESF4.189; ESF4.175; ESF4.167; ESF4.180; ESF4.181

¹⁷⁹ ESF2.186

¹⁸⁰ ESF4.180

¹⁸¹ ESF4.180

¹⁸² ESF 2.78

¹⁸³ Under ESF 3.102, ESF 3.107 the following provision was included '*In carrying out his/her obligation in pursuance of this contract, the tenderer shall ensure the application of the principle of gender equality and shall thus 'inter alia' refrain from discriminating on the ground of gender, marital status or family responsibilities. Tenderers are to ensure that these principles are manifested in the organigram of the company where the principles aforementioned, including the selection criteria for access to all jobs or posts, at all levels of the occupation hierarchy are amply proven. In this document words importing one gender shall also include the other gender.*'

¹⁸⁴ ESF 1.33, ESF 1.34, ESF 1.36, ESF 2.4, ESF 2.11, ESF 2.84, ESF 3.48

¹⁸⁵ ESF 3.59

¹⁸⁶ ESF 3.47

context, ESF 1.25 continued to offer in 2012 the opportunity to participants who have children or spouses to maintain to study abroad providing a financial allowance to sustain them during the period of study.

Migrants

OPII targets vulnerable groups including migrants and asylum seekers hence the provision of training and employment is crucial to their integration within Maltese society. Although there is no specific ESF project that directly and solely targets migrants and asylum seekers¹⁸⁷, these target groups are still being reached through those ESF initiatives, which target a wider spectrum of vulnerable groups.

During the course of 2012, ESF provided numerous opportunities to assist migrants in their integration process through the provision of different kind of assistance all aimed at providing them with skills to make them more employable. A total of one-hundred-and-two (102) migrants have benefitted from ESF during 2012. The Majority under PA 2, specifically under the Employability Programme¹⁸⁸ where a total of fifty-nine (59) migrants have benefitted through the provision of training under the following areas: Basic skills, Hospitality, ICT, Management & Administration and Trade. Out of fifty-nine (59) migrants forty-three (43) successful completed the relevant training course. Under ESF 2.85, a total of thirty-six (36) migrants have received training under the following courses: Introduction to Business Intelligence, Pharmaceuticals & Chemicals Good Manufacturing Practices, Financial Services and Furniture. Only minimal participation was reported under PA 1, 3 and 4.¹⁸⁹ It should be noted that other EU initiatives are targeting this group¹⁹⁰ hence the limited participation of such target group within ESF funded projects. The MA works together with Funds and Programme Division to maximise synergies and minimal risks of overlaps or double funding.

Minorities and disadvantaged groups

There is no specific definition of minorities used in Malta and therefore specific action targeting minorities is difficult to quantify.

Disadvantaged groups targeted under OPII include disabled persons, illiterate persons, persons with mental health difficulties, ex-convicts, asylum seekers, unemployed, youths in institutional care, homeless youth, and youth in inappropriate housing, ex-substance abusers and women in difficulty (inactive

¹⁸⁷ This target group has benefitted from other financial instruments, such as European Refugee Fund

¹⁸⁸ ESF 2.4

¹⁸⁹ (4) migrants who have received soft skills training under PA 1; one (1) migrant received basic training including writing, numbering and basic literacy under PA 3 and three (3) migrants have benefitted from actions under PA 4

¹⁹⁰ Such as the European Refugee Fund and European Fund for the Integration of Third Country Nationals (IF)

women, victims of domestic violence), parents young school drop outs. Actions under the Operational Programme also targets professionals working with disadvantaged groups.

During the year under review two (2) projects¹⁹¹ were approved which aims at improving the skills essential for employment amongst disadvantaged and socially excluded groups in specific sectors of the labour market. In this regard ESF 2.186 aims at increasing the adaptability and employability of individuals aged 16 years and over, within the cultural and creative industry; whilst ESF 2.201 aims at reintegrating jobseekers and inactive persons into the labour market.

Following the conclusion of the evaluation of proposals submitted under call 9, PA3, the number of projects addressing disadvantaged groups is expected to increase.

As at the end of 2012, sixteen (16) projects under implementation were directly targeting disadvantaged groups, including youths in difficulty aged 16-24 years¹⁹², disabled persons¹⁹³, ex-convicts¹⁹⁴, substance abusers¹⁹⁵, asylum seekers¹⁹⁶, unemployed¹⁹⁷, and women in difficulty¹⁹⁸ (inactive women and victims of domestic violence). The majority of these projects offer tailor made training to enhance the possibility of the integration of disadvantaged persons into the labour market.

Some examples of actions being undertaken by projects targeting disadvantaged groups include the provision of specialized training to people working or interested in working with people with visual impairment¹⁹⁹, the enhancement of employability and productivity of prisoners²⁰⁰ and the enhancement of the employability potential of disabled persons to obtain and retain employment²⁰¹. A number of projects also target professionals working with disadvantaged groups in particular disabled persons.²⁰²

During the year under review, under ESF 3.113, a total of fourteen (14) disadvantaged persons were helped to find employment and to integrate better at the workplace. With regard to ESF 3.64, a total eight-hundred-and-seventy-three (873) disadvantaged persons have been retained in employment out of which two (2) were disabled persons. On the other hand with regard to ESF 2.4, a total of two hundred and

¹⁹¹ ESF 2.186, ESF 2.201

¹⁹² ESF 3.61, ESF 3.108

¹⁹³ ESF 3.52, ESF 3.62, ESF 3.113, and ESF 3.114

¹⁹⁴ ESF 3.52

¹⁹⁵ ESF 3.52

¹⁹⁶ ESF 3.52

¹⁹⁷ ESF 2.11, ESF 2.12, ESF 2.4, ESF 2.186 and ESF 2.201

¹⁹⁸ ESF 3.43, ESF 3.48, ESF 3.54 and ESF 3.66

¹⁹⁹ ESF 3.105

²⁰⁰ ESF 3.110

²⁰¹ ESF 3.62, ESF 3.112, ESF 3.113, and ESF 3.114

²⁰² ESF 3.105, ESF 3.112 and ESF 3.114

eighty-eight (288) disabled persons attended ETC courses out of which a total of two hundred and fifty-three (253) completed the courses successfully.

2.2 Compliance with Community law

State Aid (Article 107(1) TFEU)

During the year under review, the Managing Authority launched four calls²⁰³ for project proposals under several ESF priority axes which calls were only open to projects which do not involve State aid as per Article 107(1) of the Treaty on the Functioning of the European Union.

The competent authority responsible for state aid in Malta is the State Aid Monitoring Board (SAMB) which also acts as the national contact point on state aid related matters with respect to EU funded projects.

The SAMB is consulted by any prospective Beneficiaries interested in applying for EU funds in order to ascertain from an early stage, whether the proposed project would involve any state aid implications. In 2012 all project proposals received (sixty-six (66) applications) under the four (4) calls published were initially screened by SAMB prior to their submission.

From these sixty-six (66) applications²⁰⁴, twelve (12)²⁰⁵ were eventually approved. As in previous years, the Board carried out a final screening for each approved project application to re-confirm their position vis-à-vis state aid implications prior to the signing of the Grant Agreement

Apart from its involvement with calls issued by the Managing Authority, the SAMB is also in close collaboration with Intermediate Bodies administering State aid schemes financed through EU funds. Under OP II, the Employment and Training Corporation (ETC) administers the two (2) schemes²⁰⁶ being implemented under the Operational Programme II. ESF Aid Schemes are financed under the general block exemption regulation. Both schemes were notified to the SAMB by the state aid grantor (Intermediate Body) 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

²⁰³ Call VIII on 18/01/2012, Call IX on 02/05/2012, Call X on 24/05/2012, and Call XI on 01/11/2012.

²⁰⁴ Call VIII – six (6) projects submitted under PA2 and twenty-one (21) projects under PA4, Call IX – ten (10) projects submitted under PA3, Call X – four (4) projects submitted under PA1 and eight (8) projects submitted under PA2, Call XI – seven (7) projects submitted under PA1 and ten (10) projects submitted under PA4.

²⁰⁵ Call VIII – one (1) project approved under PA2 and eight (8) projects approved under PA4, Call IX – three (3) projects approved but one (1) dropped out after approval, Call X – two (2) approved under PA1, one (1) approved . In addition to that it should be noted that other two (2) projects were put on the reserve list under PA2.

²⁰⁶ ESF 2.65 – Training Aid Framework, ESF3.64 – Employment Aid Programme

guided the Intermediate Body with regards the applicable state aid *acquis* that was to be followed in the implementation of such schemes.

Overall the SAMB continued to note 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 organised by the Managing Authority 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 on whether State aid could possibly be involved. It is also interesting to note that following the recommendation by the Managing Authority, most applicants are submitting to the SAMB more detailed information about their proposed project. This ensures that a formal position regarding State aid is obtained prior to submitting the respective applications.

Public Procurement

Whilst in the case of OP II the volume of bigger contract is not the same as in the case of OP I, nonetheless procurement presents itself as a challenge. The majority of contract under OP II are in their mainly service contracts with the occasional supply contract²⁰⁷. As reported above, in the year under review, the Central Government Authority launched fifteen (15)²⁰⁸ procurement procedures for OP II funded operations, of which seven (7) procedures were still ongoing during the first months of 2013 and one (1) which was re-issued through a negotiated procedure. In addition to procurement managed by DoC on behalf of the contracting authorities, under OP II a number of dept. tenders were published, as highlighted under section 2.1 of this report

Notwithstanding the rectification process which was initiated during 2010 the Department of Contracts noted that there were still occasions where bidders either failed to be compliant on issues cannot be rectified. This shows that unfortunately some bidders still submit their offer for the sake of doing so without giving it the merited importance, resulting in the rejection of offers.

The Department of Contracts continued to organise the annual information session to keep prospective bidders informed on the developments taking place within the Department of Contracts. This information session was very well attended. In particular this year the audience was briefed on the introduction of the e-procurement system aimed at increasing the transparency of the procurement process in Malta which facilitates the bidding process. The Department of Contracts has been pursuing the development of e-

²⁰⁷ ESF 4.100

²⁰⁸ These were 4 from PA 1, 2 from PA 2, 1 from PA 3, 5 from PA 4 and 3 from TA

procurement services since 2008 when it firsts introduced the electronic services through the Department's website at www.contracts.gov.mt. This shift towards the introduction of e-procurement system has provided the Department of Contracts with the opportunity of simplifying further the procurement process. To this effect, the following initiatives were carried out as from March 2012:

- A review of the tender templates aimed at significantly reducing the size of the tender document template. Besides, the three different templates for each procurement type (supplies/services/works) were streamlined into one template which caters for all types of procurement. The size of the tender document template was reduced by removing the standard clauses from the template. These were made available online as reference documents;
- Apart from the revision of the tender document templates, an XML Structure template which prescribes the electronic response format used on the Electronic Public Procurement System (ePPS) has been prepared and uploaded on the etenders portal for Contracting Authorities to be availed of when drafting e-tenders;
- The revision of the tender document template was complemented by a simplification of the conventional evaluation report template. This was also adapted to cater for the requirements of e-tenders;
- An internal reorganisation of staff was carried out to cater for the transition to e-procurement.
- In coordination with the Centre for Development, Research and Training (CDRT), the Department of Contracts formally started to deliver hands-on training related to e-procurement which was more focused on the procurement procedures actually used rather than on all the potential procedures and processes offered by the system (ePPS). Those attending the training were given access to the system during training through a 'tale quale' DEMO environment and as a follow-up to the training they were given user accounts and encouraged to continue to familiarize themselves with the system;
- Apart from the hands-on training to Contracting Authorities, the Department of Contracts also held hands-on workshops for Economic Operators in respect of each call for tenders published with the new system. During these workshops economic operators were given an overview of the system and informed about the registration process. Essentially, they were trained on how to search for calls for tender, request clarifications, compile, pack and upload offers using the ePPS;
- As a follow up to the Contracts Circular No. 13/2012, during September 2012, the Department of Contracts sent an e-mail to all Directors Corporate Services in each Ministry thereby reminding them of the contents of the Circular, not least the importance of supporting the transition to e-procurement and requesting them to circulate the message to all Departments and Organisations falling within their Ministry. Through this correspondence in the case of particular Ministries the deadlines for the transition to e-procurement were shortened. As a result of all the above

initiatives related to electronic procurement, during 2012, the Department of Contracts managed to publish a considerable number of nationally funded e-tenders

With regards to appeals that have been lodged from recommendations issued by the Department of Contracts, reference must be made to Legal Notice 296 of 2010 which provided for the appointment of the Public Contract Review Board [PRCB] as sole Board of Appeal with respect to Public Procurement. As a result, the General Contracts Committee was divested of the function of Board of Appeal. The procurement process continued to present a challenge for the implementation of the Programme causing delays in the project's implementation especially due to the limited expertise available in the area. In an effort to address this issue, during the last quarter of 2012, the MA started organising weekly meeting with the Department of Contracts in order to draw the attention of the Authority on specific issues faced by beneficiaries in relation to procurement and to clarify issues that would have arisen during the verification of expenditure.

2.3 Significant problems encountered and measures taken to overcome them

Problems in implementing Operational Programme

By the end of the year under review, 90% of the Programme' was committed in approved projects with the majority of projects being in an advanced stage of their implementation. Although there was progress in terms of commitment the level of disbursement remains a major concern.

The challenges faced in the implementation of the Programme remained more or less the same as in previous years and are mainly related to (albeit to various degrees) the project selection process, the public procurement process and the payment process, the latter more so in the case of aid schemes implemented under Article 107 of the Treaty.

Various mitigating measures that started being implemented in 2011 produced some results, such as the simplification measures adopted by the IB under the two schemes; the actions taken by the Certifying Authority to reduce the time-lags between the verification and the certification. However, the very fragmented nature of most ESF projects cannot be underestimated which results in very complex validations and cross-checks of various documents, demanding substantial capacity from the horizontal stakeholders, the Beneficiary as well as the MA and the IB.

The Project Selection Process

As it was reported in the previous year, the changes proposed by the MA²⁰⁹, improved the speed of the evaluation process. During 2012, the MA has issued four (4) calls of which two were completely evaluated²¹⁰ by the Project Selection Committee. Out of the forty-nine (49) proposals submitted under Call 8, Call 9 and Call 10, nine (9) were not regarded as eligible²¹¹, two (2)²¹² were placed on the reserve list whilst twelve (12) projects were approved for co-financing during the year under review i.e. 19% of the eligible projects submitted.

However, the quality of projects submitted continued to hinder the evaluation. In an effort to improve the quality of project submissions, the MA continued to organise information sessions to inform applicant of how the projects are to be prepared.

The Public Procurement Process

Notwithstanding that there were not many procurement procedures launched in 2012, public procurement remains a major bottleneck and takes a substantial toll on the implementation process as already highlighted above.

In this area the main problems encountered in 2012 mainly include: the complexities of tenders which results in delays particularly in the preparation of TORs; the time taken between the vetting of tender by the DoC to the actual signature of the contract; in some instances the lack of response from bidders leads to the need to re-issue tenders; and also delays due to the two appeals lodged in 2012.

Measures introduced to mitigate against procurement issues were identified above and include simplification of the tendering documentation as well as the introduction of the e-procurement system. Although in the short-term there may be delays the latter promises to deliver advantages in the medium to long-term.

The Payment and Verification Process

Needless to say that problems encountered in the Project Selection Process and the Public Procurement Process have a ripple effect on the Payment Process because of the delays in the implementation and

²⁰⁹ The MA proposed changes to both the composition of the Committee as well as its rule of procedures i.e. the inclusion of alternate members and ad hoc experts and the introduction of a *quorum* for PSC sessions. In addition, the PSC refrained from sending detailed written requests for clarifications and instead where necessary held clarifications meeting.

²¹⁰ Evaluation of Call 9 continued in 2013 and Evaluation of Call 11 started in 2013.

²¹¹ Five (5) under Call 8; Three (3) under Call 9 and one (1) under Call 10

²¹² These are : ESF 2.202 and ESF 2.204 submitted under Call 10

ultimately in the disbursements. Although the Priority Axis registered a satisfactory increase in the total amount disbursed, the amount achieved was still modest when compared to the amount contracted (62%). Delays in procurement and the documentation 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. The situation is the same across all Priority Axis within OPII. Mitigation measures implemented by the IB in order to facilitate and increase the payments processed under the two Aid schemes have already been explored above.

Another challenge faced in 2012 is the significant amount of savings registered under numerous projects following the conclusion of the procurement process. In order to ensure the rapid absorption of the unallocated amounts, the MA started in 2012 to monitor closely this and to invite Beneficiaries to submit valid requests for the use of the savings, in order to increase/improve the projects' results. Failure to submit suitable requests will result in these amounts returning back to the Programme to be invested on new operations.

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

- ***Gender mainstreaming as well as of any gender-specific action***

During 2012, no substantive problems in the implementation of actions under Article 10 of EC Regulation 1081/2006 were encountered by the Managing Authority.

The majority of projects under implementation as at the end of 2012 aim at promoting an active participation of both women and men in all aspects of the projects' implementation. This is highlighted by the fact that 12,277 of 24,144 participants involved in different actions sustained by ESF in 2012 were women. Apart from the general participation of women under all operations financed under the OP, in 2012, there were seven (7) projects implemented under Axis 3 with the *specific objective* to increase and sustain the *female participation in the labour market*²¹³.

Notwithstanding these satisfactory results, in 2012 the MA continued to promote actions that specifically aim at the removal of obstacles and inequalities that women face with respect to employment and facilitate women's equal access to employment. In this regard, Call 9 for project proposals under PA 3 targeted the focus area: Female participation in the labour market was specifically targeted with the main objective of realizing women's potential in the economy and enhancing their contribution to economic and

²¹³ ESF3.47; ESF3.48; ESF3.54; ESF3.59; ESF3107; ESF3108; ESF3114

social development. Out of the ten (10) projects that were submitted under this call four (4) projects addressed this focus area of intervention.

During the year under review, projects under implementation, especially those approved under Axis 3 which specifically targets women, carried out various actions which aim at: increasing sensitivity on gender issues, such as through ESF 3.59 that aims at creating more awareness on equality; promoting the adoption of family friendly measures in work environment, such as through ESF 3.48 that offered childminding courses, attended by thirty-five (35) women; as well as promoting the participation of women in different kind of training courses, including vocational training, such as ESF 3.108 which aims to facilitate the entry of women in occupations that usually attracts women, such as hairdressing; beauty care and craft attracted 36 women aged 14-16 to attend these courses.

- ***Action to increase participation of migrants in employment and thereby strengthen their social integration***

As at end 2012, there were no projects proposed under the ESF Operational Programme which aim to target solely migrants²¹⁴. In this regard, as already highlighted in previous sections of this report, migrants participated in a number of different initiatives²¹⁵ in 2012.

- ***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 but refers to 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 highlighted in previous section, as at the end of 2012, 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 troubled youths (including the homeless).

- ***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 sixteen (16) projects and one (1) aid scheme under Article 107 of the Treaty were targeting disadvantaged groups, out of which six (6)²¹⁶ were specifically targeting persons

²¹⁴ For such initiatives the European Refugee Fund and the European Integration Fund is more adequate.

²¹⁵ ESF 1.36, ESF 2.4, ESF 2.11, ESF 2.65, ESF 2.85 and ESF 3.61

²¹⁶ ESF 3.105, ESF 3.113, ESF 3.114, ESF 3.62, ESF 3.64, and ESF 3.66

with disabilities. The ultimate aim of most projects intervening in favour of disadvantaged groups is the improvement of the employability potential of these persons and the facilitation of their integration within society which finally leads to enhanced productivity for the economy and a better quality of life for the individual. The main problems encountered by projects targeting disadvantaged groups include their reluctance to participate in research activities²¹⁷, lack of motivation by project participants²¹⁸ 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 continued to be the over protection by family members, which then resulted in a lower number of disabled persons being actively employed after receiving the relative training²¹⁹.

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

During the year under review, OPII continued to promote innovation as the means to investigate alternative ways of investing in human capital and to encouraging the participation of all groups, including the most vulnerable in the labour market.

Projects that included this principle during submission stage gained additional points during the project selection process. However, it has been noted that beneficiaries encountered some difficulties in proposing new ideas in order to improve employability, adaptability and to promote social inclusion as well as in combining innovation and transnational dimension. This is mainly due to the fact that Beneficiaries do not have a mutual understanding of what constitutes an activity to be innovative in these field and that exploring alternatives or improvements of current practice is usually strictly related to the national context.

In an effort to encourage potential applicants to submit proposals exploring new approaches in the field of education and employability, in 2012 the tenth call of project proposals was restricted to the focus areas *Research and Innovation* under PA 1 and *Continues training and Innovation* under PA 2. In fact three (3) out of the eight (8) projects that were submitted under PA2 targeted the Innovation focus area while only one (1) out of the four (4) submitted projects under PA 1 targeted the Research and Innovation focus area.

As at end 2012 there were 24²²⁰ projects that include innovative activities, the majority under Axis 1 and 3. The innovative actions that are being implemented under the OP include: the development of new ways and tools to integrate excluded people in employment; activities which motivate participation in

²¹⁷ ESF 3.105

²¹⁸ ESF 3.61

²¹⁹ ESF 3.62

²²⁰ ESF1.29, ESF1.36, ESF1.123; ESF1.125; ESF1.130; ESF1.131; ESF2.12, ESF2.78, ESF2.72, ESF2.137, ESF2.139, ESF3.47, ESF3.60, ESF3.62, ESF3.102, ESF3.105, ESF3.108, ESF3.110, ESF4.86, ESF4.97, ESF4.98, ESF4.100, ESF4.152, ESF4.159

science and technology related education, the start up of new courses that were not offered before in Malta such as vocational degrees and measures which promote lifelong learning practice.

It is to be noted that with regards to projects that were approved in the year under review five (5) projects have committed themselves to implement within the project innovative activities,²²¹ the majority under Priority Axis 4, which shows the importance of innovative solutions to implement effective policy reform strategies in the public sector.

- ***Transnational and/or interregional actions***

During the course of 2012 a total of fifteen (15)²²² projects under implementation involve a transnational element. In the case of Public Beneficiaries, these are generally seeking co-operation with counterpart public organisations in other Member States. On the other hand Civil Society Beneficiaries seek support from foreign partners in relation to job placements; by sharing good practices; providing information, sharing experience and expertise; exploring innovative practices; serving as a reference point as well as participating in project evaluation exercise. 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. Another problem encountered by Beneficiaries relates to the difficulties that transnational partners have in claiming costs.

With the aim of further promoting the principle of transnationality in projects, project proposals are awarded 10 extra points if they can link transnationality to innovation within the proposed project.

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 work²²³.

²²¹ ESF1.211, ESF2.186, ESF2.201, ESF4.164, ESF4.175,

²²² ESF 1.31, ESF 3.43, ESF 3.59, ESF 3.66, ESF 3.62, ESF 3.108, ESF 3.110, ESF 4.86, ESF 4.100, ESF 4.159, ESF 4.163, ESF 4.164, ESF 4.174, EF 4.181, ESF 4.182.

²²³ In 2012, the MA attended a meeting held on 6th and 7th June 2012 on *'Measures and interventions for disadvantaged groups'*

2.4 Changes in the context of the Operational Programme implementation

During the year under review, a number of changes to the OP were proposed by the MA to the Monitoring Committee (MC)²²⁴ which was subsequently translated into the first formal request for OP revisions submitted to EC's approval on the 4th April, 2012.

These changes were necessary to mitigate against three (3) main factors:

- Address the results and the recommendations coming from the Mid-Term evaluation as per Article 48(3) of EC Regulation 1083/2006;
- Align OPII to the changes of the local context mainly emanating from the international economic crisis; and
- Ensure the full absorption of the funds.

On the 3rd July 2012, the EC issued the final Decision²²⁵ approving the proposed changes to OPII.

The main modifications to the document include: (i) the transfer of funds from PA 4 to PA 1 and PA 5; (ii) the revision of some earmarked categories of intervention to reflect the new allocation; (iii) and the change in the target of some indicators under PA 1 and PA 4.

The following is a detailed description of the above changes, which were undertaken under OPII.

Transfer of funds from PA 4 to PA 1 and PA 5

A shift of €4.2million from Axis 4 to Axes 1 and 5 was proposed and approved. As a result, the allocation under Axis 4 decreased from €21,405,000 to €17,199,117 whilst the allocation under Axes 1 and 5 increased respectively: from €37,400,000 to €41,400,000 (PA 1) and from €5,064,705 to €5,270,588 (PA 5).

These changes responded to a progressive decrease in demand registered under Axis 4²²⁶ and to the registered increased demand for investments in the education system and in the upgrading of skills and expertise in key areas of the economy as promoted under PA 1²²⁷. The slight increase in the budget allocated to Axis 5 mainly derives from the need to increase the available resources for Technical

²²⁴ Meeting held on the 8th March 2012

²²⁵ EC Decision C(2012) 4437 final, issued on 3.07.2012

²²⁶ As highlighted in AIR 2011, this is mainly due to an exponential increase in workload within the public sector in general and a limited overall capacity due primarily (but yet again not exclusively) to the crisis and its obvious repercussions on public spending

²²⁷ Despite the crisis, Malta registered a huge demand from the formal learning sector to expand and innovate. Investments funded under PA 1 are considered to be crucial for establishing a skilled workforce able to sustain economic growth and to increase productivity

Assistance following the clarification received from the Commission on the eligibility of costs in relation to the implementation of the Aid Schemes under Article 107 of the treaty.

Revision of some earmarked categories of intervention to reflect the new allocation;

The allocation under Codes 72, 74, 81 and 85 has been revised to be in line with the shift of funds towards investments in the field of education. As a consequence, the earmarked categories themes linked to the reform in education (code 72) as well as the promotion of research and innovation have seen an increased commitment towards these priority themes. As a result of this changes, the earmarked categories under OP11 registered an increase of 4%²²⁸ and make up 86% of the Community funds allocated to OP11.

Change in the target of some indicators under PA 1 and PA 4

With regards to PA1, the target of the output indicator *Number of persons participating in further or higher education & training programmes* decreased from 2,000 participants to 600; whilst the target under output indicator *Number of persons participating in S&T or ICT further or higher education & training programmes* increased from 600 to 3,000 participants. This change takes into account the general thrust of the objectives of the programme promoting science and technology. Under Axis 4 the target of output indicator *Number of persons participating in training* has been revised to remove the erroneous wording²²⁹ and indicate a target for the entire programming period which has now been increased from 4,000 to 9,000 participants. The Managing Authority is confident that this shift will result in the timely absorption of the remaining funds and in the increased effectiveness and efficiency of ESF implementation within the aims and objectives of the OP. Increasing the investment under Axis 1 is not only fundamental to the further development of Malta's only resource, but also critical to competitiveness and Malta's first concrete steps in its effort to attain the EU 2020 targets.

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.

²²⁸ Allocation on earmarked categories originally amounted to €92.5 (Mil) whilst, following the EC approval, the allocation totals to €96.5 (Mil)

²²⁹ Originally, the indicator referred to *Number of persons participating in training in a year*

2.6 Complementarity with other instruments

In accordance with Article 9(4) of Regulation EC/1083/2006, the MA maintained its obligation to coordinate EU- funded assistance within each OP as well as between OP's and with other existing EU financial instruments. This is mainly achieved through the organisation of the Inter-Ministerial Coordination Committee (IMCC) Meetings EU Human Capital Investment Programmes during which the representatives of the funding mechanisms represented in this committee seek to enhance synergies and co-ordination to avoid overlap and duplication of resources.

As in the previous year, in 2012, the MA strengthened the structures of the Committee during the two meetings that were held in April and October²³⁰, by widening the representation to include the Intermediary Bodies under the OPI and of the EFF. Discussions on potential overlap were preceded by presentations that focused on the EFF, the General Programme Solidarity and Management of Migration Flows' (SOLID Funds) and on the Lifelong Learning Programme. Furthermore, the MA sought to formalize the bilateral networking in order to detect potential cases of double-funding by formulating guidelines to be used in these checks. Although the IMCC is composed of representatives with differing levels of access of information on the EU assistance being given, the MA still managed identify the required course of action in the checks to be undertaken so that the assurances against double-funding are still obtained in all cases.

In addition, the MA strengthened its complementarity checks due to the close collaboration with the newly established Funds and Programmes Division. In 2011 all programmes under shared / decentralised management benefitting from EU funding had been centralized, in some form or another under one Division. The Funds and Programmes Division was established with the remit to handle the management of EU and other Funds (with the exception of Cohesion Policy Funds) allocated to Malta and to provide guidance to the focal points of the EU and other Programmes that are managed by the Commission/other institutions.

Complementarity and consistency between ESF and ERDF

Complementarity of ESF assistance with infrastructural projects enhances the effectiveness of EU Funding whilst contributing to the sustainability of ESF interventions. This is evidenced in those areas that are targeted by ESF funding such as education, training, employment and health. Within the educational sector, complementarity could be reflected in the intervention aimed at enhancing the effectiveness of

²³⁰ 2nd April and 30th October 2012

educational tools by funding interactive whiteboards and e-learning platforms in primary and secondary schools that is being complemented by the provision of adaptive training to teachers²³¹. The Major Project for the construction of an Oncology Centre is being complemented by training of health professionals (medical physics) in order to develop human capital that will provide high specialised services at the Oncology sector²³².

Moreover, a number of OPII operations are also implementing ERDF components through the cross-financing mechanism (Article 34 of Regulation 1083/2006). This applies to twenty-seven (27) ESF projects that until end of 2012 have committed €2.65 million in such expenditure. The costs relate mainly to the purchasing of PCs and office equipment to facilitate the project implementation. Furthermore the committed ERDF costs (under the cross financing rule) within OPII operations relate to education investments within ESF financed operations. In fact through the ESF 1.36, that implemented MCAST Vocational Degree Programmes, the ESF intervention was complemented by the ERDF equipment that is also being used in the top-up degree courses that are now being delivered by MCAST staff which have undergone job shadowing through ESF assistance. In addition, ERDF costs financed in relation to training in the aviation industry through ESF1.34 are still being used to maintain sustainability of the investment.

Complementarity and consistency between ESF and EAFRD / EFF

OP II finances vocational training in agriculture and the fishing enterprises with a clear link to the labour market. The close co-operation with the Funds and Programmes Division (which eventually took on the responsibility of Competent Authority and Managing Authority under the EAFRD and EFF Programmes respectively), continued to ensure the exchange of good practices and to ensure the implementation of measures to avoid double funding. The latter are also formally discuss during the IB network meetings.²³³ Whilst maintaining constant vigilance in order to avoid cases of double funding, complementarity between the different EU funding mechanisms provides a synergetic impetus. In fact, as at the end of 2012, under the Employment Aid Programme six (6) grant Agreements were signed with five (5) beneficiaries from the agricultural sector providing employment support for six (6) persons for a total value of €115,736.42²³⁴. Besides, the MA maintained attention on developments in the EFF and EAFRD programmes through participation in the Monitoring Committees held in 2012²³⁵.

²³¹ ERDF 159 *e-Accessibility for All* is complemented by ESF 1.123 was approved in 2011 under Axis 1 of OPII: *Improving Education and Skills* and is offering training to teachers in the use of interactive whiteboards and e-learning platforms

²³² ERDF 196 and ESF4.175

²³³ The IB network is further discussed in section 2.1.1 of this chapter

²³⁴ One participant from the Six is a Registered Disabled Person

²³⁵ EAFRD MC held on the 25th May 2012 and the EFF MC held on 18th April 2012

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

In accordance to the commitment undertaken by the MA to coordinate efforts on potential double-funding through the IMCC, it urged representatives of the different Community programmes that relate to education, training, and youth, to formalise their networking relationship to take immediate action on potential double-funding. Particularly, this exercise was mainly directed with regards to checks on grants given through various scholarship schemes.

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 study²³⁶ as well as the development of expertise in research and innovation policy design as outlined under section 5.4.4(c) of the OP. Besides, as at end of 2012, ESF was funding 309 Master programmes and seventy-seven (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 universities²³⁷.

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 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 whilst at the same time providing an efficient user support level. The SFD Core Group²³⁸ met three (3) times to monitor the system's status, analyse new user requirements and prioritise the work programme. In addition, more than five (5) other meetings were held directly with the user's

²³⁶ ESF 1.25, ESF 1.31, ESF 1.36

²³⁷ These interventions are funded under STEPS (ESF1.25) and Professional Development Programmes for MCAST staff and student top-up degrees (ESF 1.36).

²³⁸ The SFD Core Group is 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.

representatives in order to address their requirements and ensure the functionality of the system in relation to the specific cases.

A number of modules, were developed in 2012 such as the *IB/CA/AA Verification and Audit Modules*²³⁹, *Data on Participants Module (Annex XXIII)*²⁴⁰, *the Statement of Expenditure*²⁴¹ were enhanced, following feedback received by the different users. These module's enhancements were deemed critical to facilitate the use of the system for monitoring and the implementation of Operational Programme.

Similarly, enhancements were carried out on several other functions, such as: the Reversal of Invoice status; the length of characters in the descriptive fields (such as Invoice and Adjustment Number, and Document Types in the MA/IB/CA/AA Verification and Audit screens etc.). In 2012, additional details have been introduced to the Financial Plan through to the setting up of the *Paid Invoices Less Adjustments* column. Thanks to this new function, it is possible to monitor the financial progress of each project's component and of any adjustments attached to invoices within the relevant contract/s.

The year under review, was also characterised by the significant number of new reports which have been introduced. These are:

- *AA Detailed Report*
- *AA Summary Report*
- *Annual Payments Report*
- *Contracts Report*
- *Expenditure Table by: Invoice/Priority/Project Reports*
- *Focus Area Report*
- *Indicators by Priority Axis Report*
- *Indicators by Project Report*
- *Management Verification & Audit Table*
- *Management Verification & Audit Visits Table*
- *Priority Axis Public Eligible Expenditure Report (replaces Priority Axis Expenditure Report)*
- *Project Report*
- *Project Public Eligible Expenditure Report (replaces Project Expenditure Report)*
- *Project Transactions Report (replaces Project Invoices Report)*

²³⁹ The IB/CA/AA Verification and Audit Modules were released in 2012, in order to allow officers within the IB, CA and AA to enter data on verifications and audits themselves.

²⁴⁰ The enhancement of this module consisted in the inclusion of three new reports (ANNEX XXIII by Project Report, Breakdown of ANNEX XXIII Report, and Data on Participants Report) and the enhancement of the Participants Report, together with the ability to attach multiple vulnerable groups to a participant in the data on participants screen.

²⁴¹ The *Statement of Expenditure* module was enhanced with the ability to save adjustments even temporarily when the *Save Only* button is pressed and the functionality that allows users to search for outstanding transactions, both at SOE by Project level. Moreover, a functionality to generate current transactions report was added in the same module

In addition to the above, some existent reports were replaced by more developed and detailed reports which provide additional information on the project's financial status. The availability of all these reports that can be generated directly by users themselves has improved the monitoring functions of the different stakeholders. However, still, some *ad-hoc* reports continued to be issued upon demand.

All officers within the SFD Unit were trained by MITA personnel on the use of MARVAL, the system used by MITA to log users' calls. From June 2012 onwards, all calls related to SFD issues were logged directly into MARVAL by SFD Unit personnel, thus bypassing the MITA Service Call Centre, which in turn reduces the administrative burden.

By the end of 2012, the system had more than 500 active users, and regular monitoring of user accounts ensured that unnecessary accounts were deactivated. User's guides, notes and related system documentation were created²⁴² as necessary and existing ones 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. Training was provided throughout the year as an organised session or one-to-one were need be (three different sessions were organised: two for OP II and one for OP I, all NGOs). The number of participants attending SFD training increased significantly because of the increased number in the approved projects.

Day-to-Day Management

In the reporting year, the programme and project monitoring role of the desk officers continued to be carried out on a daily basis, in order to promptly prevent, detect and correct any issues which might compromise the use of EU funds.

During 2012, the MA carried out 261 documentary checks, which required 2,830 working man hours. In addition, thirty (30) physical spot checks were carried out in the stated year.

In addition to the administrative (often also on site) and the physical visits, daily monitoring is also carried out. There is ongoing correspondence with the beneficiaries and other relevant stakeholders via emails, phone calls as well as meetings in order to ensure that updates are provided on a weekly basis allowing officers within the ESF unit to keep a close eye on the implementation of the projects/schemes under their responsibility. 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.

²⁴² User 's guides created in 2012 are: How to Access the Browser Based version; How to generate Reports in the SFD 07-13; How to Search for an Invoice; How to generate AA Detailed and Summary Reports; How to Generate Statement of Expenditure by Project; How to Re-Process a Rejected Invoice; How to Use the Data on Participants (Annex XXIII Module); How to Create and Update CA verifications; How to Generate a Statement of Expenditure by Fund; How to Create and Update IB Verifications; How to Proceed with Payment Authorisation – Line Ministry level.

Project Progress Reporting

As prescribed in the Grant Agreement, Beneficiaries and IBs continued to formally submit the Project Progress Report (PPR) to the MA at two regular (2) intervals²⁴³. This monitoring tool, which is also endorsed by the Line Ministry, is used to measure the progress achieved during a particular reporting period vis-à-vis the obligations of the grant. As from the last two (2) years²⁴⁴, the frequency of the reporting has been reduced in an effort to ease the administrative burden on both the Beneficiaries and the IBs.

The Project Progress Report mainly entails updates 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.

During the year under review, in order to simplify reporting procedures, the MA has made some slight revisions to certain sections of the template, following recommendations received from MA desk officers as well as comments received from other stakeholders, which subsequently led to a revision of the PPR Template. In total, the MA has reviewed one-hundred-and-eleven (111) PPR reports during the reporting period under review.

Ministerial Project Steering Committee

During 2012, the Ministerial Project Steering Committee (MPSC) within each Line Ministry continued to monitor projects under their responsibility. In this context, the MA continued encouraging the 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 continues to facilitate the programme management at MA level.

The frequency of the MPSC meetings held in 2012 remained constant to the previous year, with twenty - three (23)²⁴⁵ sessions which were also attended by the MA on a regular basis. However it is to be noted

²⁴³ 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)

²⁴⁴ The reporting periods were reduced to one PPR per semester. Until 2010 these reports were compiled on a trimester basis

²⁴⁵ For Projects under OP II, the MJDF held 3, MFEI held none, MEED held 3, MGOZ held none, MITC held 4, OPM held 3, TOURISM (within OPM) held 2, MHEC held 2, MRRA held 3

that some Line Ministries²⁴⁶ have also opted to hold several meetings at the relevant Permanent Secretary's office on a need basis to address issues that arise in a more timely way. Line Ministries are still reporting that the setting up of the MPSC meetings is very beneficial for the monitoring of the projects. Thus, the MA continued to encourage the Line Ministries to hold more meetings.

Intermediate Bodies Network

The main scope of the IB network is to discuss and mitigate issues hindering the smooth implementation of the Aid Schemes and to propose and agree on practices that can improve it. In this regard, two (2) meetings were held in 2012: one (1) on 2nd April and one (1) on 30th October. The IB network not only provides IBs with the opportunity to share experiences, but also ensures consistency in implementation, as coordination is enhanced. As usual, the MRRA, which is the ministry responsible for the implementation of the programmes financed by the EAFRD and EFF, was also invited to attend. During these meetings, the MA provided general remarks and recommendations, such as to ensure consistency in calculations and in obtaining quotations; and compliance when processing the grants received. In addition, disbursement and verification targets for 2013 were also discussed.

Intermediate Bodies Steering Committees (IBSC)

The Intermediate Bodies Steering Committees (IBSC) was established to monitor both the physical and the financial progress of schemes. Given that, during the year under review, ETC continued to perform the function of the IB for both schemes (TAF and EAP) under ESF, it also remained the coordinator of such meetings. In 2012, two (2) ESF IBSC meetings were held: one (1) in September and one (1) in December. ETC CEO chaired both meetings. Participants amongst others included the project leaders of both schemes, the ETC Heads of Division: Finance, Employability and Operations & Corporate Services, the representative of the Ministry for Education and Employment, the MA and project partners such as Malta Chamber of Commerce, Enterprise and Industry, the Malta Tourism Authority and the Malta Financial Services Authority. The Malta Enterprise, Malta Employers Association, and Unions were also invited to attend the meetings. Apart from the update on implementation, topics such as the identification of what is slowing down the disbursement process as well as ways to streamline checks and to reduce overlaps, were highlighted and discussed during these meetings. It was agreed to have a clear separation of functions between the different stakeholders conducting checks in order to avoid possible overlaps and speed up the payment process²⁴⁷ without any detriment to the control system in place.

²⁴⁶ Such as MGOZ

²⁴⁷ Specifically, it was agreed that Beneficiary will conduct 100% checks; Line Ministry will check attendance sheets, number of trainees, and other checks related to the implementation and Treasury will check invoices, receipts and other financial documents

High Level Meetings

High Level Meetings were initiated in 2008 when delays in the implementation process became apparent. During 2012, 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 recommendations on the way forward are made. The MA maintained the responsibility to set the agenda and present project issues to the Principal Permanent Secretary (PPS) who chairs these meetings. These issues are discussed at the meeting with relevant stakeholders who are invited to attend, depending on the nature of the topics being raised. During 2012, the meetings were held 10 times in an effort to monitor projects more closely. The meetings, continued to be held on almost a monthly basis²⁴⁸ in an effort to monitor projects more closely especially with a view of the yearly financial targets under both Operational Programmes. During the year under review, nineteen (19) ESF projects were reviewed in depth during the aforementioned meetings, with an average of five (5) projects being discussed in each meeting.

Strategic Report

In 2012, the MA also drafted the Malta's Strategic Report 2012 (as part of its obligations as outlined in Article 29 of EC Regulation 1083/06). The report was compiled by the MA, with the support of all Ministries in particular feedback on the current and future strategic policies. The Economic Policy Division (EPD) within MFEI²⁴⁹ provided details of the Socio-Economic context within which the Operational Programme is currently being implemented and the changes within the Socio-Economic dimension since the last report (the 2009 Strategic Report).

Malta's Strategic Report 2012, which is available on the PPCD's website, gave a general update on the information and data provided in the Strategic Report of 2009, within the structure outlined in the 'Guidance Note on Indicative Contents and Structure for the National Strategic Reports 2012.'²⁵⁰ It reported on the socio-economic (as well as territorial) situation of the Maltese islands since the 2009 update while seeking to make an assessment of the actual impact of Cohesion Policy on the Maltese economy and quality of life of the citizens. The 2012 Strategic Report also sought to provide an insight into the implementation problems that continued to emerge during implementation and the measures taken to address these issues. Furthermore, the report included an update of Malta's Lisbon

²⁴⁸ With the exception of February and April 2012.

²⁴⁹ Now within Ministry for Finance (MFIN)

²⁵⁰ COCOF_11-0040-01-EN, 19 January 2012

commitments as well as an overview of the main financial data with the cut-off date for the data and information being 30th December 2011.

The Strategic Report gave an overview on:

- Indicators achieved;
- Relevant evaluations carried out to date and to be carried out in 2013;
- National expenditure declared as at end 2011;
- The link between Cohesion Policy, the Community Strategic Guidelines and the National Reform Programme and an assessment of the contribution (expected or realized) to other priorities of the National Reform Programme under the Europe 2020 Strategy;
- The role of ESF in terms of the implementation of the European Employment Strategy and the National Strategy Reports on Social Protection and Social Inclusion;
- The progress achieved since the submission of NSRF both in terms of programme implementation as well as from a strategy perspective;
- The contribution of the OPs with respect to the European Economic Recovery Plan; and
- The progress registered in terms of Territorial Cooperation.

Furthermore, the Strategic Report for 2012 outlined six examples of good practice, both in terms of project concept and project implementation

2.7.2 Monitoring Committee

Meetings of the MC in 2012

During 2012, for the first time, the MC was convened for three times: on the 8th of March, on the 24th May and on the 18th of October. The additional meeting, held early during the year, aimed at presenting the changes proposed to the OP II.

In details, the items discussed during March MC meeting included:

- An update on the Implementation of the Programme from October 2011 to the meeting date;
- The proposed changes to the Operational Programme, in order to ensure full absorption of funds.

During May MC meeting, the following items were discussed:

- A presentation on the Annual Implementation Report for 2011;
- An overview of the progress on implementation achieved from March 2012 to the meeting date;
- A synopsis of the Annual Control Report 2011 by the Audit Authority.

The third meeting of the MC, which took place in October 2012, covered the following items:

- An update on the Implementation of the Programme from October 2012 to the meeting date including also an update on the approval of the changes to OPII, which were officially accepted by EC in July 2012;
- A presentation on the closure of two ESF projects namely, ESF 3.71 – Impact Assessment of Mental Health on Employment for Policy Development and ESF 4.86 – Capacity Building for Equipping and Representing Micro Business Employers; and
- An overview of the methodology adopted to carry out the Cohort Study and first results available

As it was the case with the two previous years, in 2012, all the MC meetings were well attended, with an active participation of almost all members, making the monitoring functions of the Committee highly successful.

These meetings are an opportunity for all the stakeholders to get an updated picture of the implementation of the OP. All presentations were made available on 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 meetings between the MA and the Commission were held on the 7th March and 17th October 2012 respectively. The discussions focused mainly on the proposed changes to the OP, the Annual Implementation Report, progress on the implementation, the Strategic Report, the Ex-ante Evaluation, the Cohort Study, Member States' best practices on vocational training as well as information and publicity actions for 2012. On the fringes of these meetings, the Commission also visited a number of projects²⁵¹.

2.7.4 Evaluation

Cohort Study

Following the submission of the first draft Inception Report²⁵² of the Cohort Study on Training²⁵³, Q1 2012 was taken up with discussions between the Managing Authority (MA) and the National Statistics Office

²⁵¹ ESF1.123, ESF4.97 (March); ESF1.25, ESF1.36 (May); ESF4.100 (October)

²⁵² The Inception Report was submitted to the MA on 27th December 2011

²⁵³ The contract for the Cohort Study on Training co-financed by the ESF was signed in November, 2011

(NSO), mainly related to the fine-tuning of methodology to be used for this study.²⁵⁴ The Inception Report was approved by the MA in Q2 2012, with the first set of data²⁵⁵ containing the participants' details submitted to NSO in mid-April 2012.

The target population of the first wave consisted of all the participants who had successfully completed training/course which was co-financed by the ESF between 1st February 2011 and 31st July 2011. As a result, a total of 6,197 persons were eligible to participate in the survey. Out of these, a net sample of three-hundred-and-ten (310) persons participated in this survey. These were selected using a stratified random approach, to ensure a representative count of the sample. Although the sample was stratified by gender, age group and district of residence, other main socio-economic variables such as the educational level, labour status of trainees as well as the type of course attended were also taken into consideration in the selection of the sample. Whenever possible, each stratum consisted of a minimum of twenty-five (25) participants however this was subject to the distribution of the entire target population according to age, gender and district of residence.

The target population was distributed as follows:

Age Group	Male	Female
15 – 24	26.1%	32.1%
25 – 54	61.6%	59.8%
55 – 64	11.9%	7.7%
65 +	0.4%	0.4%

District of Residence	Male	Female
Malta	92%	88.4%
Gozo	8%	11.6%

²⁵⁴ Summarily, the option of capturing a representation from either each training/course or different training/course categories was being explored by NSO in order to have a better spread of the sample. However, the sample size was too small for either option and therefore the sample was broken down into the three stratification variables (age, gender and location) as it was originally intended. If the number of stratification variables is increased, the sample size must increase in a proportional manner, subject to the distribution of the target population

²⁵⁵ Some teething problems with the transferring of data were encountered leading to a later submission than originally intended. However, once such hindrances were settled, the implementation of this contract started gradually being undertaken

Data was collected by means of the Computer Assisted Telephone Interviewing (CATI) between 21st and 26th June, 2012. This means that participants were asked pre-designed questions over the telephone and their answers were inputted into the computer immediately by the interviewer. The questions were designed to ascertain their current status in the labour market, the short and long-term outcomes of the training/course and the respondents' own perception on ESF. Since CATI allows a comprehensive data collection process such that each sampling unit is randomly assigned among interviews, it reduces interviewers' bias to a bare minimum.²⁵⁶

The outcome of the first pilot evaluation, was submitted by NSO to the MA on 10th September 2012. The results have shown that 25% of respondents felt that there was a change for the better in their labour status.²⁵⁷ This was particularly true for females, persons residing in Malta and persons falling within the 15 to 24 age bracket. Moreover, 24.7% of the persons who were unemployed when they applied for training, were employed at the time when the survey was conducted while 87.7% of the inactive persons had their employment status changed for the better after they received training. Throughout this study unemployed and other statuses refer to the perceived employment status of respondents, and may therefore differ from the actual definition.²⁵⁸ Nonetheless, as it will be explained later on, the necessary steps were taken in order to amend such misleading perception in the next waves.

Two out of three respondents felt that ESF contributed towards a change in their labour status while 40.8% felt that ESF contributed towards maintaining and/or enhancing the respondents' employability. Once again, this was particularly true among females and persons in the 15 to 24 age bracket. On the other hand, 16.9% of disabled persons²⁵⁹ participating in the study found ESF training as contributing towards the enhancement of their employability. Although low, given the broader difficulties they face in finding employment, the percentage was rather good even though such figures are based solely on their perception.

From a long-term perspective, 83.7% of respondents think that training received through ESF will help them in the future. This was particularly true for females, younger people and vulnerable persons. Even 63.3% of those participants who thought that ESF did not improve or enhance their current employment status, think that the training received will be relevant in the future.

²⁵⁶ CATI is a telephone surveying technique in which the interviewer follows a script provided by software application. Since the participants' details are randomly selected and distributed between the different interviewers, this comprehensive data collection process reduces interviewers' bias to a bare minimum and lead to more accuracy in data collation.

²⁵⁷ This was a generic question fielded to gauge any changes in labour status. No specific reference to ESF was made in this particular question.

²⁵⁸ From a technical perspective, a person is considered as unemployed if s/he is seeking employment and, subject to availability, is ready to commence work within a particular period of time.

²⁵⁹ 359 respondents were disabled.

Considering that the data shows an increase of 15.7% in employment, a decrease of 6.6% in unemployment and a 9.1% decrease in inactivity amongst respondents, the results were rather positive. Such results were presented to the OPII Monitoring Committee which was held on 18th October 2012 by a representative from NSO and a representative from the MA.

After two meetings held with NSO in July and August 2012, the options of increasing the sample size and including two additional questions in the questionnaire were thoroughly discussed. It had been argued that the net sample size of three-hundred (300) respondents per wave is too small for random sampling and therefore increasing the sample size to five-hundred (500) respondents per wave would enhance the study's validity and decrease the margin of error. Moreover, in order to better enhance the results of the study, NSO strongly recommended introducing additional questions²⁶⁰ which are important in identifying perceived and actual employment in accordance with the International Labour Organisation classification. The first draft report of the second wave is expected to be submitted in Q1 2013.

Thematic Evaluation

The Terms of References for the thematic evaluation titled "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" was presented to the Evaluation Steering Group (ESG) on 27th January 2012.

After receiving the European Commission and the ESG members' feedback, the MA incorporated the necessary comments in the tender and proceeded with sending it to the Department of Contracts. The Thematic Evaluation was launched on the market on 19th June and the deadline for submission of tenders was 28th August. The tenders were opened in a public session at the Department of Contracts on that same date. Two bids were received by the stipulated deadline.

Although both tenderers were technically and administratively compliant, both bids were well above the MA estimates. The procedure was subsequently cancelled in terms of Article 33 of the Tender conditions.²⁶¹ Following the cancellation of such tender procedure, the MA started an internal exercise to re-assess the Terms of Reference in order to make them more concise while being more clear and explicit in what it requires. As a result, some technical aspects of the tender were modified in order to minimise cost. Moreover, the requirements in terms of the qualifications for the Key Experts were slightly modified in order to better meet the requirements of Operational Programme II.

²⁶⁰ Two additional questions, which investigate further on the employment status of participants, were introduced.

²⁶¹ Article 33 of the tender conditions states that "the Central Government Authority reserves the right to accept or reject any tender and/or to cancel the whole tender procedure and reject all tenders." The option of cancelling the procedure was availed of

The revised tender was then launched on 7th December 2012 and the closing date is 29th January 2013. The tender will be awarded to the cheapest tender satisfying the technical and administrative criteria.

Ex-Ante Evaluation on Structural Funds for the Programming period 2014-2020

Article 48(1) of the Common Provision Regulation²⁶² specifically requires Member States to carry out an ex-ante evaluation for each Operational Programme in order to improve the quality of the design of each programme. In accordance with Article 48(2), ex-ante evaluation(s) should be submitted to the European Commission at the same time of the Operational Programme(s) (together with an executive summary of the ex-ante evaluation which is to be included in the Partnership Contract for the new programming period) in order to be considered when assessing the Operational Programmes prior to their adaption.

On 25th September 2012, the MA launched the tender dossier in preparation for the Ex-ante Evaluation on Structural Funds (European Social Fund, European Regional Development Fund and Cohesion Fund) for the next programming period.

The deadline for submission of tenders was 16th October 2012. Work on this tender is foreseen to start in Q2 2013. The role of the ex-ante evaluation is being re-enforced in the new Programming period since future Cohesion Policy should be strongly oriented towards results in order to contribute to the EU's strategy for smart, sustainable and inclusive growth (Europe 2020 strategy). Under the new regulation, the aspects to be assessed by the ex-ante evaluation are more extensive and include aspects which go beyond the strategy and content of the programme such as the adequacy of human resources and administrative capacity for the management of the programme.

External Evaluations

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

- **Second phase of the ESF Expert Evaluation Network**

Between March and April 2012, the MA contributed to the development of a study carried out by Metis GmbH and the Training and Employment Research Unit from the University of Glasgow, on behalf of DG EMPL²⁶³. Such evaluation aimed at gathering, analysing and synthesizing the findings

²⁶² Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006

²⁶³ The MA was contacted by a local expert on behalf of Metis GmbH and the Training and Employment Research Unit from the University of Glasgow

of all the evaluations conducted at national level. This represents a challenge for the Commission, since evaluations are conducted on the basis of the specific needs of each Member State. The MA contribution involved the collection, analysis, synthesis and aggregation of data in relation to the evaluations carried out till the reporting year.

- ***Youth Measures: Implementation of the Youth Opportunities Initiative and Further Steps to Combat Youth Unemployment***

In September 2012, the MA together with the Ministry of Education and Employment submitted a questionnaire contributing to a study conducted by DG EMPL regarding the implementation of the Youth Opportunities Initiative. The study focused on two specific aspects: youth guarantees and the quality of traineeships.

Capacity Building

During the reporting year, the Evaluation Unit has participated in three meetings organised by the European Commission:

- ***Participation in the Joint DG REGIO and DG EMPL Evaluation Meeting***

The MA participated in the Joint DG REGIO and DG EMPL Evaluation Meeting which was held in Brussels between 15th and 16th March 2012. During the meeting, the draft guidance document on ESF Monitoring and Evaluation for the programming period 2014-2020 was presented together with the Joint Guidance Document of ESF and ERDF on the ex-ante evaluation for the new programming period. Following such meeting the MA sent its feedback to DG EMPL on the ESF draft guidance document on monitoring and evaluation on 4th April 2012.

- ***Seminar on Counterfactual Impact Evaluation and the ESF Evaluation Partnership Meeting***

The MA participated in a one-day learning seminar on counterfactual impact evaluation and the ESF Evaluation Partnership Meeting which were held in Brussels on 14th and 15th June respectively. During this learning seminar, DG EMPL has presented the draft practical guidance on the design and commissioning of counterfactual evaluations, with a view to assisting Member States to undertake such evaluations on both current and future Programming periods. Following this seminar, the evaluation team has increased its knowledge on counterfactual evaluations in light of the increased emphasis on impact evaluations made by the Commission. Moreover, discussions on the future Regulations and the ex-ante guidance document were also held. Following that, in April 2012, the MA gave its feedback on the ESF Guidance Document on Monitoring and Evaluation of the European Cohesion Policy.

- ***ESF Evaluation Partnership Meeting***

The MA has participated in the ESF Evaluation Partnership Meeting which was held between 15th and 16th November 2012. During the meeting, a learning seminar on the ESF Programme specific indicators was held, where a draft concept paper on the new programme's core indicators was presented. In addition, participants were provided with an update on the ongoing negotiations in the Council and presented with a second updated version of the ESF monitoring and the evaluation guidance for the programming period 2014-2020.²⁶⁴ The meeting also included presentations of Member States on implementation of monitoring and evaluation systems in the current programming period and on the preparation of the ex-ante evaluation for 2014-2020 programming period.

²⁶⁴ This document is an update of the previous version of the guidance document received in March, which was revised in view of the comments and questions raised from Member States

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 aims at improving knowledge, skills and competences of Malta's human capital within a social and employment-related perspective channelling the education reform currently under implementation towards research and innovation as well as Information and Communication Technology (ICT) which are both critical to Malta's competitiveness. This Axis also addresses current as well as forecasted skills mismatches in order to properly face future labour markets challenges.

As already highlighted in previous section of this report, following the demand for projects (in terms of project submissions) under this Axis, the MA submitted a formal proposal for a modification of OP11, which included the transfer of €4 Million from PA 4 to PA 1, bringing the total allocation under this Axis from €37,400,00 to € 41,400,000. This change, which was approved by the EC in July 2012, was undertaken with a view to meet the current demand and support more investments in the achievement of the objectives outlined above.

As at end of 2012, there were nineteen (19) projects approved under this Axis, out of which five (5) were actually completed²⁶⁵ an additional four (4)²⁶⁶ had concluded all project activities whilst ten (10) projects were under implementation.²⁶⁷ All focus areas of intervention have been addressed under this Axis. In this regard, eleven (11) projects contribute towards the focus area *Investing in the education system*, including the (2) new projects approved in 2012²⁶⁸; eight (8) projects fall under focus area *Addressing skills mismatches*²⁶⁹; four (4) under *Research and Innovation*²⁷⁰ and eight (8) projects under *Information and Communication Technology*²⁷¹.

In mid-2012, the tenth (10) ESF Call for project proposals was published which included also calls for projects under PA 1. With regards to Priority Axis 1 the call was restricted to only two Focus Areas namely *Investing in the education system* including actions providing for better quality teaching and

²⁶⁵ ESF 1.21; ESF 1.22; ESF 1.28; ESF 1.40 and ESF 1.31

²⁶⁶ ESF 1.19; ESF 1.24; ESF 1.29; and ESF 1.34

²⁶⁷ Including two (2) projects approved in 2012

²⁶⁸ The following projects address *Investing in the education system*: ESF 1.25; ESF1.28; ESF 1.29; ESF 1.31; ESF 1.34; ESF 1.36; ESF 1.123; ESF 1.130; ESF 1.131; ESF 1.209 and ESF 1.211.

²⁶⁹ 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

²⁷⁰ The following projects focus on *Research and Innovation*; ESF 1.25; ESF 1.31; ESF 1.40 and ESF 1.125

²⁷¹ These projects focus on: *Information and Communication Technology*: ESF 1.19; ESF 1.21; ESF 1.22; ESF 1.25; ESF 1.33; ESF 1.123; ESF 1.130; and ESF 1.131

learning environments and *Research and Innovation* prioritising S&T capacity building training and related S&T actions.

The total indicative financial threshold was of €4 million which could increase to €5 million. The evaluation of project proposals submitted under the tenth (10) ESF Call for Project Proposals (for PA 1) was concluded in 2012. Out of the four (4) proposals submitted under this call, amounting to approximately €1.6 Mil, two (2)²⁷² were approved, for funding²⁷³ amounting to €414,947, representing only 1% of the total committed amount under this Axis.

As a result and in order to ensure the timely absorption of funds, the MA issued the eleventh (11) ESF Call for project proposals in Quarter 4 of 2012. Given that under the tenth (10) ESF Call only four (4) projects were submitted it was decided that the under call 11 projects could address all the Focus Areas within Priority Axis 1.

The total indicative financial threshold was of €5 million (with the possibility of increasing depending on unallocated amounts)²⁷⁴. Seven (7) projects were submitted under the eleventh (11) ESF Call with an approximate total amount of €6.4M. The evaluation of this call will start in Q 1 of 2013.

Projects approved in 2012 under this Axis will mainly seek to improve the quality or relevance of educational experience. Specifically, ESF 1.209 project will provide a Postgraduate Diploma course in Educational Leadership for Gozitan educators and Diploma course in Facilitating Inclusive Education for Gozitan Learning Support Assistants (LSAs) with the aim of increasing the overall participation rates within the Gozitan education system and increasing the knowledge and skills levels of the future Gozitan labour force. On the other hand, ESF 1.211 will develop an electronic portfolio for trainees and trainers in postgraduate medical training. This innovative system will function as an educational tool which will set standards and improve the accreditation process and it will also serve as an evaluation tool for training of the future medical specialists. The use of the e-portfolio at post graduate/specialization level within the Medical professional field is expected to support the establishment of a clear and formalised framework which encourages flexible pathways within and between institutions so that students can realise their full potential and will ultimately result in an improved quality of the education system within the Medical field at post graduate/specialization level. This project is also considered as being innovative within the local context.

In 2012, 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 2012, more than 7,000²⁷⁵ participants started

²⁷² ESF 1.209 amounting to €99,287 and ESF 1.211 amounting to €315,660. Figures are indicative since Grant Agreements are currently being concluded.

²⁷³ Projects were approved in November 2012

²⁷⁴ Given that a number of projects were closing off, it was decided that any registered savings at the time of approval will be allocated to the newly approved projects.

training activities or further/higher education under this Axis, of which around 5,000 (76%) were females. Around 6,000²⁷⁶ participants in 2012 were teaching staff participating in training in the use of interactive whiteboards and e-learning platform offered under ESF 1.123 and diversity training offered under ESF 1.131. The year under review also registered a significant increase in the results achieved in terms of number of people certified which is nearly two (2) times more when compared to the achievements reached in 2011²⁷⁷. In this regard, as at end 2012, 10,867 participants²⁷⁸ completed the course in 2012. The participants ranged from students, educators as well as others, including administrators.

As at the end of 2012, following the EC approval of the increased allocation under this Axis the amount, committed under PA 1 reached 87% of the Axis' allocation.²⁷⁹ This result derives from the approval of an additional two (2) projects under this Axis but also from the budget changes to the already approved projects,²⁸⁰ which registered savings following the conclusion of the procurement process, causing a slight decrease in commitment under this Axis.

In view of the €4M increase of the Axis's allocation, it is expected that PA 1 will be fully committed by mid-2013. The amount contracted as at end 2012 stood at €27,713,093 representing 77% of the committed amount and 67% of the overall PA allocation. The total payments under the Axis stood at €22,515,490 representing 81% of the contracted value and 54% of the overall allocation.

²⁷⁵ This figure refers to people entering in 2012 (7,157 including repeat participants, to be precise).

²⁷⁶ Including repeat participants

²⁷⁷ In 2011, total number of people certified was 3,182 whilst in 2012 it is 5,317

²⁷⁸ Including repeat participants

²⁷⁹ This resulted in 11% decrease when compared to the previous year, due to the fact that an additional €4M were shifted to PA1 and a number of savings were registered under approved projects.

²⁸⁰ Savings were registered under eleven (11) projects following the conclusion of the procurement process, closure of project activities and recording of irregularities: ESF 1.22; ESF 1.23; ESF 1.24; ESF 1.25; ESF 1.28; ESF 1.29 ESF 1.31; ESF 1.33; ESF 1.34; ESF 1.36; and ESF 1.131.

3.1.2 Information on the physical and financial progress

The table below depicts the physical progress under Axis 1 in 2012, in accordance with Commission Regulation 1828/2006 Annex XXIII

Table 7 - Data on participants Priority Axis 1

TOTALS PA 1 2012		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+Unemployed+Inactive)	7157	5414	10867	8128
	Employed	6772	5324	10056	7936
	Self Employed	19	13	22	15
	Unemployed	28	8	40	15
	Long Term Unemployed	0	0	0	0
	Inactive	357	82	771	177
	Inactive in Education and Training	348	79	756	173
Age	Young People (15-24 years)	1215	803	1965	1202
	Older Workers (55-64 years)	648	512	995	787
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	4	4	8	4
	Disabled	19	7	20	4
	Other Disadvantaged People	25	9	22	6
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	432	175	716	212
	Upper Secondary education (ISCED 3)	1209	1078	2106	1858
	Post-secondary non-tertiary education (ISCED 3)	1023	899	1680	1490
	Tertiary Education (ISCED 5 & 6)	4493	3262	6365	4568

Physical Progress

As at end 2012, the majority of the projects under this Axis were at a very advanced stage of implementation and continued to deliver significant results in terms of qualification and skills attainment, with four (4) projects completing all the activities foreseen within the project in 2012. Whilst the two (2) newly approved projects were mainly involved in finalising design and launching of tenders and calls²⁸¹, procurement activity during the reporting year was mainly related to the four (4) projects²⁸² approved in 2011. In this regard, a total of four (4) tenders²⁸³ for an indicative value of €3.8M were launched in 2012, one (1) of which was signed in 2012 for a value of €787,225 with the others still at different stages of the procurement process. Moreover, a further two (2) contracts²⁸⁴ related to tenders launched in 2011 were signed in 2012 amounting to around €2.8M. One (1) appeal²⁸⁵ was also filed in 2012 and the appeals procedure is expected to be concluded in the beginning of 2013. With regards to departmental tenders five (5) were launched in 2012 of which two (2) contracted in 2012 and another tender launched in 2011 contracted in 2012. Apart from public procurement, twenty-three (23) employment contracts, including part-time contracts were finalized as at the end of the year.

Furthermore, in 2012, there was one (1) call for scholarships under ESF 1.25 STEPS (8th Call) at Masters level which is the final call for scholarships under this project. The evaluation of STEPS Calls 7 (launched in 2011) and Call 8 were concluded in 2012 resulting in 237²⁸⁶ new contracts signed between the Beneficiary and the scholarship holders amounting to €1.68 Million. It is worth noting that although under STEPS there was an investment of more than €9Million the response was higher than funds available and the Beneficiary did not manage to award a scholarship to all the applicants that were eligible and successful during the interview. In fact, under the 8th and last Call, 40% of the successful applicants were not awarded a scholarship since all funds were committed. Moreover, in 2012, the evaluation of applications submitted in 2011 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 concluded. This resulted in fifty-one (51) contracts signed between the Beneficiary and the scholarship holders amounting to €630,055 under ESF 1.33 and nine (9) contracts amounting to €143,333 under ESF 1.130.

In 2012, 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.

281 ESF 1.211 focused primarily on the drafting of the e-portfolio tender which will be published in 2013; whereas ESF 1.209 was involved in the drafting of the call for lectures since it is planned that the courses will start in the first quarter of 2013.

282 ESF 1.123; ESF 1.125; ESF 1.130 and ESF 1.131

283 Of which one (1) tender was re-issued because of receipt of non-compliance bids (ESF 1.125).

284 These two (2) contracts are related to an NGO project (ESF 1.131)

²⁸⁵ ESF 1.130

²⁸⁶ Of which twenty-four (24) scholars are Gozitan and more than one hundred (100) are related to R&D.

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, 215 students obtained a Masters or PhD degree in 2012. Other projects that continued to offer tertiary level degrees are: ESF 1.23, ESF 1.24 and ESF 1.36. These included degree courses in career guidance, degrees in Commerce, and top-up degrees in Mechanical Engineering. Moreover, Masters programmes continued to be provided in 2012 in relation to Building Construction and Engineering and Community Services under ESF 1.36. Under which in 2012, forty-eight (48) students were certified in top-up degrees and sixteen (16) educators were certified in Masters courses. In addition projects such as 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 2012, 359 students were certified in ICT under ESF 1.33 and 77 students were certified in aviation maintenance under ESF 1.34.

Investment in the education system, namely capacity building of educators and administrators, continued to be address under this Axis during 2012. In this context, a continuous professional development programme²⁸⁷ was initiated in 2012 with the specific purpose to improve the quality and relevance of the educational processes in Church schools by training educators to offer a more meaningful and relevant experience to students leading to better outcomes in differentiated classrooms especially for pupils with learning difficulties or physical impairments. This programme involves all educators operating in Church schools including teachers, teaching assistants and school management. Besides, during 2012, under ESF 1.36 Malta's vocational institute (MCAST) continued to implement a staff development programme, including the provision of a wide range of short courses which emanated from the skills mismatch exercise (i.e. training needs analysis). Moreover, Masters Courses (under ESF 1.36) related to Building Construction & Engineering and Community Services; and job shadowing for educators in relation to the aviation industry (ESF 1.34) were concluded in 2012. Within this context, over 3,000²⁸⁸ education personnel have been trained during 2012, of which more than 2,000 teaching staff benefitted from training in the application and use of interactive whiteboards and e-learning platform (ESF 1.123) and over 1,000 educators benefitted from diversity training (ESF 1.131). Under ESF 1.123, the training related to use of interactive whiteboards was concluded in 2012, whilst the training related to e-learning platform was initiated in 2012 and is expected to be concluded in 2013.

The enhancement of the quality of the educational experience also requires that qualifications acquired through the system are valued. Following the compilation and publication of the learning outcomes (ESF 1.28) and the publication of the occupational standards for the nine sectoral skills (ESF 1.29) it was noted

²⁸⁷ ESF 1.131

²⁸⁸ Excluding repeat participants

that there is a lack of local expertise in writing learning-outcomes based courses. In order to address this skills gap the Malta Qualification Framework (MQC) implemented a pilot intensive training course, under ESF 1.29, in order to have a group of individuals who are qualified to accredit home-grown qualifications.

In 2012 progress was also registered within all Focus Areas. For instance in the case of *Investments in the education system* training to educators continued to be provided in all state schools in relation to Interactive Whiteboards (IWB) and e-learning platform²⁸⁹ and training to educators within Church schools²⁹⁰ started to be implemented in mid-2012. The aim of this training is to enable educators to maintain, and better, present educational outcomes in the face of increased diversity in the classroom, in support of national educational reforms. ESF 1.29 included the implementation of an intensive training programme in the design of home-grown vocational education and training (VET) qualifications/awards for accreditation purposes. Furthermore, following the TNA which was carried out in 2011 a number of courses were implemented in 2012 in order to improve the development of academic and administrative staff within MCAST, the courses included amongst others management and administrative issues²⁹¹. In order to *address skills mismatches*, preliminary work started on the creation of an adequate framework to address the shortage of skills in relation to entrepreneurship including the identification of the expected outcomes from the Intensive Training Programme in science and technology entrepreneurship that will be delivered within the University of Malta²⁹². The training in technology entrepreneurship aims at developing human potential in innovation and entrepreneurship through post-graduate training. In addition under ESF 1.130, in order to identify the skills mismatch in Gozo, a TNA in Gozo was undertaken to address the current and anticipated labour market trends and identified gaps and shortages of the Gozitan workforce in order to ensure that courses that will be developed and delivered is relevant to the socio-economic dimension in Gozo.

MCAST staff undertook job-shadowing during the training programmes in European Aviation Safety Agency (EASA) PART-66 Category B1 and EASA PART-66 Category B2²⁹³. The aim was to build up the College's capacity for the provision of better quality vocational education and training within the aviation maintenance sector and to ultimately help the College establish itself as an EASA Part-147 approved maintenance training organisation offering training specialised programmes in EASA PART-66 Category B1 and EASA PART-66 Category B2 levels. 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. This framework will address the lack of expertise with respect to

²⁸⁹ ESF1.123

²⁹⁰ ESF 1.131

²⁹¹ ESF 1.36

²⁹² ESF 1.125

²⁹³ ESF 1.34

Intellectual Property (IP) and Knowledge Transfer by supporting the development of a holistic IP and Knowledge Transfer Framework. On the other hand, *Information and Communication Technology* was addressed amongst others through the provision of training in relation to Interactive Whiteboards (IWB) and e-learning platform²⁹⁴ and further ICT courses and scholarships²⁹⁵. On the whole further scholarships were approved in 2012 under ESF 1.25 which addressed all four Focus Areas of intervention under Axis 1.

With regards to the sustainability of completed projects, following the completion of ESF 1.24 as from the scholastic year (2011 – 2012) career guidance started to be offered in Resource Centers and mainstream schools by the people trained under this project. In addition, the top-up degrees which were offered under ESF 1.36 for the scholastic years 2009/2010, 2010/2011 and 2011/2012 are now being delivered by MCAST staff which have undergone job shadowing during the ESF implementation years. The areas of study include: Agriculture, Arts and Design, Business & Commerce, Electrical & Electronics Engineering, Information & Communication Technology, Building Construction and Engineering, Community Services and Mechanical Engineering. Moreover, following the completion of the IWB training offered under ESF 1.123 educators have started to deliver lessons using IWB; on the other hand although the training related to the e-learning platform is still ongoing teachers are already uploading and sharing their own lessons with pupils and colleagues. In relation to ESF 1.34 the skills of MCAST personnel have been updated through job shadowing of CAT B professionals which will lead to the recognition of MCAST as a Maintenance Training Organisation also on a more advanced and specialised training in the aviation sector as explained above²⁹⁶. Following the completion of the pilot intensive training programme in the design of homegrown vocational education and training (VET) qualifications/awards for accreditation purposes (ESF 1.29) around thirty (30) individuals are now qualified in writing learning-outcomes based courses which was lacking. Complementarily of operations is of paramount importance for the programme and in this context it is worth noting that the medical training modules that were created and uploaded online through the ESF 1.19 project will become available to all postgraduate medical trainees via the new portal that will be generated once the e-portfolio is set up under ESF 1.211.

ERDF investment has enabled both the effective delivery of ESF projects and has made ESF investments more sustainable in the long-term. In 2012, ESF investments continued to be complemented by ERDF components in a number of projects²⁹⁷ with the aim of improving the education experience. In this context, it is worth noting that through ESF 1.36 the implementation of the MCAST Vocational Degree Programmes were complemented by the ERDF equipment, which was purchased through this project,

²⁹⁴ ESF 1.123, the equipment is part of an ERDF approved project (ERDF 159)

²⁹⁵ ESF 1.25 and ESF 1.33

²⁹⁶ MCAST is already an approved 147 organisation and is licensed to deliver basic training at Cat A1 Level.

²⁹⁷ The projects that benefitted from ERDF expenditure as at end 2012 are: ESF 1.19; ESF 1.34; and ESF 1.36. Various equipment related to the courses offered were acquired.

including a Large Format/3D Printers, Engineering Mathematical Software, Electronic Measuring Equipment and Machine Tools. This equipment is also being used in the top-up degree courses that are now being delivered by MCAST staff which have undergone job shadowing during the ESF implementation years. Moreover, ESF 1.34 students continued to make use of the grounded aircraft, toolboxes and the personal protective equipment during aviation courses in 2012. These will also be used for future courses ensuring the sustainability of the project. In addition, ESF 1.123 is complementary to ERDF 159 eXS4ALL whereby school classrooms as well as science and design and technology laboratories are equipped with Interactive whiteboards.

3.1.3 Qualitative Analysis

a) Analysis of indicators

Table 8 - Priority Axis 1 Indicators (Output and Result Indicators)

Priority Axis 1 – Improving education skills										
				2007	2008	2009	2010	2011 ²⁹⁸	2012	Total ²⁹⁹
Output	A	Indicator 1: Number of persons participating in further or higher education & training programmes	Achievement ³⁰⁰	0	0	141	153	146	44	484
			Target	n/a	n/a	n/a	n/a	n/a	n/a	600
			Baseline	n/a	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 ³⁰¹	0	15	582	605	731	391	2,324
			Target	n/a	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	n/a

²⁹⁹ Includes repeat participants

³⁰⁰ Achievements under ESF 1.25 were revised for all years given that output indicators were being recorded by signature date of contract rather than start date of contract.

³⁰¹ Achievements under ESF 1.25 were revised for all years given that output indicators were being recorded by signature date of contract rather than start date of contract. Moreover, ESF 1.33 figure for 2011 has increased given that students obtaining a scholarship were not included; ESF 1.34 amounts were erroneously reported for 2009 and 2010; whereas ESF 1.36 was erroneously reported for 2011

		Indicator 3: Number of persons participating in S&T or ICT capacity building education & training	Achievement	0	0	8	29	52	2	91	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	250	
			Baseline	n/a	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	0	5	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	10	
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
	C	Indicator 5: Number of persons trained through capacity building courses	Achievement ³⁰²	0	0	110	1,835	384	387	2,716	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	750	
			Baseline	n/a	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	3,545 ³⁰³	6,333	10,493	
			Target	n/a	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	n/a	
		Indicator 7: Number of actions supporting educational quality, relevance, structures, systems, campaigns and research	Achievement	0	0	1	4	6	0	11	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	20	
			Baseline	n/a	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 ³⁰⁴	0%	0%	0%	28%	38%	61%	61%	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	75%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 2: % of	Achievement	0%	0%	0%	18%	28%	47%	47%	

³⁰² Figures were revised for ESF 1.36 and the same comment under footnote 35 applies with regards to ESF 1.25.

³⁰³ Achievement under ESF 1.123

³⁰⁴ The baseline for calculating the *result indicator 1 and 2* have been changed given that the output indicators were changed following the OP change and subsequent EC approval. This resulted in a change in the % reported for 2010 and 2011.

	participants gaining a further or higher education & training qualification in S&T or ICT	Target	n/a	n/a	n/a	n/a	n/a	n/a	75%
		Baseline	n/a	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%	88%	41%	76%	100%	100%
		Target	n/a	n/a	n/a	n/a	n/a	n/a	80%
		Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	C	Indicator 4: % of participants gaining a qualification/certification ³⁰⁵	Achievement	0%	0%	<u>2%</u>	48%	61%	88%
Target			n/a	n/a	n/a	n/a	n/a	n/a	80%
Baseline			n/a	n/a	n/a	n/a	n/a	n/a	n/a

In 2012 a change to the PA 1 indicators was also proposed and approved to take account of the general thrust of the objectives of the programme promoting science and technology and commitment of approved operations. This change also shows the shift in priorities at a local level towards the EU 2020 objectives. As a result the OP target related to *Number of persons participating in further or higher education & training programmes (Output indicator 1)* was decreased from 2,000 to 600 whereas the *Number of persons participating in S&T or ICT in further or higher education & training programmes (Output indicator 2)* was increased from 600 to 3,000.

The table above clearly shows that in 2012 two (2) output indicators under PA 1 registered achievements, in particular those related to number of persons trained in further and higher education programmes (*output indicator 1 and 2*). During the year under review, considerable achievements were registered under this indicator (*output indicator 2*). In this regard, it is worth noting that in relation to projects implemented by MCAST, 251³⁰⁶ persons participated in aviation courses under ESF 1.34 and 1613³⁰⁷ students participated in ICT Foundation Certificates and Diplomas under ESF 1.33, by end of 2012. Moreover, under ESF 1.25, ninety (90) scholarships were awarded in 2012 in the areas related to S&T or ICT. With regards to *Number of persons participating in further or higher education & training programmes (output indicator 1)* more than 350 scholarships were awarded under ESF 1.25 up to december 2012. This indicator is expected to continue to increase in the coming years.

³⁰⁵ Including certificates of attendance. Achievements for 2009 and 2011 were revised for ESF 1.36 since figures were being reported when certificates rather than end date of training.

³⁰⁶ Of which 9 are MCAST staff participating in job shadowing.

³⁰⁷ 301 were trained in 2012 only.

With regards to capacity building the OP target for *output indicators 5 and 6* have already been reached and exceeded. The major contributors to the achievements under *Output indicators 5 and 6* are ESF 1.36, ESF 1.123 and ESF 1.131. There are also 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 two-hundred and thirty eight (238) staff trained through capacity building courses under ESF 1.36 in 2012 bringing the total participants to more than two-thousand (2029)³⁰⁸ under this project, (five times the project's target)³⁰⁹. However, it should be noted that these include participants that have benefitted from more than one course (such as short courses, BTEC certificate in further education training, PGC in Vocational Education Training and Master Course) of varying duration to enhance their pedagogic skills or participants benefitting from more than one short course. ESF 1.123³¹⁰ and ESF 1.131 are mainly contributing towards *output indicator 6*, With regards to ESF 1.123, the number of teachers within State schools (numbers include support teachers, peripatetic, LSAs, supply & KA and administration) are around 5200. These teachers are being trained in both the use of Interactive Whiteboards and the eLearning Platform resulting in more than 4,000 training sessions On the other hand, in relation to ESF 1.131 there are around 1,800 educators within Church schools. These individuals are undergoing more that one course in relation to diversity depending on the needs of the school and in 2012 more than 2,000 training sessions.

According to the above table there were low achievements under *Number of persons participating in S&T or ICT capacity building education & training (output indicator 3)* as at end 2012. As highlighted in previous section, the MA continued to encourage the submission of projects addressing this indicator in order to ensure the full achievements of the OP targets.

In relation to actions no progress was registered in 2012 under *Number of S&T or ICT actions/studies/campaigns/research activities carried out (output indicator 4)* and *Number of actions supporting educational quality, relevance, structures, systems, campaigns and research (output indicator 7)*. Nevertheless, additional achievements will be registered in the coming years when the project contributing to *output indicator 4*³¹¹ and *output indicator 7* are completed.³¹² As already pointed out, the MA continued to encourage the submission of projects addressing number of actions in order to ensure the full achievements of the OP targets.

³⁰⁸ Of these only 800 are participants engaged in courses of different MQF level

³⁰⁹ Target of ESF 1.36 under this indicator is 400 participants. The MA is in the process to draft an addendum to the Grant Agreement in order to reflect the changes since project's submission

³¹⁰ Even though the project target (i.e. 5200 unique participants) already exceeds the OP target for this PA, the project was approved on the basis that e-learning is a national priority

³¹¹ ESF 1.125 will contribute to this indicator

³¹² ESF 1.125, ESF 1.130; ESF 1.131 and ESF 1.211 will contribute to this indicator

Given that most of the projects under this PA have either completed the project activities or are in an advanced stage with regards to implementation considerable progress was also registered under the result indicators. Specifically, during the year under review, around 180 participants gained tertiary level certifications in general fields of studies³¹³, whilst 548 students were certified at tertiary and post secondary level in science, technology and ICT³¹⁴ and a further 23 were related to S&T capacity building courses (ESF1.34 and ESF 1.36).

It is worth noting that in 2012 significant achievements were registered under all result indicators. In fact overall the number of persons certified nearly doubled (i.e. in 2011 the number of persons certified was 3182, whereas in 2012 this was 8,348). Specifically, more than 674 participants gained a qualification in *further or higher education & training qualification* (result indicator 1) of which 548 are related to *S&T or ICT* (result indicator 2). In addition, 7,674³¹⁵ 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, of which 23 are related to S&T.

b) Financial Analysis

Table 9 - 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>	41,400,000.00	35,970,958	27,713,093	22,515,490	87%	67%	54%

As at end 2012, Priority Axis 1 continued to register the highest level of amount committed, contracted and payments across the OP. An overview of the financial progress reveals that 87% of the increased allocation under this Axis was committed and 67%³¹⁶ of this commitment was contracted³¹⁷, resulting in over 27% increase (5,908,348) when compared to 2011. ESF 1.131 (with over €2,400,000) followed by

³¹³ ESF1.24; ESF 1.25 and ESF 1.36 registered achievements under this indicator in 2012. These include career guidance educators under ESF 1.24 and MCAST educators that undertook a Masters course under ESF 1.36

³¹⁴ ESF 1.25; ESF 1.33; ESF 1.34 and ESF 1.36 registered achievements under this indicator in 2012. 359 participants were certified under ESF 1.33 in 2012

³¹⁵ ESF 1.24; ESF 1.25; ESF 1.29; ESF 1.36; ESF 1.123 and ESF 1.131 registered achievements under result indicators 3 and 4 (for capacity building courses) in 2012. These include repeat participants

³¹⁶ This includes the contracts signed between MEEF and students under STEPS

³¹⁷ Total Contracted Public Eligible amount as the end of 2012 was €27,713,093 whilst in 2011 this was €21,804,745

ESF 1.25 (with over €2,095,000) and ESF 1.125 (with approx €1,015,000) were the main contributors for the increase in contracted amount in the year under review.

During the year under review, it is also worth noting that the Axis registered a considerable surge in the disbursement amount with 67% increase (€9,018,977) when compared to the state of affairs in 2011³¹⁸. The disbursement as at end 2012 represents 81% of the contracted amount. The larger portion of the disbursement was made under ESF 1.25 (over € 3,000,000) followed by ESF 1.131 (€1,757,000) and ESF 1.36 (€1,362,000). The two (2) newly approved projects (ESF 1.209 and ESF 1.211) had not yet commenced payments as at the end of 2011. Disbursement under this PA is expected to continue to increase in 2013, with ESF 1.25 expected to maintain the expenditure registered in 2011 and 2012 and with the projects approved in 2011 and 2012 expected to reach a pick in their implementation.

In 2012, the management verifications by the MA continued to intensify. In this regard, a total of around 1638 invoices for a total number of €8,501,149 were checked by the MA of which €7,166,659³¹⁹ were proposed for certification, whilst 1534 invoices for a total of €7,165,748 were certified to the EC by the CA during the same year. In view of the above, in 2012, the MA carried out thirty-six (36) Article 13 checks during 2012 with a total of 542 hours spread over sixty-five (65) visits³²⁰ in total. Out of the thirty-six (36) checks, eleven (11) were Physical Checks. Furthermore, the MA checked additional invoices under PA 1 to be included in the SOE planned to be raised at the beginning of 2013.

3.1.4 Significant problems encountered and measures taken to overcome them

As anticipated, the delays in 2012 were largely related primarily to procurement issues in particular in relation to projects approved in 2011. In this context, the procurement problems registered mainly under ESF 1.125 and ESF 1.130, with a total eligible cost of approximately €7 million, representing 20% of the committed amount under this Axis, had resulted in a sharp slowdown in spending when compared to the initial forecasts. In order to compensate for the existent delays the MA has had to extend the implementation period of both projects. The delays were related to both the preparations of TORs and the vetting of the tender documents as were as delays inherent to the process (in 2012, one (1) tender had an appeal, which delayed the process by a number of weeks, thus delaying the implementation and ultimately the disbursement process).³²¹

In the case of ESF 1.125, delays were also compounded when no bids were received in relation to one of the tenders foreseen under the project which will have to be re-issued in 2013. Nevertheless, it is

³¹⁸ Amount paid in 2011 was €13,495,513

³¹⁹ This includes the amount on which the MA was waiting for clarifications from Beneficiaries

³²⁰ Approximately two (2) persons attended each Article 13 check visit

³²¹ Tender that suffered an appeal was under ESF 1.130

envisaged that the main tenders will be procured in the second quarter of 2013 and that planned activities will be implemented concurrently over a shorter period of time in order to make up for lost time.

Another challenge common across the ESF OP is represented by the significant number of documents such as time-sheets, calculations of staff costs, attendance sheets as well as procurement supporting documentation that can only be checked comprehensively on site. The verification 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 at an advanced stage of 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. The experience deriving from lessons learnt from the current projects implemented under this Axis will be used by the MA to simplify the implementation of future projects including those that have been approved in 2012.

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

3.2.1 Achievement of targets and analysis of the progress

Priority Axis 2 (PA2) aims to continually invest in human capital in an effort to ensure that the workforce has the skills needed to respond to the continuous challenges and changes within the open market. In fact, this Priority Axis continues to provide opportunities to individuals to further their skills and education levels, enabling them to shift from declining to new and expanding sectors whilst supporting enterprises in their efforts to re-skill and adapt their workforce to remain competitive in the global economy.

As at end 2012, a total of fourteen (14) projects and one (1) Aid Scheme under Article 107 of the Treaty were being implemented under this PA. During the first half of the same year, one project³²² was withdrawn due to implementation difficulties faced by the Beneficiary. Funds allocated to this project were allocated to other projects following the publication of additional calls in the year under review. In 2012, two calls for proposals³²³ were launched. Projects submitted under the two calls amounted to fourteen (14), out of which two (2) were approved and two (2) were put on the reserve list due to lack of availability of budget. The total budget allocated for the two approved projects³²⁴ was €3,873,847 which represents

³²² ESF2.80 – Cultural Heritage Awareness for Front-liners (Malta Hotels and Restaurants Association)

³²³ Call 8 – Closed on 8th March (6 projects submitted, 1 selected) and Call 10 – Closed on 6th July (8 projects submitted, 1 selected and 2 on reserve list).

12% of the total allocated amount under this Axis and almost 3% of the total allocation of the OP. With the approval of these two projects, the commitment on the PA allocation reached 99.07%.

One of the approved projects, *Enhancing Employability through Training (ESF2.201)*, is to increase the knowledge, skills and competences of the working age population in line with labour market needs. This will lead to the re/integration of job seekers and inactive persons into the labour market; to assist employed persons to retain their current jobs or help them shift to better jobs; as well as to offer training programmes that meet the needs of the labour market, hence reducing labour skills shortages. Following the success attained through the Employability Programme whereby ETC managed to train over 38,000 participants between 2009 and 2012, the Corporation now embarked on a similar project with the aim to provide an extended number of training initiatives and measures aimed at improving the skills and knowledge of the jobseekers and the Maltese workforce.

The second project, *Re-skilling of Workforce for the Local Film Industry (ESF2.186)*, was proposed in response to the steady growth in the film industry in Malta. The Malta Film Commission, the beneficiary, identified the need to invest in local human resources through training courses that will certify participants in the filming industry so as to improve the quality of the film service industry in Malta. The project will offer a number of courses in the film and television industries varying from wardrobe management; location management/scouting; set design; physical special effects; and other technical aspects such as camera, sound, and lighting all with the aim to ensure that Malta is equipped with qualified individuals to meet the needs of the local filming industry which has become a contributor both in the local economy and in job creation.

The year under review brought also to a closure activities for projects approved in 2009, as a number of projects approved under PA 2³²⁵, either ended their activities or launched the final courses that will lead to the closure of the project activities early in 2013. It should be noted that each of the projects has successfully achieved the principle objectives targeted and provided participants opportunities in the various sectors, namely tourism, ICT and a variety of skills ranging from basic skills, work orientation and job assistance courses all with the aim to address the skills gaps and shortages of the current workforce (mostly under ESF 2.4).

The Aid Scheme under this PA, namely the *Training Aid Framework (TAF)* continued to address a combination of sectors and individuals with the aim to enhance both the industry and the workforce. Despite the time limit set by ETC for the submission of applications³²⁶, for reasons explained earlier in this document, during the first six months of the year, approval was granted to assist the private entities in

³²⁴ ESF2.186

³²⁵ ESF2.4; ESF2.7; ESF2.11 and ESF2.12 approved in 2009

³²⁶ Deadline for submission of applications was 8th June 2012

training over 12,800³²⁷ employees. Courses applied for through the scheme during the year under review varied in type, ranging from very general soft-skills courses to highly technical courses related to specific sectors such as aviation and marine navigation³²⁸. Training courses related to ICT, Finance and management, however, continued to prevail throughout the implementation of the scheme. In view of the fact that training programmes cannot be implemented beyond June 2013, most courses applied for in 2012 were planned to be implemented in a relatively short period of time in comparison to courses being applied for in the previous years. In 2012, the number of grants signed under the scheme amounted to 805 for a value of €2,962,690.86.

During the year under review, as previously mentioned, projects which were approved in 2008 started closing off their activities whilst newly approved projects were still in the tendering stages. This explains why the number of participants benefitting from the mainstream projects under PA2 decreased to 6,842. Out of these, 2,566 participants were employed persons, representing 37.5% of the total participants, which further confirms that this Axis keeps focusing on enhancing the skills of the workforce. On the other hand, this Axis also strengthens the skills of the unemployed and inactive with the aim to make these individuals more employable. In fact, the rest of the participants benefitting from PA2 during the year under review were 3,347 (48.9% of total participants) unemployed individuals and 929 (13.58% of total participants) inactive persons. The representation of women benefitting from PA2 projects in 2012 was 2444 (35.72% of total participants).

The year under review, once again registered a higher number of adult workers (25-54 years) when compared to young people and older workers. In fact during 2012, 4,366 of the participants were aged between 25 and 54 years (63.81% out of total number of participants) whilst 1,753 (25.6%) were young people and 723 (10.57%) were older workers. Whilst on the whole the participation in this PA decreased when compared to previous years³²⁹, it should be highlighted that when considering this year as a transition year between projects that were closing their activities and projects that were still in their kick-off stages, participation was nevertheless high. This confirms that the objective of this Axis to encourage the workforce to continue adapting to labour market challenges by acquiring new skills, is still being exploited by Maltese and Gozitan participants. All projects being implemented under this Axis (including the Aid Scheme) target Maltese and Gozitan participants equally. Out of the fourteen (14) mainstream projects being implemented under this PA, as at end 2012, nine (9) projects³³⁰ had part of their budget specifically allocated for the territory of Gozo, whilst another two (2) projects³³¹ were completely being implemented in

³²⁷ 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.

³²⁸ Levels varied from Diploma to Degree and Masters

³²⁹ In 2011, number of people entering in training was 16611

³³⁰ ESF2.4; ESF2.11; ESF2.12; ESF2.78; ESF2.137; ESF2.138; ESF2.139; ESF2.186 and ESF2.201

Gozo. This brings a commitment of 6.8% of the total amount committed under this PA targeted for the benefit of the territory of Gozo.

As already highlighted, 2012 registered an excellent progress in terms of level of commitment under this Axis, which reached the 99.07% of the allocation. In 2013, it is expected that the difference will be allocated to either a new project or to existing project to enhance expected results under approved projects. By the end of 2012, the total amount contracted by PA 2 projects totaled to €19,030,997 of which €8,851,620³³² are contracted under the TAF Aid Scheme, which reached its full commitment during the year under review. Hence, the total amount contracted under this PA represents almost 62% of the committed amount and 61.4% of the total PA allocation. Almost half (48.1%) of the contracted amount under this Axis was paid representing 29.5% of the total allocation of the PA.

3.2.2 Information on the physical and financial progress

The table below depicts the physical progress under Axis 2 in 2012, in accordance with Commission Regulation 1828/2006 Annex XXIII.

Table 10 - Data on participants Priority Axis 2

TOTALS PA 2 2012		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+Unemployed+Inactive)	6842	2444	6865	2414
	Employed	2566	1008	2619	1006
	Self Employed	220	64	271	77
	Unemployed	3347	972	3340	957
	Long Term Unemployed	971	177	972	177
	Inactive	929	464	906	451
	Inactive in Education and Training	10	3	5	3
Age	Young People (15-24 years)	1753	763	1745	763
	Older Workers (55-64 years)	723	148	730	148
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	96	18	90	17
	Disabled	286	55	286	53

³³¹ ESF 2.7 – Training Courses to enhance the Employability and Adaptability of the Workforce in Gozo, which came to and end during the year under review, and ESF 2.141 - Skills Upgrading for the Tourism Sector in Gozo

³³² As previously mentioned under Chapter 2, the actual contracted amount under the Scheme is € 9,524,721.86. However, whilst considering that the actual allocation of the Scheme amounts to €8,851,620, the IB also took into account the different scenarios leading to de-commitment.

	Other Disadvantaged People	182	20	184	22
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	4971	1656	4962	1633
	Upper Secondary education (ISCED 3)	1050	430	1024	422
	Post-secondary non-tertiary education (ISCED 3)	382	131	415	139
	Tertiary Education (ISCED 5 & 6)	439	227	464	220

Physical Progress

As stated above, during the first half of 2012, the implementation of most of the activities of projects approved in 2009³³³ were close to the end of their implementation or planned activities and achievement of planned targets. In the case of projects approved in 2010³³⁴, these continued to gain momentum and continued to be implemented throughout the year under review. On the other hand, Grant Agreements of projects approved in 2011³³⁵ were signed, while the Beneficiaries continued with their procurement and some of them had the first contracts signed by year end. In 2012, two (2) DoC tenders³³⁶ and twenty-four (24) departmental tenders were launched for projects approved under this Axis. Out of these twenty-six (26) tenders, a number of them were awarded whilst some of them were either unsuccessful or were still being evaluated by the end of year with one tender under appeal³³⁷. This brought the percentage of awarded contracts to 61.5% of the launched tenders, for a total value of €619,519; five (5) unsuccessful tenders for the amount of €90,000; one (1) tender under appeal and four (4) tenders still under evaluation. Twenty-two (22) calls for employment for a value of €118,038 were launched in 2012.

Disbursements under this PA were made by six (6) of the *mainstream* projects approved, bringing the total amount disbursed to €6,882,166, representing 75%³³⁸ of the total amount disbursed under this Axis.

This progress is attributable to *mainstream projects* such as ESF2.4 – *Employability Programme*, ESF2.11 – *Developing Leaders for Change and Innovation in Tourism*, ESF2.12 – *The Second Step Programme* and ESF2.72 – *Empowerment Programme for IT use: Outreach for Micro Entrepreneurship (EPITOME)*, which all continued with their activities and focused also on disbursements.

³³³ Namely ESF2.4; ESF2.7; ESF2.11 and ESF2.12

³³⁴ ESF 2.72; ESF2.78; ESF2.84; and ESF2.85

³³⁵ ESF2.137; ESF2.138; ESF2.139; and ESF2.141

³³⁶ ESF2.78 - 1 DoC tender had been launched in 2011 but cancelled as there were no successful bids. Same tender was re-launched through negotiated procedure in 2012. ESF2.139 – tender was launched in 2012 but has not been awarded during the same year.

³³⁷ ESF2.201 – Enhancing Employment through Training

³³⁸ The other 25% were disbursed under the scheme.

ESF2.4, a key project under PA 2, continued to provide individuals with the necessary skills to become more employable, through over 400 courses offered by the Employment and Training Corporation. In addition, individuals interested in participating in further off-the-job training which was not being provided by ETC (through the 400 courses offered) could apply for a grant through the Training Subsidy Scheme³³⁹ for a course of their choice delivered by private training companies. The Traineeship Scheme also emphasised the importance of skills enhancement by offering job seekers initial vocational training to obtain the knowledge and competences required to find and secure employment. The dual system through which this scheme is organised, provided a combination of theoretical knowledge supplemented by hands-on practical training. Besides the training offered, during the year under review, ETC also continued the Skills assessment system which supports the drive for the recognition of prior learning, providing individuals with an opportunity to have their prior knowledge, skills and competences assessed and certified³⁴⁰.

The Malta Tourism Authority, through its project ESF2.11 - *Developing Leaders for Change and Innovation in Tourism*, continued to increase the number of professionals working in the tourism industry by upgrading their knowledge and skills with the aim to improve the quality of service within a sector considered as one of the primary contributors towards the economy of Malta, tourism. In addition to the training provided, the Beneficiary also concluded the second study forecasting future training needs in various sectors of the tourism industry. The development of skills in the ICT sector is being addressed mainly by two projects, ESF2.12 - The Second Step Programme, and ESF2.72 – EPITOME, both aiming to address the skills gaps within the sector among their target groups³⁴¹. During the year under review, ESF2.12 closed off its activities certifying 138 participants at MQF Level 4 Diploma in ICT, followed by an education and awareness campaign aiming to acknowledge the success of the project, to raise further awareness about the importance of ICT education, and to promote the concept of lifelong educational programmes among the general public.

The Malta Communications Authority (MCA) through its project ESF2.72, between 2011 and 2012 provided training to 200 (employed/unemployed/inactive), built on five (5) key areas namely operations and management, financial management, communications, marketing, and technology management, each emphasising the respective ICT application/s associated to the specific area and how ICT can be use to advantage to add value to the business. In line with the aim of the OP to increase a highly skilled and flexible Maltese workforce that is capable of meeting the challenges of the continuously shifting economic scenarios, ESF2.85 – Linking Industrial Needs and Vocational Education and Training to

³³⁹ This is one of the seven activities funded through ESF under the same operation

³⁴⁰ In 2012 alone, a total of 587 participants, out of which 446 were males and 141 females, participated in the Skills assessment system. 389 participants were apprentices, 113 participants were non-apprentices and 85 participants were trainees.

³⁴¹ ESF2.12 targets school leavers, women returnees, employees in manufacturing industry and unemployed individuals, whilst ESF2.72 targets employees of micro-enterprises and SMEs

Optimise Human Capital, following a study on the skills gap in industry and the designing of relevant modules, witnessed interest from over 500 individuals to attend courses in order to enhance their skills in response to the identified gaps.

The Aid Scheme under this Priority Axis continued to be an important source in the progress of this Axis. By the end of 2012, the total disbursed amount under TAF was of €2,272,147³⁴². This confirms the commitment by the IB to process claims received with the least delays possible. In this regard, during the year under review, approximately 500 claims were uploaded on the Structural Funds Database with a total value of circa €1.4million of which 91% were paid in the same year under review.

3.2.3 Qualitative Analysis

a) Analysis of Indicators

Table 11 - Priority Axis 2 Indicators (Output and Result Indicators)

Priority Axis 2 – Broad target groups				2007	2008	2009	2010	2011	2012	Total
Output	A	Indicator 1: Number of persons trained/supported	Achievement	0	0	4,773	14,025	15,311 ³⁴³	6,815	40,924
			Target	n/a	n/a	n/a	n/a	n/a	n/a	4500 ³⁴⁴
			Baseline	n/a	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	1	1	2
			Target	n/a	n/a	n/a	n/a	n/a	n/a	5
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 3: Number of undertakings supported	Achievement	0	0	156	971	1,028	1,098	3,253
			Target	n/a	n/a	n/a	n/a	n/a	n/a	700

³⁴² Under TAF - €25,136 were paid in 2010, €968,133.62 in 2011 and €1,278,877 in 2012

³⁴³ In AIR 2011 this was reported as 15,284. ESF2.11 and ESF2.72 had reported 28 participants and 13 participants, respectively less; whilst a difference of 14 participants more was reported on ESF2.84

³⁴⁴ Includes repeat participants

			Baseline	n/a	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%	37%	51%	73%	76%	76%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	77%	83%	87%	89%	89%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	60%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	B	Indicator 3: % of participants gaining a qualification/certification	Achievement	0%	0%	93%	95%	99%	99%	99%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	60%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a

As already referred to above, whilst between 2009 and 2011 a constant achievement on indicators was recorded, the same cannot be said for 2012. In fact a decrease of 55.5% has been registered in the indicator *number of persons trained* in 2012 when compared to the achievement in the same indicator in 2011. Once again ESF2.4 – Employability Programme was the major contributor of this indicator training 6,011 participants during the year under review, representing 88% of the total number of participants trained. Other projects contributing towards this indicator in 2012 were ESF2.11 (7.6%), ESF2.72 (0.82%), and ESF2.85 (3.4%). The indicator *number of actions supporting educational structures, systems, campaigns and research* recorded an achievement of one (1) action, namely the publicity and awareness campaign under ESF2.12. TAF contributed towards the indicator *number of undertakings supported* which recorded a slight increase over the previous year. This continued to confirm the success of the scheme which registered a total of 3,253 undertakings being supported exceeding the original target by almost seven (7) times. Remarkably, all result indicators have already exceeded the targeted achievement, confirming in particular that this Axis is contributing in the retention/creation of job opportunities and further studies (*Result indicator*) 1, above expectations. Also to be noted is the achievement of *result indicator 2*, which shows that out of the 40,924 participants trained, 36,265 have gained a qualification/certification resulting in 81% of the targeted number of persons trained under the OP.

b) Financial Analysis

Table 12 - Financial Progress Priority Axis 2

Priority Axis	A	Financial progress
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	Total contribution	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	30,705,629	18,995,997	9,154,314	99.06%	61.3%	29.5%

Beside the success registered at the level of commitment, which as at end of year reached €30,705,629³⁴⁵, representing 99.06% of the total PA allocation, progress was also registered in terms of contracting and disbursement when compared to previous year. As at the end of 2012, this Axis registered a total contracted amount of €18,995,997. The major contributor to this increase remains TAF, under which the allocated amount has been contracted in 2012, resulting in an increase of €2.2M. On the other hand, mainstream projects which have contributed significantly towards the increase in contracted funds were ESF2.4 (€785,162) and ESF2.210 which has been approved in 2012 and already registered a contracted amount of €343,500.

During the year under review the disbursed amount increased by €3,665,026 to €9,154,314 resulting in a percentage increase of 66.8% over the total expenditure as at end 2011³⁴⁶.

The level of payments, albeit registering significant progress when compared to 2011, continues to remain low compared to the committed/contracted amounts representing 29.5% of the commitment under this Axis and 48.2% of the contracted amount. This is mostly due to the fragmentation of projects' components.

However, as already highlighted, given that a number of the projects under this Axis have concluded all activities by the end of 2012, it is expected that the payments under this Axis will be closer to the committed amounts by end of 2013.

The major contributors towards the disbursement under this Axis are ESF2.4 – Employability Programme (€1.31M) and TAF Aid Scheme (€1.28M).

In 2012, the MA verified a total of €2,519,932.07 of which €1,906,543.37³⁴⁷ were certified by the CA which brought the total of certified payments under this PA to €4,751,553.88. The amounts verified during 2012

³⁴⁵ Following the approval of 2 projects, amounting to €3,873,847 and the withdrawal of 1 project amounting to €182,820

³⁴⁶ Total disbursed by end 2011 was €5,489,288

³⁴⁷ A number of payments verified in 2012 were eventually certified in Q1, 2013

reflected checks undertaken on 887 invoices³⁴⁸. In order to verify these invoices the MA carried out a total of twenty-seven (27) Article 13 checks for a total of 764 hours spread over seventy-seven (77) visits in total. Out of the 27 checks, thirteen (13) were physical on-the-spot checks of which nine (9) were physical checks under ESF2.65. The fragmentation of projects such as ESF2.4 and ESF2.65 is reflected in the high number of invoices processed which will require more time to be checked and verified.

3.2.2 Significant problems encountered and measures taken to overcome them

During the year under review, this Priority Axis once again experienced in general problems due to the fragmentation of both the *mainstream* projects and the Aid Scheme being implemented under the Priority Axis. Despite the progress registered in committing almost fully this Priority Axis in 2012, it should be noted that contracted and disbursed amounts remained low. The highest allocations under this Axis are reflected in three (3) projects, namely ESF2.4, representing 17.2% of the PA allocation; ESF2.65, representing 28.6% of the PA allocation; and ESF2.139 representing 23.4% of the PA allocation. The budgets of the rest of the projects vary from €3M to as low as €25,000. Delays in the larger three (3) projects had a significant impact on the progress of the PA. In this context, for example, although ESF2.4 registered a satisfactory increase on the total amount disbursed³⁴⁹, this still leaves a gap in view of targeted disbursed amounts by the end of 2012, which inevitably had negative repercussions on the overall progress of the Axis. Another significant problem encountered under this project, which has compounded the delays in the processing of payments was the considerable turnover of staff at the Beneficiary's end which had to recruit and re-train staff several times during the course of the project, including the change of three (3) project leaders within a period of one year. In order to avoid bottlenecks at all payments stages, during the last quarter of 2012, the MA organised fortnightly meetings with all key stakeholders (LM and Treasury) in order to accelerate the processing of payments in 2013.

With regards to procurement, delays have been faced mainly by ESF2.139³⁵⁰ whose main tender alone represents 18.5% of the total allocation of the PA. Due to the complexity of the project, the Beneficiary faced delays in finalising the evaluation. This delay will be compounded with additional delays during the project implementation which will have an impact on the disbursement once contracting has taken place.

³⁴⁸ This figure includes also a number of invoices which were checked in December 2011 but certified early 2012. Due to overlaps in the checks between December 2011 and January 2012, the exact number of invoices checked in a given period cannot be extrapolated.

³⁴⁹ €3.1M disbursed by end of year out of €5.3 allocated

³⁵⁰ ESF2.139 – Increasing accessibility, flexibility and innovation to MCAST life-long learning course offer has a total budget of €7,240,669 with its main tender amounting to €5,745,420

The volume of documentation to be checked during the verification process in most of the *mainstream* projects has once again reflected in the slow verification of expenditure processed during the year under review. In an effort to reduce as much as possible the repetition of checks on ESF2.4, which is considered as the most fragmented project under this PA, the MA had established a sampling methodology towards the end of 2011 which was put into practice during 2012. Despite the efforts made to simplify verification checks, the checking of payments still required a significant number of man hours involving not less than three to four officials during each visit. This led the MA to reconsider the sampling methodology established in 2011 in order to accelerate the verification process on this project in the coming year.

Problems encountered by small entities, especially by NGOs, were mainly related to the administrative capacity. Unfortunately, during the year under review this not only resulted in delays in the implementation of projects but also in the withdrawal of one of the projects. Whilst the MA will continue to try to facilitate certain processes, there will be instances where it will not be always possible to exempt Beneficiaries from following certain procedures.

The implementation of the TAF Aid Scheme in itself presents a challenge. During 2012, disbursement under TAF improved when compared to the previous years, however despite the increase in disbursement, the scheme is still falling behind when compared to the forecasted amounts. This may be attributed to a number of factors. During the first few months of the year, it was still very evident that most of the Grants that were due for payment were still not being claimed in a timely manner. It was also noted that a significant number of claims were either incorrectly submitted (such as miscalculations in staff costs) or were partially submitted (i.e. did not include all the necessary documentation). As a result the IB had to follow up a number of issues with the Beneficiaries in order to ensure that all supporting documents are submitted and that documents are correct. This proved to be very time consuming for the IB. To mitigate these issues, the IB held six (6) information sessions to specifically guide beneficiaries on the reimbursement process.

The IB, in May 2012, took stock of all the pending claims in order to identify each and every document that had been submitted. This data was then used to give a status update of the pending claims to the respective beneficiaries. Over 400 registered letters were sent each having a list of claims that were either not submitted or partially submitted. A large volume of documents were received successfully by the IB within the stipulated deadline. This has significantly reduced the back and forth correspondence between the IB and the Beneficiaries. The implementation of stricter deadlines during the actual vetting of the claims has also led to a shorter timeframe of claims kept pending for further clarification. During the same months, that is, between May and June the IB also announced the closure of the scheme which was brought about by the very successful and early absorption of the available budget. This announcement led to a significant number of submissions during the last weeks having over 531 applications submitted in just 15 working days. Executives working on the reimbursement process had

to be re-allocated to help with the inflow of applications. Although this was a temporary measure it still had an impact on the disbursements.

In order to keep the momentum, the TAF Unit continued to adopt various measures, involving partners to continue promoting the reimbursement process including the organisation of one-to-one meetings with Beneficiaries who applied for various grants; and the imposition of stricter deadlines for the submission of documentation to ensure the timely processing of payments.

3.3 Priority Axis 3 – Promoting an Equal and Inclusive Labour Market

3.3.1 Achievement of targets and analysis of the progress

The aim of Priority Axis 3 is to improve and to adapt the labour market's structure in order to make it more accessible to persons who are considered furthest from the labour market including those who are finding difficulty in finding adequate employment due to low education achievement.

Whilst the OP's objective is to induce the achievement of more and better jobs, this particular Axis focuses on the integration, retention and progression of specific cohorts – females, whose participation rates in the Maltese labour market are low as compared to the European counterparts as well as disadvantaged groups. The aim to improve the possibilities for vulnerable groups is considered important both from an economic point of view but also from a social cohesion aspect. This is even more relevant in Malta when one considers that human resource is essentially the only natural resource Malta has. Thus the maximisation of potential participants in the labour market will invariably lead to a valid contribution to the economy together with a general improvement of their respective standard of living. Subsequent to this goal, this Axis is financing a broad array of actions which in turn reach equally varied target groups including, persons with particular physical and intellectual disabilities, individuals suffering from mental health challenges; the inactive; youths; the long-term unemployed; parents and educators. Apart from these groups, women have also been identified as a target group for this Priority Axis with the aim to improve Malta's position vis-à-vis the female participation in the labour market.

As at the end of 2012, there were twenty-two (22) mainstream projects and one Aid Scheme (under Article 107 of the Treaty on the Functioning of the European Union) under implementation, addressing one or more focus area of intervention under the Axis. By December 2012, out of the twenty-two (22) projects, fourteen (14) had concluded all the activities as laid out in the respective Grant Agreements³⁵¹.

Whilst no new projects have been approved in 2012, a call for proposals (Call IX) was launched towards the end of the 2nd quarter of 2012³⁵² under Axis 3 and the Project Selection Committee, had by the end of 2012 evaluated successfully three (3) new projects out of the ten (10)³⁵³ submitted. The MA's objective under this call was to attract initiatives which contribute towards female's integration in the workforce as well as to focus on how social benefits and work safety can facilitate the integration of vulnerable people in the labour market. In this frame of mind, Call IX was primarily promoted to address two (2) focus areas of interventions: 'Female participation in the labour market' and 'Addressing labour market distortions and ensuring that work pays'. It should be noted that, subsequent to the finalisation of the project evaluation at

³⁵¹ Out of these 22, 4 projects were closed (ESF3.42, ESF3.43, ESF3.56, ESF3.71), 10 projects concluded their activities (ESF3.47, ESF3.48, ESF3.49, ESF3.52, ESF3.54, ESF3.59, ESF3.60, ESF3.61, ESF3.62, ESF3.66).

³⁵² Adverts published on the 6th May 2012

³⁵³ The 10 proposals submitted totalled a value of €2,458,559

PSC stage during the last quarter of 2012, three (3) projects exceeded the 50% threshold³⁵⁴, which are ESF3.193, ESF3.194 and ESF3.196 amounting to approximately €1 million. Official notifications of the approval were sent on the 16th January 2013³⁵⁵. These projects address two main actions as covered under this Priority Axis: two (2) projects will focus on assisting persons, both already employed as well as unemployed, who have mental health illnesses or are at risk of experiencing mental health challenges due to their circumstances; whilst the other project aims at exploring the possibilities and measures available in order to increase female participation in the labour market³⁵⁶.

Following an ESF funded research³⁵⁷ which served as a platform to identify actions which could improve the situation in terms of mental health challenges, ESF3.193 aims at investing in actions that focus on ninety-four 94 workers in leading positions (such as Human Resources managers) within the workplace so as to equip them with the necessary tools in increasing their knowledge on mental health problems within the work environment. It also induces the private sectors who do not have a mental health policy in place to devise an in-house strategy on how to assist employees who are experiencing mental difficulties. In addition, through specific publicity measures, the general public will be further informed on the link between mental health and the workplace. With regards the project targeting women within the labour market, ESF3.196 aims at carrying out a research on gender quotas and other related measures which via their implementation would lead to a better gender-balanced representation in decision-making. In order to complement this research, the project will also create a mentoring programme which will provide the opportunity to well qualified women who seek to occupy decision-making positions to be mentored by professionals holding a professionally influential post. An educational publicity campaign with the objective of highlighting gender mainstreaming in decision making levels will also be financed from the project.

During the year under review, the implementation on the ground of fourteen (14) projects under this Axis saw the completion of their activities which in turn registered considerable results both in terms of the number of participants supported through the assistance offered together with the variety of opportunities which were created through the projects. In fact, progress in relation to social inclusion was registered during the year under review with 2,121 vulnerable persons either finding employment, or enrolled in a training programme. A specific result was also recorded with regards the integration of females into the labour market by taking into consideration that as per end 2012, a total of 367 female participants were

³⁵⁴ ESF3.194 was subsequently withdrawn in January 2013

³⁵⁵ ESF3.193 – ‘Healthy mind for Healthy Business’ and ESF3.194 – ‘Tlietens – Nikbru, Nitghallmu, Nahdmu’, ESF3.196 – ‘Gender Balance in Decision-making’.

³⁵⁶ Ibid.

³⁵⁷ Under ESF3.71 ‘Impact Assessment of mental Health on Employment for Policy Development’

certified and 378 women have managed to successfully enter the labour market or pursuing further studies³⁵⁸.

As highlighted under Chapter two (2) of this report, the awareness of the EAP benefits for the Industry and the integration of disadvantaged population and persons with disabilities, continued to give positive results in 2012. The number of applications received amounted to 5,206³⁵⁹ which resulted in 2,693 grant agreements for the value of €16,737,069.83³⁶⁰. This scheme offered the opportunity to 1,198³⁶¹ women and 1,227 youths to enter into the labour market amongst others. Persons employed through EAP, remained in employment following the expiry of the grant agreement. The latter confirms that this scheme not only assisted disadvantaged groups to enter the labour market but it also enhanced their skills which made it possible for them to successfully remain in employment. Statistics show that for grants ending till June 2012, out of the 1,357 participants that finished their placement on the scheme, 85% were retained in employment (1,157).

The committed amounts under this Priority Axis up to the end of 2012 totalled €33,275,519, or 90% of the total PA allocation. The 11% increase in commitments over the 2011 allocation is due to the additional commitment of €4M to the budget allocated to the EAP Aid Scheme. The amount contracted as at the end of 2012 reached €19,646,876 under this Axis representing 59% of the total committed amount and 53% of the overall allocation. As regards payments, Axis 3 registered the second highest level of expenditure amongst the other PAs, with a total of €9,949,209 paid as at the end of 2012, representing 50% of the contracted amount and 27% of the overall OP allocation.

³⁵⁸ As at the end of 2012, six (6) projects for a total cost of €6,012,160 addressed this focus area of intervention. The activities varied and included parent leader and childminding courses, awareness campaigns targeting employers, inactive and the general public, incentive measures to promote equality and research activities

³⁵⁹ 774 applications from Gozo and 4,432 from Malta

³⁶⁰ In 2012, 271 (9%) grants for the value of €1,229,148, out of the 2964 grants originally committed have been de-committed. In addition, over €1 million will not eventually be utilized due to premature termination of the grant.

³⁶¹ 1198 women represents 44% and 1227 youths 46% of the number of Grant Agreements signed

3.3.2 Information on the physical and financial progress

The table below depicts the physical progress under Axis 3 in 2012, in accordance with the Commission Regulation 1828/2006 Annex XXIII.

Table 13 - Data on participants Priority Axis 3

TOTALS PA 3 2012		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+Unemployed+Inactive)	2121	1183	1396	760
	Employed	282	158	161	110
	Self Employed	23	8	19	8
	Unemployed	491	277	384	220
	Long Term Unemployed	114	62	76	43
	Inactive	1348	748	851	430
	Inactive in Education and Training	661	421	8	8
Age	Young People (15-24 years)	1436	751	697	315
	Older Workers (55-64 years)	62	29	65	31
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	0	0	0	0
	Disabled	29	5	19	10
	Other Disadvantaged People	849	407	1064	491
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	870	460	698	308
	Upper Secondary education (ISCED 3)	323	208	328	221
	Post-secondary non-tertiary education (ISCED 3)	424	256	111	85
	Tertiary Education (ISCED 5 & 6)	504	259	259	146

Physical Progress

In comparison to 2011, the year under review registered a 54% increase in contracting, mostly as a result of the start in activities of projects selected in 2011. In fact, thirty-three (33) Departmental tenders were launched, out of which twenty-five (25) have been awarded. In terms of DOC tenders, only one (1) tender was launched in 2012 with an indicative allocation of €5 million³⁶² (under ESF 3.102). It is expected that the process will be concluded in 2013. In addition, seventeen (17) employment contracts of both project co-ordinators, as well as professionals³⁶³ were signed as a result of calls for employment. Out of the twenty-three (23) initiatives financed through this Axis (including the Aid Scheme), four (4) projects were successfully closed whilst a further ten (10) finalised their activities on the ground by the end of 2012³⁶⁴.

Since a good number of projects have finalised their implementation, results have been recorded both with regards the integration of women in the labour market as well as the inclusion of vulnerable groups in training and employment.

Through a project approved in 2011³⁶⁵, various initiatives were carried out in order to address particularly young women in Gozo, who due to teenage pregnancies or the lack of formal education certification, end up marginalised from the labour market and reliant on social benefits. Based on sound statistical data, it was noted that these young women as well as their respective families required specialised assistance and training in order to improve their prospects and participate fully both in society as well as find suitable work. Therefore, a total of seven (7) seminars and two (2) workshops were organised during which 155 young women participated. The discussions and talks focused on the importance of making wise decisions with regards sexual health, self-confidence and issues concerning boundaries and relationships. Facilitated by school guidance teachers, participants were encouraged to interact and to present the learning outcomes of the seminar. The project also takes into consideration that parents play an important role and influence significantly how the young women progress into adult life. Therefore, a set of seminars carried out by professionals, (psychologist and a gynaecologist amongst others), were organised for the parents. Out of the 155 young women, thirty-six (36) young women, who required more support, were subsequently supported individually on a one-to-one basis by the same professionals. Throughout 2012, the project also provided Training Programmes for these women, in beauty care, hairdressing and crafts leading to NQF level certification, so as to induce these young participants to

³⁶² This tender is towards the services of experts to design syllabi, teaching and learning resources and production of course resource packs under ESF3.102 - 'Inclusion for Employment'

³⁶³ Out of which 6 were contract extensions of project administrators.

³⁶⁴ Out of these 22, 3 projects were closed (ESF3.42, ESF3.56, and ESF3.71), 10 projects concluded their activities (ESF3.47, ESF3.48, ESF3.49, ESF3.52, ESF3.54, ESF3.59, ESF3.60, ESF3.61, ESF3.62, ESF3.66).

³⁶⁵ ESF3.108, 'Lwien' implemented by Dar Guzeppa Debono

explore the possibilities of entrepreneurship. Direct training activities for women were also carried out via ESF3.48 whereby forty (40) participants were certified in Childminding, thus enhancing the capacity of those who wish to enter into employment linked to school communities.

The promotion of equality is also a measure that is promoted to integrate females in the labour market. A study which highlighted the needs of the male and female entrepreneurs, the challenges faced by women in terms of employment as well as the economic situation of those who are employed on definite contracts was finalised in 2012. The results of the study were presented to 115 stakeholder representatives³⁶⁶, during a half day conference intended to disseminate the recommendations from the study intended to increase equality measures within the labour market. In order to complement this activity, a total of ten (10) information sessions about the Equality mark were organised throughout the year under review during which an emphasis was placed on setting up equality policies within the private sector. In addition to this, a total of forty-nine (49) individuals representing various organisations from both the private and public sectors, were trained on equality measures. Nineteen (19) organisations were awarded the Equality Mark in 2012. Following the conclusion of the project activities, an analysis of the impact of the Equality Mark, as well as to seek ways to develop, strengthen and enhance the standard was been carried out. The result of the study contributes to develop and support the policy on equal opportunities with an impact which will goes beyond the project's time-frame influencing also the preparation of more projects within the same area.

The integration of youths is also one of the aims of this Axis. Support measures carried out in 2012 in order to assist and motivate youths to find and retain employment and to promote available careers, revolved around one-to-one meetings for one-hundred and sixty-four (164) youngsters for career guidance, psychology and occupational therapy services. In order to increase the awareness on the training and employment services available, twenty-one (21) information sessions supplemented by forty (40) different Youth Employment Programme (YEP) workshops were attended by three-hundred and eighty-one (381) youths.³⁶⁷ The promotion via a specifically developed TV series was brought to a close in the first quarter of 2012. All these activities contributed to 515 youths who either found employment or continued their studies six (6) months after being supported through the programme. Support was also given to sixty-three (63) youths who, because of their social-economic status, are considered the furthest away from the labour market. This was done through the direct intervention of professional youth workers who offered assistance based on the individual's particular needs. Aware of the fact that the difficulties experienced by these youths derive mainly from the situation at home, twenty (20) youths were given the opportunity to benefit from semi-independent or independent living, thus instilling the responsibility to

³⁶⁶ Such as government officials, representatives from NGOs and advocacy entities and Human Resources officials from the private sector

³⁶⁷ ESF3.60 'Youth Employment Programme'

manage their own lives and increasing their participation in society and within the labour market³⁶⁸. Twenty-one (21) workshops covering areas related to social adaptability as well as specific training courses, which enhances the participants' chances to find a job were also delivered as part of the project activities. As a result of this comprehensive approach provided through the project activities, all the sixty-three (63) youths who were assisted throughout 2012 embarked in either further studies or entered into employment.

Disadvantaged groups, in particular those who are facing physical or intellectual challenges constitute another important target group as part of the final beneficiaries of Priority Axis 3 projects. Whilst on the one hand, direct support and training for disadvantaged represents an important investment to foster their skills and potential, training to professionals also ensures that the capacity of those who assist the disabled can adequately address their needs. Under ESF 3.62 only six (6) new participants were trained in 2012, nevertheless to date 153 registered disabled were supported via the measures financed during the life-time of the project have either managed to find employment or found suitable courses to enhance their knowledge and skills. Similar to the previous year, a transnational activity created the opportunity for ten (10) disabled participants and eleven (11) professionals to gain entrepreneurial experience by job shadowing the operations of a cooperative as well as getting an insight of what constitutes the management of a small business³⁶⁹. Keeping in mind that even disadvantaged students will be future jobseekers³⁷⁰, MCAST has also started a review of the curricula of its 'Pathway to Independent Living' and 'Level 1 to 3' programmes'. Aimed at enhancing these students progression to higher level vocational programmes, this project will ultimately restructure methods of teaching, learning resources and syllabi. Initiatives to train professionals within the College were also set up with the aim to better adapt tutors in addressing the needs of vulnerable students who are mainstreamed in the education system (ESF3.102)³⁷¹. In order to make people more conscious of the challenges of disable people, by the end of 2012, fifty-four (54) MCAST tutors from different Institutes attended apposite training delivered by the national entity responsible for advocating measures and mechanisms to involve the disabled within employment and education³⁷².

Based on the fact that community-based employment would facilitate the integration of vulnerable groups, ESF3.114 developed a mechanism of skills matching with the aim of providing interested unemployed the opportunity to gain one year working experience with Voluntary Organisations. The Beneficiary promoted this mechanism via websites, newsletters and information sessions as well as with the assistance of

³⁶⁸ ESF3.61 'Embark for Life – Integration of Young People into the Labour Market'

³⁶⁹ ESF3.62 'ME2 – Integration of persons with a disability into the labour market'

³⁷⁰ Disadvantaged students refer to those who experience learning challenges which hinders them in progressing their studies, even at a basic level

³⁷¹ ESF3.102 has a value of €7.2 million

³⁷² KNPD is also a partner to the ESF3.102 project, implemented by MCAST

Employment Advisers which led to the identification of fourteen (14) placements for the unemployed or inactive. In addition, via a link with ESF3.113, disabled participants will also be additionally supported by Job Coaches and Occupational Therapists at their place of work, so as to give them the necessary assistance to integrate fully within the workplace thus increasing their possibilities of job retention, even after the project's time-frame.

The aid scheme's contribution towards the physical progress of the Axis, continues to be important. During 2012, 770 Grant Agreements were signed between the IB and the Beneficiary enterprises for a value of €6,547,978. Similarly to last year, 83%³⁷³ of the people entering in 2012 (for which a grant was signed) were inactive³⁷⁴ whilst 61%³⁷⁵ fall under the category of young people³⁷⁶. The scheme's contribution towards Gozo's socio economic development continued to increase as in 2012, 130 Gozo Grants were signed amounting to €1,006,753 bringing the total number of Grants signed with Gozitan beneficiaries to 576 for a total value of €3,432,341, representing almost 28% of the overall amount allocated to the scheme.

Apart from direct training, work experience and support to vulnerable groups, this Axis also financed two (2) studies aimed at identifying market distortions due to: disability and criminal record (people that were in a correctional facility). Financed through ESF3.105, an in-depth research³⁷⁷ has been carried out to understand better the needs of disabled people with challenging behaviour: firstly in order to develop a set of training courses for professionals who work with this cohort, and secondly to profess what policies need to be in place in order to bring these persons closer to the labour market. In fact it has highlighted that Maltese³⁷⁸ are not sufficiently coherent on how to handle persons with challenging behaviour and through a specific section focusing on the Gozo context, it was also noted that extra interventions need to be carried out within the area in order to bring it at par with their Maltese counterparts. With a view to disseminate these results and recommendations, a conference was organised for which sixty-three (63) people from public stakeholder attended. A second research³⁷⁹ which commenced in 2012 was related to the educational level and employability of inmates within the Corradino Correctional Facility. A first in its kind, this research seeks to identify what skills these persons require in order to find suitable work once their term within the facility is terminated. Taking into consideration that this marginalised group has serious difficulties in finding work, the early findings of this research underlined that entrepreneurship is

³⁷³ 638 of the 770 people entering in 2012

³⁷⁴ This includes persons not in education and/ or training

³⁷⁵ 468 of the 770 people entering in 2012

³⁷⁶ 15 – 24 year age bracket

³⁷⁷ The research '*The current situation of disabled persons with challenging behaviour in Malta*' was commenced and finalised in 2012

³⁷⁸ Including entrepreneurs, the general public and persons within the education sector

³⁷⁹ Under ESF3.110, the research '*A socio-technical criminological report – The Corradino Correctional Facility Malta 2012*' is currently being carried out and is expected to be finalised in 2013

the key element which can increase the inmates' potential to participate within the labour market. Consequently, courses aimed at being delivered in 2013 will be specifically developed for this target group which will range from woodwork, stone-masonry and book-binding to ICT related skills.

The year under review also saw the successful closure of three (3) projects. Following the conclusion of a research which looked into the prevailing levels of occupational health and safety (OHS) in Malta, OHSA is currently examining the reforms needed within its administrative structure in order to carry out the recommendations extracted from this research (3.56). After the closure of ESF3.42, which dealt with the capacity building of 119 certified professionals specialised in working in the Independent Living Centre, a total of 302 disabled persons benefitted from the services offered. This type of support, which mainly revolves on assisting disabled using adaptive equipment will, assist disabled people to lead a more independent life, thus moving closer to the labour market. Through a research on the impact of mental health in the labour market, employers were given the possibility to increase their awareness on how to deal with employees who are suffering from mental health challenges. Although ESF3.71 was officially closed in 2012, 50% of the employers who benefitted from one-to-one meetings on this research remained in regular contact with the Beneficiary to consult with them on the mechanisms to be adopted in order to assist properly vulnerable people who through one way or another develop psychological problems.

3.3.3 Qualitative Analysis

a) Analysis of Indicators

Table 14 - Priority Axis 3 Indicators (Output and Result Indicators)

Priority Axis 3 – Promoting an equal and inclusive labour market										
				2007	2008	2009	2010	2011	2012	Total
Output	A	Indicator 1: Number of actions supporting a lifecycle approach to work	Achievement	0	0	0	0	1	2	3
			Target	n/a	n/a	n/a	n/a	n/a	n/a	10
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Indicator 2: Number of	Achievement	0	0	23	275 ³⁸⁰	374 ³⁸¹	253	925	

³⁸⁰ In AIR 2011, the achievement under 'Number of women trained/supported' was erroneously reported as 289 instead of 275. In 2010, under ESF 3.54, eleven (11) participants were added to the indicator by mistake. In AIR 2011, under ESF3.48, three (3) ineligible participants were included in the indicators by mistake.

		women trained/supported	Target	n/a	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	n/a	
		Indicator 3: Number of families benefiting from childcare	Achievement	0	0	0	0	0	0	0	
			Target	n/a	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	n/a	
	B	Indicator 4: Number of vulnerable persons trained/supported	Achievement	0	0	511 ³⁸²	3,509 ³⁸³	4,372 ³⁸⁴	1,725	10,117	
				Target	n/a	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	n/a
			Indicator 5: Number of persons trained in capacity building courses	Achievement	0	0	22 ³⁸⁵	258	30	54	364
				Target	n/a	0	n/a	n/a	n/a	n/a	600
				Baseline	n/a	0	n/a	n/a	n/a	n/a	n/a
			Indicator 6: Number of studies, actions, campaigns, research activities carried out	Achievement	0	0	0	4	9 ³⁸⁶	1	14
				Target	n/a	n/a	n/a	n/a	n/a	n/a	10
				Baseline	n/a	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	0	3
				Target	n/a	n/a	n/a	n/a	n/a	n/a	50
				Baseline	n/a	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%	15%	40%	40%
				Target	n/a	n/a	n/a	n/a	n/a	n/a	20%
				Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a

³⁸¹ In AIR 2011 the achievement under 'Number of women trained /supported' was erroneously reported as 259 instead of 374. Specifically, under ESF 3.54, seventy-five (75) were omitted from the 2011 indicators and similarly in ESF3.48, forty (40) participants should have been added under this indicator

³⁸² In AIR 2011, the achievement under 'Number of vulnerable persons trained/supported' for 2009 was erroneously reported as 590 instead of 511. In 2009, under ESF3.64, hundred and forty – five (145) participants were added to the indicator but due to de-commitment they should have been omitted

³⁸³ In AIR 2011, the achievement under 'Number of vulnerable persons trained/supported' for 2010 was erroneously reported as 4121 instead of 3509. In 2010, under ESF3.64, forty-nine (49) participants needed to be decreased from this indicator due to de-commitment. In addition, under ESF3.54, nine (9) participants were omitted under this indicator by mistake

³⁸⁴ In AIR 2011, the achievement under 'Number of vulnerable persons trained/supported, was erroneously reported as 4,591 instead of 4,372. Under ESF3.64, hundred and nine (109) participants had to be removed from the 2010 indicators due to de-commitment. In addition, under ESF3.54, 122 participants were added by mistake under this indicator. In addition, achievements under ESF3.49, should have not been reported

³⁸⁵ In AIR 2011, the achievement under 'Number of persons trained in capacity building courses' was erroneously reported as 24 instead of 22. Under ESF3.49, under ESF3.49, should have not been reported

³⁸⁶ In AIR 2011, the achievement under 'Number of studies, actions, campaigns, research activities carried out' was erroneously reported as 5 instead of 9. In fact, under ESF3.60, four (4) additional actions were completed during 2011 and therefore should have been added in this indicator

	Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	0%	75%	61%	50%	50%	
		Target	n/a	n/a	n/a	n/a	n/a	n/a	50%	
		Baseline	n/a	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%	8%	35%	61%	61%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	20%
			Baseline	n/a	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%	81%	83%	69%	69%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Given that a substantial number of projects have either wrapped up their activities or finalised their implementation towards the end of the year, a satisfactory progress has been registered both in terms of progress reported on the output indicators as well as the result indicators. Progress is being registered on the indicators linked to vulnerable persons, both in terms of participation (Output Indicator 4) and in terms of retention in employment or entry to further studies (Result Indicator 3), especially in view of the high level success reached by EAP as well as other *mainstream* projects, such as ESF 3.60 and ESF 3.61. In view of the achievements already reached under both indicators and the actions that will be implemented in the coming years not only through EAP but also by other projects which have been approved³⁸⁷, it is expected that by the end of the programme the percentage of vulnerable persons in employment or further study 6 months after receiving assistance will exceed the OP target. In addition, Beneficiaries³⁸⁸ who have exceeded their respective targets noted that they were able to achieve results at a lower cost, given that the provision of service providers in the social sector has increased in recent years which in turn lead to an increase in competition in terms of the prices charged. Although only four (4) projects³⁸⁹ address directly the indicator related to the impact of approved action towards the integration of females in the labour market, and taking into account the activities undertaken in 2012, the indicator is reporting achievement. Needless to say though, more efforts in introducing fresh and innovative measures to induce females, particularly those who are inactive, to enter the workforce needs to be taken. In this context, Call IX issued in 2012, was restricted to two (2) focus areas of interventions: '*Female participation in the labour market*' and '*Addressing labour market distortions and ensuring that work pays*'.

³⁸⁷ Such as ESF 3.107; ESF 3.110; ESF 3.113; ESF 3.114

³⁸⁸ Over achievements were registered under ESF3.62, ESF3.61, ESF3.64, ESF3.60 and ESF3.66. ESF3.49

³⁸⁹ ESF 3.48; ESF 3.54; ESF 3.107 and 3.108

with the aim of encouraging the submission of proposals which specifically focus on reducing gender disparity in terms of both opportunities and quality of employment.

Following the evaluation of the proposals, one project passed the 50% threshold, as already described above, will contribute towards these objectives by undertaking an ad hoc research on the introduction of quotas, which will in turn result on further achievements under indicators related to the the number of women trained and supported³⁹⁰. 'By the end of 2012, three hundred and sixty-seven (367) women entered into employment or further study 6 months after receiving assistance from initiatives financed under this Axis, whilst a total of 367) have been certified, out of which 307 were certified under ESF 3.48 following the training Axis offered to ake them more employable. In view of the output indicator *number of persons trained in capacity building courses*, further fifty-four (54) professionals working in vocational education have commenced their training (specifically, on how to assist vulnerable students at a vocational level of studies).

Considering that the projects whose objective is to enhance the professional skills of those working with vulnerable groups, have experienced delays in implementation due to the delays in the contracting of the main tender, no progress has been registered for the result indicator *persons trained in capacity building courses*. Taking in consideration the approved projects to date, this indicator is expected to be achieved by the end of the programme. As indicated above, the output indicator has been reported achievements which are above (40%) the programme's target, contributing to the continuous strengthening of the local socio-economic knowledge base³⁹¹.

With regards to the output indicator *number of families supporting benefiting from childcare*, no achievement have been registered to date, mostly because the project which was going to address this indicators' objective was withdrawn in 2010 since there was no interest for participants to make use of the services offered. On the other hand, there was a slight achievement for the indicator *number of actions supporting a lifecycle approach to work* since the projects which promote equality and the achievement of a work-life balance have finalised their actions.³⁹² In order to consolidate and disseminate the results, the Beneficiary, through this action, set up a series of three (3) round-table events in which employers were invited to both inform themselves of the outcomes, but also to provide feedback for the future continuation of similar actions.

The MA is still experiencing challenges in involving stakeholders from Civil Society to partake fully from the funds available under this Axis. Whilst many of these entities are considered crucial and experts in

³⁹⁰ Under Call IX, ESF 3.196 ' Gender Balance in Decision-Making' , with a value in excess of half a million Euros obtained more than the 50% threshold. Its approval was communicated on the 16th January 2013.

³⁹¹ The research '*The current situation of disabled persons with challenging behaviour in Malta*' was commenced and finalised in 2012 and financed via ESF3.105. The National Commission for Persons with a Disability implementing the project is now in a better position to devise adequate training to professionals who deal directly with persons suffering from mental challenges.

³⁹² ESF 3.47; ESF 3.59

their respective socio-economic fields, the significant financial constraints as well as stretched administrative capacity are the major deterrents which lead to the unsatisfactory levels of NGOs as lead Beneficiaries. To date, only three (3) projects are being implemented primarily by NGOs. However, NGOs (for the same reasons) tend to be involved as partners, in fact NGOs are involved in a further nine (9) projects, including the Aid Scheme as partners. This indicator is expected to improve slightly due to an NGO project approved under Call IX as indicated above³⁹³. The MA commits itself to continue with the measures already adopted to promote PA3 funding amongst NGOs as well as to increase its efforts to meet prospective Beneficiaries from this sector to give the required assistance.

b) Financial Analysis

Table 15 - 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 Promoting an Equal and Inclusive Labour Market	€36,900,000.00	€33,275,520	€19,646,876	€9,949,209	90%	53%	27%

The financial progress of the Priority Axis is underlined from the increase in commitments, namely from 81% in 2011 to 90% by the end of 2012, mainly due to the further allocation of €4M to the Aid Scheme (ESF3.64)³⁹⁴. Contracting has also continued to increase in 2012, reaching 53% of the committed amount representing an increase of 33% (€4,894,823) as at the end of 2012³⁹⁵. Substantial activity was recorded under the eight (8) projects approved in 2011, with the three (3) projects finalising the last contracts. The biggest contributor to the amounts contracted under the Axis was the commitment under the Aid Scheme. Contracting under this Axis it is expected to increase in 2013³⁹⁶.

³⁹³ ESF3.193 'Healthy Mind for Healthy Business' will be implemented by Richmond Foundation. Its approval letter was sent on the 16th January 2013

³⁹⁴ The budget allocated to the Aid Scheme has been increased from €8.2million to €12.2 million

³⁹⁵ The total contracted amount as at the end of 2012 is €19,646,876, the total contracted amount as at the end of 2011 was €14,752,053

³⁹⁶ CT3041 – Services of Experts to design syllabi, teaching and learning resources, production of course packs., which was launched under ESF 3.102 with a total value of €5,059,250 in 2012

Progress has also been registered with regards to payments. As at the end of 2012, payments amounted to €9,949,209³⁹⁷ representing 30% of the committed amount and 27% of the total PA allocation. Whilst disbursement remain low compared to the PA allocation, the increase in payments have invariably proven that its efforts to coordinate better the whole process and address the identified bottlenecks started to bear a positive outcome. Given though that towards the end of 2012, a good number of projects have started to get off the ground, the projected outlook for 2013 is that there will be the necessary catching up with regards disbursement. This will without a doubt lead to more intense and frequent verification by the MA in order to keep up with the levels of payments. Considerable efforts are also necessary in 2013 in order to ensure the entire absorption of the resources available under this PA, including also the re-allocation of potential savings which might result from projects under implementation are fully committed.

In 2012, management verification by the MA amounted to €4,074,306³⁹⁸ out of which €3,414,524.36 were proposed for certification and €3,011,031³⁹⁹ were eventually certified by the CA within the same year (2012) and bringing the total amount of management checks on-the-spot by the MA (since the beginning of the programme to €8,719,385). In order to verify these amounts, the MA undertook twenty-eight (28) Article 13 checks during 2012 for a total of 1070 hours spread over ninety-eight (98) visits. Out of the twenty-eight (28) checks, three (3) were Physical Checks.

3.3.4 Significant problems encountered and measures taken to overcome them

The problems identified under the other Priority Axes are also reflected in the implementation of initiatives under this Axis. A significant problem pertaining to this Axis 3 is that of a highly fragmented financing both in terms of the project amounts (eleven (11) of the twenty-three (23) actions approved under this Axis have a project public eligible which is under €500,000); as well as in terms of payments which then places a serious burden on the MA during the verification process. In the past year, following unsuccessful procurement, as a result of a lack of response from service bidders two projects withdrew the project in early 2013.⁴⁰⁰ Substantial difficulties were also experienced by projects who sought to engage professionals to work with vulnerable persons, such as Learning Support Assistants, mostly because those suitably qualified were already employed on a full-time basis. In order to mitigate this circumstance, the Department of Contracts assisted the Beneficiaries in exploring different methods of procurement namely by calling for an Expression of Interest in order to see what the market actually offers in terms of services.

³⁹⁷ The total amount paid during 2012 only amounted to €4,699,709

³⁹⁸ This includes the amount on which the MA was waiting for clarifications from Beneficiaries

³⁹⁹ The remaining amount was certified in 2013

⁴⁰⁰ These projects were ESF3.107 and ESF3.112 and their withdrawal letters were dated on the 29th January 2013 and 14th January 2013 respectively

In addition to technical and administrative challenges, Beneficiaries under this Axis also experienced challenges linked to the specific target groups of this Priority Axis, namely the vulnerable and disadvantaged. The volatility of these participants meant that the beneficiaries, apart from having to apply a special approach in order to reach prospective participants, had also difficulty in retaining participants.

Corresponding to Axis 2, the implementation of the Aid Scheme in itself, presents a challenge both for the IB and the beneficiaries. Throughout 2012, the IB noticed that due to the lack of experience, the IB had to concentrate further its efforts to guide prospective beneficiaries in dealing with the administrative documentation. As a direct result of inexperience, the IB also had to explain how the payment processes work in terms of reimbursement especially in the scenario that payments can only be processed following the one year support period. This also presented a difficulty for the IB to address particular issues and at instances to obtain clarifications which span over a large period of time. In addition, the numerous onerous checks and the fact that the information submitted together with the claim for reimbursement by beneficiaries is never complete and accurate⁴⁰¹; as well as instances of non-compliance with National Rules⁴⁰² slowed the disbursements by the IB. Even though there was a considerable increase in disbursement flows in 2012, when compared to the same figures for the previous year, the disbursements needs to increase exponentially in 2013. In 2012, the IB took further measures to simplify the process and facilitate the communication with the beneficiaries as well as contract the provision of services to assist in the processing payments. However, this service was only provided for two months, which was not sufficient to reduce the backlog of claims for reimbursement. In an effort to diminish these difficulties, the IB kept in continuous contact with its partners, including the Malta Chamber of Commerce, Enterprise and Industry (MCCEI), General Retailers and Traders Union (GRTU) and the Malta-EU Steering Action Committee (MEUSAC) to facilitate this process. These measures were crucial to improve the disbursement – however, the resources currently available are not sufficient for the IB to achieve the disbursement targets. In 2013, measures will be taken in this regard to continue translating commitments into payments.

3.4 Priority Axis 4 – Strengthening of institutional and administrative capacity

3.4.1 Achievement of targets and analysis of the progress

⁴⁰¹ 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

⁴⁰² Such as issues related to the minimum wage and incorrect computations of NI

Substantial progress has been registered with respect to PA 4, which saw in 2012 the approval of a significant number of projects⁴⁰³, two projects that managed to conclude all the activities⁴⁰⁴ as well as the launching of two calls for proposals with the intention of committing the remaining unallocated amounts under this Axis.

As already highlighted in previous sections of this report (section 2.4), following the CION approval of the proposed changes of the OPII, this Axis experienced two modifications in 2012: a re-dimension of the budget allocation⁴⁰⁵ to increase PA 1 and 5 allocations and the amendment of the target of one output indicator⁴⁰⁶. These changes were considered necessary in order to better align the Programme to the local context and ensure the timely absorption of funding.

Following the tailored call for applications, issued in January 2012⁴⁰⁷, twenty-one (21) proposals were submitted, amounting to over 16Mil, out of which eight (8) were approved within the same year, with a total public eligible value of €4,268,993⁴⁰⁸, representing 25% of the total allocated amount under this Axis and 3% of the total allocation of the OP. The new projects continue to address the enhancement of the institutional and administrative capacity of the public sector fostering the skills of targeted public officers in important areas, including Health, Local Government, Restoration and Human Resources. The majority of the newly approved projects contribute mainly towards two focus areas of intervention: *Lifelong learning for the Public Sector* and *Supporting Public Sector Reform*.

Three (3) out of the eight (8) projects approved in 2012 target the health sector, promoting activities that are primarily geared to develop and sustain capacity building and research in areas considered to be critical to increase the quality of the health services both in Malta and in Gozo. In this regard, under ESF 4.175, a new Master programme for Medical Physics will be launched for the first time in Malta to ensure, in a shorter period of time, a pool of Medical Physics trained in compliance with the standards which have been established at European Level for the protection against the dangers arising from ionizing radiation;⁴⁰⁹ under ESF 4.174, the Health department will identify existing gaps in the current practice of nurses and midwives through a specialized research and will offer *ad hoc* training to strengthen the

⁴⁰³ Projects approved in 2011 are: ESF 4.164 'Time to Consolidate', amounting to €113,850; ESF 4.167 'Enhancing the Public Service's HR Management Competence' amounting to € 907,094.52; ESF 4.174 'Training Health Care Professionals for Integrating Acute and Community Care', amounting to € 710,650; ESF 4.175 'Capacity Building for Medical Physics Services in Malta', amounting to € 1,631,107; ESF 4.180 'Enhancing Data Protection Compliance in the Public Service' amounting to € 331,811; ESF 4.181 'Improving Public Governance and Management at Local Level', amounting to € 224,624; ESF 4.182 'Strengthening the Office for Competition for better functioning markets', amounting to €117,447 and ESF 4.189 'Continuous Training and Development for the Public Sector in Gozo', amounting to € 214,842

⁴⁰⁴ ESF 4.86 and ESF 4.94

⁴⁰⁵ The budget allocation under Axis 4 was reduced by 4,205,883 (i.e. from €21,405,000.00 to € 17,199,177

⁴⁰⁶ Output indicator A 1 'Number of persons participating in training in a year', with a total target of 4,000, was revised in 'Number of persons participating in training' with a total target of 4,000.

⁴⁰⁷ Call VIII closed in March 2012

⁴⁰⁸ This amount might be subject to changes in view of the negotiations for the finalisation of the grant agreements

⁴⁰⁹ Council Directive 97/43 Euratom of 30.06.2007

capacity of its staff which in turn will result in the development of a more effective discharge planning to help meet the health needs of both individuals and the community and in the development of necessary structures and processes to bridge the current gap between the acute care and community care sectors; under ESF 4.189, the Ministry of Gozo promotes a variety of training addressing health workers employed at the Gozo General Hospital (GGH), including nurses, middle managers, technical staff and social care employees, in order to adapt their skills to an increasing demand, technological developments, new procedures introduced at GGH. These initiatives are targeting almost four-hundred (400) employees working in the health sector⁴¹⁰.

Other initiatives approved in 2012 aim at improving the quality of the services within various sectors of the public administration as well as enhancing the awareness on the importance for the staff development. In this regard, ESF 4.181 will launch an accredited tailor-made training for Executive Secretaries working in Local Councils, Regional Committees and DLG staff on Public Management and Governance at Local Level, in order to deliver better and more efficient services of localities; ESF 4.180 will invest on *ad hoc* recognised training for Data Protection Officers to develop new competencies which will result in strengthening the efficiency and effectiveness of the public service in dealing with personal data, facing the new challenge brought about by EU membership and e-Government. Axis 4 will also support the field of restoration of Malta historical heritage through ESF 4.164, by offering specialized training in the technical and scientific fields of restoration to raise the standard of all services emerging out of Restoration Directorate, which will have a ripple effect on the quality of the services offered by other stakeholders working in the field including the private sector. Through ESF 4.182, this Axis will invest on the capacity of the staff within the Office for Competition to keep abreast with current developments in the field of competition law enforcement. The training funded under this project will enable the Office to adopt a more pro-active approach ensuring that consumers benefit from a better functioning market.

By end of 2012, there were seventeen (17) projects being implemented under this Axis: fifteen (15) projects aim at fostering the efficiency and effectiveness in the public sector (objective A) whilst two (2) projects target the strengthening of partnership between all relevant socioeconomic actors (objective B), in particular the Social Partners and Civil Society representatives, so to ensure an effective social dialogue at both national and European level. This means that, in the two last calls (Call VII and VIII) issued under this Axis, there was no progress in terms of number of projects approved under objective B.

By year's end most of the projects under this Axis were at different stages of the implementation process. The implementation on the ground of projects approved in 2009 has picked up significantly, with two out of the six projects concluding all the activities as at the end of 2012⁴¹¹, with achievement reported in terms of both the number of participants who benefited from assistance and in the variety of opportunities

⁴¹⁰ Seven (7) under ESF 4.175; one-hundred-seventy-six (176) under ESF 4.174; two-hundred-fourteen (214) under ESF 4.189

⁴¹¹ ESF 4.94 and ESF4.86

provided. On the other hand, the three (3) projects approved in 2011⁴¹², were mainly involved in finalising and launching tenders with only few activities on the ground being implemented.

It is worth noting that during the year under review, there were 8,184 participants benefitting from the various activities funded under this Axis, out of which 40% were women.

During the course of 2012, another call for proposals was issued for the indicative value of €4,500,000. Evaluation of the project proposals will be undertaken in the first half of 2013.

As at the end of 2012, total committed amount under this Axis amounted to €13,062,006 representing 76% of PA 4 allocation⁴¹³. 39% of this commitment was contracted, an additional €2,182,895 when compared to the previous year⁴¹⁴. With regard to payments, although progress is not at the desirable rate, it is clear that ongoing efforts in this regard by all stakeholders have yielded substantial progress when compared to the status as at end 2011⁴¹⁵. In 2012, over 1.8 Mil⁴¹⁶ were paid, resulting in 124% increase when compared to 2011 levels⁴¹⁷.

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 16 - Data on participants Priority Axis 4

TOTALS PA 4 2012		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+Unemployed+Inactive)	8,184	3,299	8,327	3,409
	Employed	8,127	3,281	8,175	3,349
	Self Employed	15	4	42	16

⁴¹² ESF 4.152; ESF 4.159 and ESF 4.163

⁴¹³ Commitment up to December 2011 was €8,907,426

⁴¹⁴ Contracted by December in 2011 was still at €2,858,217

⁴¹⁵ Paid amount registered in 2011 was €1,481,194

⁴¹⁶ Payments in 2012 only amounted to €1,837,101

⁴¹⁷ €2,243,287 to be precise

	Unemployed	8	3	18	8
	Long Term Unemployed	2	2	6	6
	Inactive	19	9	48	30
	Inactive in Education and Training	13	5	38	20
Age	Young People (15-24 years)	618	277	648	308
	Older Workers (55-64 years)	861	193	903	215
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	3	2	10	9
	Disabled	40	6	44	10
	Other Disadvantaged People	121	26	121	26
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	1,771	523	1,795	531
	Upper Secondary education (ISCED 3)	1,612	710	1,604	705
	Post-secondary non-tertiary education (ISCED 4)	1,505	629	1,482	641
	Tertiary Education (ISCED 5 & 6)	3,296	1,437	3,446	1,532

Physical Progress

As already anticipated, as at end 2012, projects approved in 2009 under this Axis were at a very advanced stage of implementation and started to report achievements in those areas which are mainly affecting the efficiency and the effectiveness of public service as well as the participation of the Constituted bodies and the civil society for an effective social and civil dialogue in Malta.

These results are expected to have a medium/long term impact on the efficiency of the public sector as well as on the development of structured and better informed social dialogue. The majority of the projects were mainly involved in public procurement activities not without problems of their own. In terms of contracting, during the year under review, three (3) DoC tenders, two of which were launched in 2011, were contracted⁴¹⁸, amounting to €860,656, together with four (4) other departmental tenders⁴¹⁹, amounting to approximately €36,500.

⁴¹⁸ Two tenders under ESF 4.98 (launched in 2011) and one under ESF 4.152 (launched in 2012)

⁴¹⁹ Three under ESF 4.159 and one under ESF 4.98

In 2012, under ESF 4.100, representing the initiative which has prompted the widest-ranging of actions aiming at improving the efficiency and effectiveness of the public administration under this Axis, several activities gained momentum. As a result of the second call for applications for scholarships for the public service launched under ESF 4.100⁴²⁰ an additional, sixty-six (66) scholarships for academic courses were contracted in 2012 which brings the total number of scholarships awarded under this initiative to 147. By end 2012, twenty-four (24) public officers successfully completed their training, out of which ten (10) were awarded a Master's degree, five (5) a Bachelor's degree, eight (8) a Diploma and one (1) a Level 5 Certificate. Predominant themes were public policy and governance, business administration and human resources management. In addition to that, 2012 saw the launch of short modular courses under the same initiative, which aim at addressing skills deficiencies within eleven (11) key areas⁴²¹ identified in the Public Service-wide Learning Needs Analysis held in 2010. These courses, which represent a learning opportunities for the public sector, target different audiences to ensure that capacity building extends to all levels within the public administration. As at the end of the year, 3,030 participants were participating in short modular training. The project has also offered sponsorship for international events for public officers, with 167 participant taking part in 46 training events held in Malta or abroad. The predominant themes were financial management, public administration and EU administration and procedures.

Specialised ICT training for Information Management Units and ICT officials in the public administration was offered under ESF 4.98 with a total participation of 1165 participants trained in a number of ICT training programmes and with a total of 108 training courses delivered as at the end of 2012. Moreover, fifty-seven (57) participants attended seven (7) ICT International Conferences in 2012. The participation to international conferences, offered a valuable opportunity for public officers to gain first-hand knowledge of business practices and solutions being adopted offshore and acquire the necessary skills and knowledge in the field of ICT which are necessary to address the fundamental requirements of continuous development in the increasingly demanding ICT environment.

With regards to better regulation in the public administration pursued through ESF 4.87, a number of simplification initiatives were implemented in 2012 with the purpose of reducing the unnecessary administrative burdens. As a result, the project contributed to reach the target for Malta to reduce the administrative burdens by 15%. The Management Efficiency Unit (MEU) has also started some of the

⁴²⁰ Call 2 was issued in August 2011, with the evaluation concluded in 2012

⁴²¹ The key areas are: Leadership & Strategic Thinking; Project Management & Evaluation; Information Management; Human Resources & General Management; Financial Management & Budgeting; Continuous Personal Development; EU Structures & Processes; Analysis & Use of Evidence; Governance, Strategy & Policy Development; Sustainable Development & Planning; Equality

activities under another ESF initiative (ESF 4.159), which in 2012 offered training to fifty-three (53) public employees in CAF quality management techniques.

Training offered to professionals and human resource managers within the public service under ESF 4.97 in 2012 gained momentum. Following the finalisation of the mapping exercise across all the public administration, a total of 3,550 public officers attended training and awareness sessions and/or individual support offered under the project. These initiatives, mainly dealing with work-related stress and burnout, addressed Middle Management as well as employees across different ministries, departments and public entities and reported first results in terms of reduction of average days of absence from work. The training and awareness sessions aimed at offering information, consultation, assessment and short-term counseling to public officers experiencing psycho-social/disability problems with the aim of achieving a more productive and efficient workforce in the public administration

Conscious on the importance of civil society's participation in the development of policy at national level, ESF4.94 has through a closing seminar, wrapped up its eleven (11) Thematic Programmes which aimed at strengthening the capacity of members on the Malta Council for Economic and Social Development. Specific training in 2012 was given on the role and networking mechanisms for civil society in the following areas: new skills for the creation of new jobs; energy strategy; water sustainability; and consumer affairs and product safety. As a result of these programmes, the members of the council can react better policy at both an EU and local level. Moreover, with the decision to extend the work of two (2) Research Co-ordinators engaged with the council, the council is better equipped to present to its members researched opinions on issues for discussion. Similarly, the micro-business employers association, which constitute the majority of the entrepreneurs in Malta have also been informed via outreach meetings and an apposite communications and awareness campaign on EU Directives and Regulations affecting their sectors. By end of year, 759 employers had been given handbooks in relation to EU and national law and information on how to benefit from EU financing and support amongst other issues. During a closing conference, the Research on micro-businesses perception of the knowledge on legislation which affects their operations was presented to stakeholders. This research also serves as a good tool on which to base policy as well as an insight on what entrepreneurs would find useful in terms of legislation.

3.4.3 Qualitative Analysis

a) Analysis of Indicators

Table 17 - Priority Axis 4 Indicators (Output and Result Indicators)

				Priority Axis 4 – Strengthening of institutional and administrative capacity						
				2007	2008	2009	2010	2011	2012	Total
Output	A	Number of persons participating in training	Achievement	0	0	0	213	2,205	8,184	10,602
			Target	n/a	n/a	n/a	n/a	n/a	n/a	9,000 ⁴²²
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Number of studies/actions/campaigns/research activities carried out	Achievement	0	0	0	1	1	3	5
			Target	n/a	n/a	n/a	n/a	n/a	n/a	30
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	B	Number of projects supporting partnership	Achievement	0	0	2	0	0	0	2
			Target	n/a	n/a	n/a	n/a	n/a	n/a	7
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Results	A	% of participants gaining a qualification/certification	Achievement	0%	0%	0%	15%	63%	88%	88%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	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%	0%	57%
			Target	n/a	n/a	n/a	n/a	n/a	n/a	50% ⁴²³
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Following the OP changes, the target of output indicator *Number of persons participating in training* was amended to better reflect the local context. As a result, the OP target related to this indicator was modified so to eliminate the reference to the participation *per year*⁴²⁴ and increase the target from 4,000 to 9,000.

Whilst in 2012 clear progress was registered with regards to two outputs indicators, both output and result indicators related to projects supporting partnerships did not registered any achievement in 2012. As explained above, this is because besides the two (2) projects approved under Call 5⁴²⁵, there were no

⁴²² Includes repeat participants

⁴²³ Baseline as at 2006 is three full time and one part-time

⁴²⁴ Previously the target under this indicator was referring to Number of persons participating in training *per year*

⁴²⁵ ESF 4.86; ESF 4.94 approved in Q 4 of 2009

additional initiatives funded in subsequent calls aiming at promoting a more effective social and civil dialogue in Malta.

The achievements depicted in the table above show an extraordinary progress in terms of *Number of persons participating in training* under this Axis, to be attributable to the six (6) projects⁴²⁶, which registered an increased activity in their implementation during the year under review.

The major contributor to this achievement is ESF 4.97 initiative, which has managed to involve more than 3,500 public officers in the training and awareness sessions organized throughout 2012.

This derives from the growing demand of support and guidance in the identification and resolution of problems preventing public employees from performance at their best. Achievements were also registered by the two projects being implemented by the Centre for Development Research and Training (CDRT) both under ESF 4.100, with 3,008 participants trained in 2012 and ESF 4.98, with 1,165 public officers who participated in various ICT courses.

In parallel, the result indicator *% of participants gaining a qualification/certification* increased significantly in 2012. During the year under review, a total of 7,762 of the participants have been awarded a certificate albeit of varying qualification levels, which range from certificate of attendances to post-secondary level certificates.

Achievement reported under the indicator *Number of studies/ actions/ campaigns/ research activities carried out*, is related to ESF 4.87 which has managed to conclude the Code of Practise for Regulatory Institutions (COPRI), aiming at strengthening the public administration transparency, consistency, better safeguards of rights of the customer/citizen and businesses dealing as well as encouraging for an increased adoption of the Better Regulation Principles and to the activities under ESF 4.86 which managed to conclude the Communications and Awareness Campaign for informing micro-enterprises employers and encouraging them to be updated and to participate in the forming of EU directives related to employment and the finalisation of specialised research aimed at identifying the current obstacles faced by micro-business employers.

b. Financial Analysis

Table 18 - Financial Progress Priority Axis 4

Priority Axis	A	Financial progress
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⁴²⁶ ESF 4.94; ESF 4.87; ESF 4.97; ESF 4.98; ESF 4.100; ESF 4.159

	Total contribution	B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority Axis 4 <i>Strengthening of Institutional and Administrative capacity</i>	17,199,117	13,078,607	5,041,112	3,318,295	76%	29%	19%

As already explained in previous sections of this report, in 2012 the MA's request to transfer €4,205,883 from this Axis to PA 1 and 5, as part of the OP changes presented during March MC meeting⁴²⁷. This change was approved by the Commission in July 2012. The request was submitted in order to ensure that no funds are lost considering the low uptake of projects and the procurement issues which were identified by projects implemented under this Axis.

Following the approval of eight (8) new projects, the amount committed registered 47% increase (€4,171,181) when compared to the previous year⁴²⁸ committing 76% of the total PA allocation. As at the end of 2012, 39% of the committed amount was contracted. Out of the total (€5,041,112), €2,182,895 was contracted in 2012. The projects that contributed mostly to such progress in contracting were mainly those approved in 2009. Albeit registering significant progress when compared to 2011, the increase in the contracted amount under Axis 4 remains modest. This can be largely attributed to the fact that only nine (9), out of the seventeen (17) projects approved managed to start the implementation on the ground by the end of the reporting year (in some cases activities only started toward the second half of the year). With regard to the disbursement, it should be noted, that as at the end of 2012, payments under this Axis registered a considerable increase (€1,837,101) when compared to 2011⁴²⁹. Still this is low when considering that payment represented only 25% of the committed amount and 66% of the contracted. Various are the reasons behind such slow achievements, but these mainly depended on the small number of projects at an advanced status of implementation (including the fact that in the beginning of the programme a small number of project was approved) but also on the complexity of projects approved, which gave rise to procurement issues and other linked delays during the implementation. The issues (significant problems) will be discussed in the next section of this report.

⁴²⁷ Original allocation under PA 4 amounted to € 21,405,000

⁴²⁸ Committed amount in 2011 was €8,907,426

⁴²⁹ Payments as at the end of 2011 amounted €1,481,194

In 2012, the documentary checks carried out by the MA under this Axis amounted to €1,688,572⁴³⁰. The amounts verified are a reflection of checks undertaken on 359 invoices⁴³¹. In order to verify these amounts, the MA carried out fourteen (14) Article 13 checks during 2012 for a total of 370 hours⁴³² spread over twenty-nine (29) visits in total. Out of the fourteen (14) checks, three (3) were Physical Checks. The amount which was proposed for certification by the MA was €1,527,984.50 out of which €847.753.68 was certified within the same calendar year⁴³³.

3.4.4 Significant problems encountered and measures taken to overcome them

Following the shift of funds from Axis 4 to Axis 1 and 5 approved in July 2012, the MA continued to launch calls for applications, in January and in December 2012, so to ensure the full absorption of resources allocated under Axis 4.

Despite the third call for proposals issued under this Axis (Call VIII) registered a considerable number of submissions, the quality of proposals submitted and hence approved represented only 38% of the applications received.⁴³⁴ As at year end, more than 4Mil, representing 24% of the Axis' budget, remained unallocated.

In addition to the normal procurement challenges faced such as the submission of non compliant bid, (administratively or technically incompliant complaint)⁴³⁵ and lodged appeal⁴³⁶, a challenge encountered during the year under review (and most likely will have a more significant impact in 2013) is the introduction of the e-procurement system. Notwithstanding the undoubted advantages, in the short term this may lengthen the more delays to an already burdensome process. All these concurrent factors have evidently compounded the delays in the issuance and contracting of the tenders expected for 2012.

The documentation linked needed for the processing of payments as well as to the time-consuming verification process of the payments by the MA represents a major difficulty also for this Axis, especially in the case of those projects which are very fragmented (such as ESF 4.100) requiring very detailed monitoring and lengthy checks (with validations and cross-checks of various documents).

⁴³⁰ This includes the amount on which the MA was waiting for clarifications from Beneficiaries

⁴³¹ This figure includes a number of invoices which were checked in December 2011 but certified early 2012. Due to overlaps in the checks between December 2011 and January 2012, the exact number of invoices checked in a given period cannot be extrapolated

⁴³² An average of one to three MA officers carried out these checks dedicating a combined total of 370 hours

⁴³³ The remaining amount was certified in 2013

⁴³⁴ Eight (8) proposals approved out of twenty one (21) submitted

⁴³⁵ One tender under ESF 4.100 was cancelled in 2012 as no offer was technically compliant

⁴³⁶ One appeal was lodge under ESF 4,100

Another problem which has been encountered relates to the amount of savings registered following the conclusion of the procurement process⁴³⁷. In view of the above, when this results in an enhancement of the project result, the MA has given the opportunity to Beneficiaries to re-use funds not contracted. Savings not allocated will return to the Programme and committed following calls for applications.

As highlighted above, in 2012 there was no progress in relation to the participation of social partners and civil society organisations in the initiatives approved under this Axis due to limited capacity and also extensive volume of work these organisations carry out which does not allow them to take up extra responsibilities. In this regard, the MA will continue to encourage for the submission of projects under objectives B in future calls.

3.5 Priority Axis 5 – Technical Assistance

3.5.1 Achievement of targets and analysis of the progress

Throughout 2012, this Axis continued to provide the necessary support to the overall implementation and management of the Programme. An increase in the budget allocation of this Axis amounting to €205,883 was approved in July 2012, in order to allow for the increase in expenditure within the limit of 4% of the total programme's cost, allowed under the regulation.

This shift allows for a wider use of technical assistance funds in view of the challenges of the upcoming years, both in terms of the full commitment of the programme funds and financial absorption and achievements of all the programme's objectives and results.

During the year under review, the various activities undertaken and financed through this Axis included: training⁴³⁸ for all stakeholders involved in the implementation of the programme; the recruitment of new staff; supply of furniture and equipment to address the new requirements brought about through the recruitment of additional officers; monitoring⁴³⁹; provision of information regarding ESF Cohesion Policy

⁴³⁷ ESF 4.97; ESF 4.98; ESF 4.100; ESF 4.152; ESF 4.159; ESF 4.163

⁴³⁸ This involved both local and overseas training

⁴³⁹ Such as the financing of three (3) MCs

2007-2013 initiatives as well as evaluation activities. All these activities have continued to contribute towards the efficient management of the Programme. 2012 also saw the financing of a number of activities which sought to inform the public regarding ESF Cohesion Policy 2007-2013. Commitments during 2012 were also made for two (2) evaluations namely the “*Ex-ante Evaluation for Structural funds 2014-2020*” together with the thematic evaluation entitled “*Thematic Evaluation for Operational Programme I I– Assessment of the Contribution of OPII initiatives to Education and Lifelong Learning and to the Enhancement of Employability and Adaptability of the Workforce*”. To this effect, the contracted amount increased in 2012 and totalled € 4,034,615 (76.5 % 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 19 - Data on participants Priority Axis 5

PA 5 - 2012		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants	44	25	44	25
	Employed	44	25	44	25
	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	1	1	1
	Older Workers (55-64 years)	4	0	4	0
Vulnerable Groups	Minorities	0	0	0	0
	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)	1	0	1	0
	Upper Secondary education (ISCED 3)	0	0	0	0
	Post-secondary non-tertiary education (ISCED 4)	1	1	1	1
	Tertiary Education (ISCED 5 & 6)	42	24	42	24

Physical progress

During the year under review, Technical Assistance continued to finance activities under all budget components. In this regard, seventy (70) requests were approved in 2012 totaling to € 403,819. Most of the requests in 2012 were submitted under the *Capacity Building* component (35.7%), followed by *Information and Publicity* (21.4%), *Implementation of Cohesion Policy* (20%), *Furniture and Equipment* (14.3%) and *Evaluation* (5%). In line with the programme activities, in 2012 requests for TA use increase when compared to previous year. This increase is now more possible through the additional funds made available under the TA component, following the EC approval to shifts funds from PA 4 to PA 5 (and to PA 1).

As in previous years and in line with the OP obligation, all requests were either approved on a 70-30 basis (activities affecting both programmes such as the Annual Event) as well as requests pertaining solely to ESF (activities relating to OP II such as the OP II thematic evaluation).

During 2012, two (2) DoC tenders were launched under this Axis, one of which was awarded within the same year under review whilst it is expected that the other will be contracted in 2013⁴⁴⁰. In addition, three (3) departmental tenders were launched: two were contracted in 2012 whilst the other should be contracted in 2013⁴⁴¹. A number of calls for quotations were issued (such as the procurement of venues to host local training activities or monitoring committees).

With regards to the financial progress, during 2012 the contracted amounts undoubtedly increased. The bulk of the contracts financed under TA related to employment contracts of stakeholders both within and outside the MA, followed by those relating to evaluation, information and publicity, capacity building, furniture and equipment and implementation costs. The number of payments processed during 2012

⁴⁴⁰ The two Doc tenders being referred to relate to: the Thematic Evaluation for Operational Programme II –Assessment of the Contribution of OPII initiatives to Education and Lifelong Learning and to the Enhancement of Employability and Adaptability of the Workforce” And the the Partnership Agreement. With regards to the Thematic Evaluation, the DoC tender was issued twice, following the cancellation of the procedure in line with Article 33 of the tender dossier

⁴⁴¹ The three Departmental tenders being referred relate to: Furniture ; “Ex-ante Evaluation for Structural funds 2014-2020” as well as the new website. With regards to the furniture tender, this was issued three times due to a cancellation of the tender document in line with Volume 1 Section 1 (clause 33.3 e) of the Tender and in view of the fact that bids submitted were considered to be administratively and technically compliant

surged when compared to 2012⁴⁴². Most of the payments processed were under the component Implementation of Cohesion Policy followed by Information and Publicity, Furniture and Equipment, Capacity Building and Evaluation. Additional information with regards to details of requests and activities financed under TA during 2012 will be addressed in Chapter 5 of this report.

3.5.3 Qualitative Analysis

a) Analysis of Indicators

Table 20 - Axis 5 Indicators (Output and Result Indicators)

Priority Axis 5 - Technical Assistance				2007	2008	2009	2010	2011	2012	Total
Output	A	Indicator 1: Number of Persons Trained	Achievement	0	86	57	71	31	44	289 ⁴⁴³
			Target	n/a	n/a	n/a	n/a	n/a	n/a	350 ⁴⁴⁴
			Baseline	n/a	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	0	1
			Target	n/a	n/a	n/a	n/a	n/a	n/a	4
			Baseline	n/a	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	3 ⁴⁴⁵	25 ⁴⁴⁶
			Target	n/a	n/a	n/a	n/a	n/a	n/a	15
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 4: Number of	Achievement	0	0	1	0	0	0	1
			Target	n/a	n/a	n/a	n/a	n/a	n/a	5

⁴⁴² The number of payment processed in 2011 amounted to 164 whilst the number of payments processed in 2012 amounted to 300 (9 payments under Furniture and equipment, 229 payments under Implementation of Cohesion Policy, 54 payments under Information and Publicity, 3 payments under Evaluation and 5 payments under capacity building)

⁴⁴³ 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

⁴⁴⁴ Does not include repeat trainees

⁴⁴⁵ This figure includes: 1 (Annual Event); 1 (Local network meeting) and 1 (call for proposals, which included calls: 8, 9, 10 and 11)

⁴⁴⁶ 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

		studies/research activities carried out	Baseline	n/a	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% ⁴⁴⁷	100% ⁴⁴⁸
			Target	n/a	n/a	n/a	n/a	n/a	n/a	80%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a

During the year under review, output indicators have continued to witness an overall increase: *Number of Persons Trained and Number of publicity measures undertaken*. An additional forty-four (44) participants have been trained either locally or abroad. The number of publicity measures continued to increase steadily and included a number of publicity activities such as the statutory Annual Event as well as the financing of the Publicity Network meeting. Under indicator 2: *Number of evaluations carried out* the result registered a nil achievement in 2012 due to the fact that the current evaluations are still on-going. It is pertinent to note that the thematic evaluation and cohort are expected to be completed in 2015, while the ex-ante evaluation is expected to be completed next year. Therefore, by 2015 all evaluation targets shall be met.

With regards to the Number of studies/research activities no achievements is reported in 2012. In this regard, the MA in the upcoming years will identify the necessary studies and/or research that might provide a useful guidance not only for an effective closure of the current programming period but also for the implementation of the new programme

With regard to the indicator *reaching the N+3 target*, the MA succeeded to fully achieve the target for the year 2012.

b) Financial progress

Table 21 - Financial Progress Priority Axis 5

Priority Axis	A Total contribution	Financial progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %

⁴⁴⁷ As at the end of 2012 (N+3 year), the total amount of € 24,572,978 (EU Share) was certified and therefore N+3 target was fully reached.

⁴⁴⁸ Under this indicator the total achievements are not being calculated cumulatively but are reflecting the final reporting year

Priority Axis 5 <i>Investing in the employability and adaptability of the workforce</i>	5,270,588	5,270,588	4,034,615	1,824,507	100%	76.5%	34.6%
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As already highlighted in previous sections of this report, the allocation of this Axis was increased by 205,883.00. The MA considers the technical assistance budget as committed in line with the plan⁴⁴⁹ that was approved by the MC in March 2012.

Disbursement in 2012 under Technical Assistance registered a substantial increase⁴⁵⁰ when compared to 2011. As at the end of 2012, 58% of payments made (€ 1,064,983) were verified by the MA and certified by the CA.

3.5.4 Significant problems encountered and measures taken to overcome them

The year under review has undoubtedly registered an increase in the rhythm of the overall implementation of the TA Axis as this goes hand in hand with the programme implementation. This can be seen from the increase both the contracted and in the number of payments processed. This conveys that the learning curve of all relevant stakeholders involved in the process has finally reached its end. This has been essential as the implementation of the programme peaks. The constant liaising and guidance provided to all relevant stakeholders continues to be essential. Furthermore, the increase in budget under this Axis has also proved to be very beneficial as certain requests to be financed were made possible. However, one must always bear in mind the very fragmented nature of TA and the related administrative burden this gives rise to.

⁴⁴⁹ The MC approved the MA proposal to use the additional funds to further strengthen the capacity

⁴⁵⁰ As at end 2012 the amount paid totalled €1,824,507.10 whilst as at end of 2011 the total amount totalled €1,049,569.43

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 Programme⁴⁵¹.

During the year under review, project proponents have continued to specify which of the Community Strategic Guidelines/Integrated Employment Guidelines will be addressed through the activities proposed within the project and also provide details of how the project will contribute towards the relevant priorities, as identified in the current National Reform Programme.

The Applicants of proposals submitted in 2012 under Calls 8, 9, 10 and 11 were requested to explain how the projects will contribute towards the objectives and targets of the NRP under the Europe 2020 Strategy which focuses on the following priority themes (i) Employment, (ii) Research and Development, (iii) Energy, (iv) Education and (v) Poverty.

Given that the current NRP builds on the achievements of the previous NRP's (while drawing upon the Europe 2020 Strategy and national priorities), projects approved in previous years still contribute in one way or another to the current NRP. In 2012, the CSG priority, which registered the major increase in contribution, was '*Administrative capacity*'. This is because the majority of projects, which were approved, fall under Priority Axis 4. However, in terms of the OP contribution, the priority addressed by most projects remains '*Increasing investment in human capital through better education and skills*'.

4.1 Links with the NRP

NRP 2005-2008, NRP 2008-2010

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 contribute to these themes. Projects supporting the NRP 2008-2010, whose main thrusts are based on four (4) Strategic Themes, (i) *Unlocking Business Potential*; (ii) *Investing in Knowledge and Innovation*; (iii) *Energy and Climate Change*; and (iv) *Investing in People and Modernising Labour Markets* have continued to do so through their implementation. Given

⁴⁵¹ OP II Chapter 3 "Strategic Direction".

that the strategic thrusts of the previous NRP, previously approved projects are to some extent interlinked with the NRP under the Europe 2020 Strategy, further detail on their implementation shall be provided below.

Malta's National Reform Programme under the Europe 2020 Strategy

Malta's current National Reform Programme builds upon the previous NRPs while also identifying a number of measures which seek to ensure smart, sustainable and inclusive growth in line with the Europe 2020 Strategy. The current NRP is placing further emphasis on employment and education since the Maltese government believes that these two challenges hold the key towards the economic growth and the improvement in the social sphere. The five main areas which are deemed as crucial in addressing labour productivity and improving market functioning, which in turn address Malta's competitiveness challenges are: employment, education, environment, poverty and research and development.

The Operational Programme is currently sustaining investments under most of the areas identified above. During the year under review, applicants continued to be requested at project application stage to demonstrate and explain, how the current NRP themes are being addressed and linked with the proposed project. Thus, the contribution of the projects to the NRP strategic themes, both at application and implementation stage have continued to be monitored by the MA.

Target 1 Employment

In line with the Europe 2020 Targets, employment is one of the main thrusts. The main challenge identified for this priority area is to increase the participation rate in employment by those capable and able to work. This challenge mainly looked at: women who opt not to work due to family commitments; improving vulnerable persons' prospects for social inclusion; making work pay; receptiveness to incentives of older workers; ageing population and weak uptake of work-life balance, as well as the availability of child care. This is to be brought about through incentives which seek to increase the participation of women in the labour market, increasing the employment rate of older workers, activating vulnerable groups and improving the employability of the workforce.

Operational Programme II is directly aligned to this theme. Apart from focusing on the enhancement of employment as a whole throughout all of the Axis, PA 3 focuses on incentives to increase employment amongst the vulnerable groups particularly through increasing the female participation rate and by contributing towards the integration, retention and progression of disadvantaged groups in the labour market, whilst addressing labour market distortions.

The two (2) projects approved under Priority Axis 2 during 2012, address this theme. In particular, ESF 2.201 aims at improving employability of workers by offering courses in basic skills ranging from literacy, to courses related to trade for all target groups including the employed and the unemployed whilst ESF 2.186 seeks to increase the employability of people by equipping them with new skills related to the film industry in order to make them more employable in this emerging sector. Moreover, the unemployed are also being targeted through courses related to job searching techniques and other basic skills. Three (3) of the newly approved projects under PA 4 also target this theme. Such projects seek to strengthen the skills and competencies of health professionals which would in turn enable them to provide new services within their profession⁴⁵² as well as advance in their careers through the provision of a tailor-made master course and work exposure enabling health professionals to become medical physicists⁴⁵³. Another PA 4 project aims at strengthening skills and knowledge of local government employees which in turn will increase their ability to better fulfil their role and in order to retain their current job and better adapt their skills for future jobs within the localities⁴⁵⁴.

Projects which have been approved during previous years have continued to address the National and EU priorities through the activities implemented. As highlighted above given that the NRPs in Malta have a strong element of continuity, it is evident that projects approved under previous NRPs have a strong link with the current NRP thrusts. This is also demonstrated by the direct reference in the document to some ESF projects under this strategic theme. Under the theme of Employment, actions that seek to encourage reluctant women to enter into the labour market are also included. ESF 3.59 addressed this through the Media Campaign (and activities included within the Media Campaign) which aimed at instilling a sense of financial independence in women while at the same time addressing men so as to promote the benefits of sharing paid and non-remunerated work between the family. This initiative also focuses on work-life reconciliation at the workplace which is promoted amongst employers.

Employment for vulnerable groups is the main objective of the Employment Aid Programme, which is one of the major contributors towards this theme. Throughout the year under review, this scheme has continued to assist disadvantaged persons, including inexperienced young jobseekers, inactive women, older persons, persons with disability and the long-term unemployed, to enter in the labour market by subsidising employers with part of the salary of this target group with the aim of increasing employment levels. This has resulted in 1157 disadvantaged persons being retained in employment as at the end of 2012.

Initiatives to increase the employability prospects and to facilitate the integration into the labour market of young people, early school-leavers and other job seekers has continued to be funded throughout 2012

⁴⁵² ESF4.174

⁴⁵³ ESF4.175

⁴⁵⁴ ESF4.181

through activities such as career guidance, psychological services, occupational Therapy Services and Outreach Services, job searches seminars, job skills programmes, work orientation initiatives, traineeship schemes, and training subsidies.

During the last decades, the Maltese Government has adopted policies which aim to facilitate transition from unemployment into employment of the groups at major risk of social exclusion, while providing protection to those who are already in employment, placing emphasis on skills training and upgrading through active labour market programmes

One major contributor to this aim comes from the Training Aid Framework scheme which supports employers through the provision of training programmes for their employees with the aim of upgrading their skills hence contributing towards retention of employment.

Target 2 Research and Development

In line with the Europe 2020 Strategy, particularly with the Innovative Union Flagship Initiative, the NRP focuses on the need to increase efforts on research and development which in turn would result in innovative products and services. One of the specific objectives is to place the R&D target in Malta in a wider context of supporting local innovation.

Despite the fact that none of the approved projects in 2012 are aligned directly with this theme, the NRP lists several ESF actions which are currently under implementation under this area. In this context, *STEPS* has continued to provide scholarships for students in the areas of R&D. As at the end of 2012, there were 115 students which benefited from funding in this area.

This theme continues to build upon one of the thrusts under the NRP2008-2010 which focuses on *'Investing in knowledge and innovation'*. As reported in the previous year, various projects under implementation are contributing towards R&D highlighting the role R&D it plays in addressing challenges of a modern society. For instance, approved projects are contributing towards R&D based innovation through the setting up of an Intellectual Property and Knowledge Transfer Framework, as well as developing training in entrepreneurship;⁴⁵⁵ and delivering training to state school teachers in the use of interactive whiteboards and an e-learning platform⁴⁵⁶.

Target 3 Energy

⁴⁵⁵ ESF 1.125

⁴⁵⁶ ESF1.123

Given the nature of the European Social Fund, energy is not being targeted through projects co-financed under Operational Programme II.

Target 4 Education

Education has always been high on the Maltese Governments policy priorities. The NRP of 2005-2008 has directly placed emphasis on Education and Training as one of its main thrusts, while the NRP of 2008-2010 has focused on education as a cross-cutting theme. The current NRP under the Europe 2020 strategy further builds upon previous NRP's while also focusing on the Europe 2020 strategy. Further emphasis within the current NRP is being placed on reducing school drop-out rates and increasing the number of mature students accessing and completing tertiary level of education. This is being done by offering opportunities for participation in vocational education as a means to reduce early school drop-outs.

All of the projects which were approved in 2012 are in perfect alignment with the Education theme. Priority Axis 1 sustains investments aiming at strengthening the formal education system. This is being done through enabling trainees in a postgraduate educational programme to track their progress and achievement through an e-portfolio⁴⁵⁷ to facilitate the objective assessment for medical postgraduates with the possibility of monitoring their development of in a real time mode as well as investing in the capabilities and skills of the educators and creating a more conducive learning environment. Investment in the capabilities and skills of the educators and learning support assistants will assist them to create a more conducive learning environment while aiming at reducing school drop out rates.⁴⁵⁸

Priority Axis 2 projects contribute towards this theme by equipping unemployed or employed people with the right skills with the objective of increasing and/or improving the workforce skill base. Projects approved include projects that seek to recognise non-formal and informal learning linked to specific individuals through trade testing, facilitating access to and improving the quality of training to assist the labour force to acquire new skills. Other projects target directly the employability of jobseekers, in order for them to find employment within the shortest time possible⁴⁵⁹. Specific training related to the film industry is targeting the inactive by increasing skills in older workers while also addressing specific target groups which are not qualified or lack specific educational courses⁴⁶⁰.

Priority Axis 4 newly approved project seek to improve the educational skills within the public administration. This is being done through the provision of hands-on work experience with experts and

⁴⁵⁷ ESF1.211

⁴⁵⁸ ESF1.209

⁴⁵⁹ ESF2.201

⁴⁶⁰ ESF2.186

specific training related to restoration, conservation and communication for the promotion of cultural heritage⁴⁶¹. Other initiatives financed through this PA seek to provide training in data protection to the relevant units which will have within them a spill over effect of strengthening many spheres within the public administration. This in terms of knowledge on the necessary procedures when processing personal and sensitive data in order to ensure the protection of fundamental rights and freedoms⁴⁶²; provide an adequate level and type of learning which is tailor-made for executive secretaries in local councils⁴⁶³; training of officers within the competition authority to become more effective in their interventions⁴⁶⁴ as well as specific training courses for professionals in the health and social sectors in Gozo⁴⁶⁵.

PA 4 also addresses the Education thrust through the provisions of training for health professionals in order to empower nurses and midwives to take prompt and accurate clinical decisions so to enhance the patients' quality of care⁴⁶⁶ and formal post-graduation education for medical physicists⁴⁶⁷.

The NRP further lists projects which were approved in previous years and which aligned themselves to the Educational thrust at the time. For instance, strengthening capacity in the educational system through the consolidation and upgrading of existing resources in the various institutions, including the University of Malta and MCAST. This is being done through the provision of scholarships, top-up degrees as well as educational opportunities for students and staff.

Target 5 Poverty

The 'European Platform against Poverty' flagship initiative under the Europe 2020 Strategy aims at ensuring economic, social and territorial cohesion as a way of guaranteeing respect for the fundamental rights of people experiencing poverty and social exclusion. In this context the NRP sets specific focus on reducing the risks of poverty. Although all actions financed through OP II contribute to this theme, Priority Axis 3 provides a direct alignment given that it targets specifically the socially excluded with the aim of improving their employment prospects and a measure against poverty.

Although no projects which were approved during 2012 specifically target this theme, the NRP lists several examples of ESF intervention of projects which are currently under implementation that address this theme. Socially excluded persons such as the disabled and visually impaired are being assisted

⁴⁶¹ ESF4.164

⁴⁶² ESF4.180

⁴⁶³ ESF4.181

⁴⁶⁴ ESF4.182

⁴⁶⁵ ESF4.189

⁴⁶⁶ ESF4.174

⁴⁶⁷ ESF4.175

through the provision of assessments and support services, job-coaching, learning support assistance and personal assistance and training⁴⁶⁸. The ESF is not simply targeting the vulnerable people but also the professionals working with them such as trainers, social workers and therapists in order to update their skills to be better equipped to provide a better service⁴⁶⁹.

As already highlighted, the Employment Aid Programme has been highly successful in integrating various vulnerable groups into employment through subsidising part of the wage of employers to employ these people. In addition, one of the targets of the scheme is that the employees are retained in employment following successful termination of the grant⁴⁷⁰.

Social inclusion of children, the elderly and those within jobless households lies at the forefront of this thrust and addressing this target group is seen as a factor in the contribution of the reduction of poverty. Projects financed through PA 3 address also the employability of young persons. As at the end of 2012, interventions that address early school leavers, young people with emotional behaviour as well as single young mothers were being implemented through ESF through various actions including training, outreach and guidance services⁴⁷¹.

4.2 Links with the CSGs and IEGs

Achieving strong and sustainable growth calls for a solid integrated policy response. In this regard, Malta's Operational Programme II addresses the third community strategic guideline: *Creating more and better jobs by attracting more people into employment or entrepreneurial activity, improving adaptability of workers and enterprises and increasing investment in human capital*. The four priorities for action that feed into this guideline emanate from the European Employment Guidelines, which also highlight the need to improve efficiency in public administration. These are: *'Attracting and retaining more people in employment and modernise social protection systems'*; *'Improve adaptability of workers and enterprises and the flexibility of the labour market'*; *'Increase investment in human capital through better education and skills'* and *'Administrative Capacity'*. The latter shape the Employment Strategy for Malta and as a result they are reflected in the four priority axes of the OP.

Indeed all the priority axes of this OP sustain the third and first pillar of the CGSs: *'To Increase investment in human capital through better education and skills'*, and *'Attracting and retaining more people in employment and modernise social protection systems'*. The latter continues to be achieved through the provision of career guidance to support the transition from education to work, promoting a lifecycle

⁴⁶⁸ ESF3.112, ESF3.113, ESF3.62, ESF3.42

⁴⁶⁹ ESF3.42, closed in 2012.

⁴⁷⁰ ESF3.64

⁴⁷¹ ESF3.60, ESF3.108, ESF3.61

approach to work, supporting the inclusion of those facing difficulties in entering the labour market as well as strengthening labour market institutions.

Priority Axes 2 and 3 feed directly into the second pillar of the CSGs: *'Improve adaptability of workers and enterprises and the flexibility of the labour market'*. Priority Axis 2 focuses on the flexibility of the workers and enterprises to respond to the sudden changes in the market and remain competitive, whereas Priority Axis 3 is concerned with improving quality and productivity at work and targeting the inclusion of disadvantaged groups in the labour market. As regards, the fourth guideline: *'Administrative Capacity'*, this is sustained through Priority Axis 4. The latter seeks to improve the efficiency of public administration through actions targeting institutional and administrative capacity, including that of the Social Partners and Civil Society.

As at end of 2012, ESF was co-financing seventy-two (72) *mainstream* projects⁴⁷² and two (2) aid schemes. Out of these, there were; twelve (12) new projects⁴⁷³, one (1), which was withdrawn⁴⁷⁴, fifteen (15) whose activities closed in 2012 and another thirteen (13) projects whose activities had closed in 2011 but administratively they were still ongoing in 2012. All these operations contribute to at least one of the CSGs and IEGs. At application stage beneficiaries are asked to link their project to one of the CSGs outlined above. Fifty-two (52) projects and one (1) aid scheme are addressing CSG priority 'Increase investment in human capital through better education and skills' with Priority Axis 4 being the largest contributor with fifteen (15) projects. Twenty-four (24) projects and one (1) aid scheme are contributing to the pillar: 'Attract and retain more people in employment, increase labour supply and modernise social protection systems'. In this case, the biggest contribution is coming from Priority Axis 3475. Ten (10) projects and one (1) aid scheme are addressing *'Improve adaptability of workers and enterprises'* whereas seventeen (17) projects are seeking to address CSG: *'Administrative Capacity'*.

4.3 Links with the European Employment Strategy

The main objectives of Malta's Operational Programme II under Cohesion Policy 07-13 are intrinsically linked with the European Employment Strategy whereby both aim to create more and better jobs. In line with the Europe 2020 growth strategy, both OP II and the European Employment Strategy propose initiatives that fall under the areas of employment, and social inclusion.

Malta believes that Education and skills development are central to improve the country's productivity. Thus, these objectives, which are crucial for the European Employment Strategy, have always been high

⁴⁷² However three of these projects (ESF 3.112, ESF 3.107 and ESF 4.167) were eventually withdrawn in early 2013

⁴⁷³ Eight (8) projects under PA 4 and two (2) under both PA 1 and PA 2

⁴⁷⁴ ESF 2.8 was withdrawn on 15 February 2012.

⁴⁷⁵ Eleven (11) projects and one (1) aid scheme are addressing this priority.

on the Maltese national agenda and reflected through national policies and documents such as the NSRF, the various editions of the NRP as well as Budget Documents.

OPII continued in 2012 to sustain investments aiming at promoting education and skills development of the human capital that can help the country to sustain the productivity growth and translate that growth in more and better jobs.

In this context, Priority Axis 1 continues to fund projects that invest in human capital with the overall objective of increasing the participation rate in higher and further levels of education within a wide range of fields. Within this objective, early school leavers represent one of the target of this Axis as they constitute the biggest challenge to ensure that there is social and economic growth.

Under Axis 1, in fact, measures funded are intended to provide interesting career paths through vocational education training and the diversification of the offer of schools and programmes.⁴⁷⁶

Other initiatives funded under Axis 1 are endeavouring to improve education programme quality by setting competency standards to guide the development of new curricula and, ultimately, strengthen qualifications systems, including skills recognition.⁴⁷⁷ Operations approved under this Axis address also the technological, scientific and ICT advancement of the country by encouraging the student's participation in these areas of study.⁴⁷⁸ This is being done through the financing of post-graduate courses and training in fields which are deemed crucial to Malta's economical development such as ICT, science and technology and business, with the aim of supporting the professional development of individuals which will ultimately contribute to better job prospects. Investments under Axis 1⁴⁷⁹ aim also at ensuring the effective and efficient matching of workers' skills with skills required within industry. In this regard, this Axis is sustaining interventions that address skill mismatches for educators resulting from educational reforms that encourage the employability and the educational processes needed to close the gaps between formal education and employment as well as training Career Guidance personnel.⁴⁸⁰

Sustaining effective skills development systems which connect education to technical training is being encouraged by Priority Axis 2, which continued in 2012 to sustain several initiatives aiming at fostering the workforce skills, encouraging people to acquire new skills as well as sustaining entrepreneurship and innovation, but also at reducing unemployment rates particularly long-term unemployment. A number of projects, contributed towards the re-training and offering work experiences targeted to long-term

⁴⁷⁶ Such as ESF 1.23, ESF 1.28, ESF 1.31, ESF 1.33, ESF 1.34, ESF 1.36, ESF 1.130 and ESF 1.209

⁴⁷⁷ Including: ESF 1.23, ESF 1.24, ESF 1.29, ESF 1.31, ESF 1.33 and ESF 1.130.

⁴⁷⁸ Projects promoting student's participation in the areas of S&T and ICR include ESF 1.23, ESF 1.33 and ESF 1.29

⁴⁷⁹ Such as ESF 1.23, ESF 1.31, ESF 1.34, ESF 1.130, and ESF 1.131

⁴⁸⁰ Including ESF 1.24, 1.123, ESF 1.130 and ESF 1.131

unemployed that can help increase the possibility of employment⁴⁸¹. All these initiatives contributed towards making the flagship initiative of “*An Agenda for new skills and Jobs*” successful. In this context, the Training Aid Framework (ESF 2.65) has continued to support companies by the provision of funds for training and training related costs for staff development courses both locally and abroad. This programme aims at improving the skills of employees, providing them with the necessary abilities to enhance their current and future employment position to enable enterprises to become more productive and competitive. Other interventions, funded as well under Priority Axis 2, seek to identify potential skills gaps while re-training and re-skilling the workforce in order to meet new market demands, as well as up-skilling of human resources in civil society in various areas including in the areas of ICT and tourism.

Given that the State is one of the major employers in Malta, this approach can also be seen across interventions aimed at capacity building of the public administration, funded through Axis 4. For instance a “training needs analysis” of skills required in the public administration has been conducted in order to identify the areas of specialisation/skills necessary for the public service to function efficiently within today’s challenges. This lacuna has also been counteracted by the provision of scholarships and training for the civil servants with the objective of indirectly enhancing the possibility of career shifts, the latter being also an aim of the Inclusive Growth Target. Training aimed at improving the human resource knowledge within the public administration in the area of ICT in line with new market trends is also being funded through ESF.

In 2012, several initiatives, funded mainly under Priority Axis 3, continued to sustain disadvantaged groups, young people, persons with disabilities to realize their potential for productive work more fully and contribute to economic and social development. This has been done with employment programmes specifically targeted to the specific need of disadvantaged groups, such as the Employment Aid Programme (ESF 3.64). In this regard, as highlighted in previous sections of this report, this scheme has been highly successful in integrating socially excluded/vulnerable persons into employment by providing subsidies for employers in order to fight against employers’ resistance to hiring disadvantaged and disabled groups.

Other initiatives under Axis 3 aim at improving the employment prospects of other groups at risk of social exclusion such as young people, women, inactive etc, by providing specific training programmes, in certain cases combined with job guidance and employment services, in order to encourage them towards the reintegration into employment.

Although one can state that assisting young people to become more employable is a cross-cutting objective across the entire OP, Priority Axis 3 is directly aligned to the flagship initiative of ‘Youth on the Move’. During the year under review, the OP continued funding youth employment interventions which

⁴⁸¹ Such as ESF 2.4, ESF 2.11, ESF 2.12, and ESF 2.201.

seek to increase the employability and labour market integration of young people⁴⁸². Labour market integration of young people is also being promoted by interventions which seek to develop their living skills, lead healthy lifestyles and minimise social exclusion. These initiatives have proven to be effective in helping young people to gain access to labour market information and career advice and in identifying suitable job vacancies. Youths are also targeted in general through interventions which seek to provide direction towards the work ethics and procedures of vulnerable people. The need to help young people to form part of the labour market can also be seen in the National Action Plan for employment (NAPemp) which seeks to raise youth employment levels.

Other disadvantaged groups⁴⁸³ that are targeted under Priority Axis 3 include domestic violence victims, women, school drop outs, ex convicts, substance abusers, illiterate. Under ESF⁴⁸⁴, young teen parents with emotional or challenging behaviour are assisted to become more employable by offering courses aimed at learning to face life's challenges which would eventually lead to better employment prospects.

⁴⁸² Projects encouraging employability include 2.186, ESF 3.48, ESF 3.60 and ESF 3.110.

⁴⁸³ Projects targeting disadvantaged groups include ESF 3.43, ESF 3.52, ESF 3.48, ESF 3.54, ESF 3.60, ESF 3.61, ESF 3.62, ESF 3.66, ESF 3.102, ESF 3.108, ESF 3.110, ESF 3.113, ESF 3.114 and ESF 3.71

⁴⁸⁴ ESF 3.110

5 - Technical Assistance

During the sixth year of implementation of the Operational Programme II, Technical Assistance (TA) continued to contribute towards the efficient implementation of the Programme. TA, in 2012, was mainly used to finance the supply of furniture and equipment, capacity building measures, measures/actions related to the implementation and evaluation as well as publicity actions required to facilitate the implementation of the Programme.

The year under review saw a significant number of 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 and IAID. In this context, in 2012 the MA received and approved seventy (70) requests, resulting in 75% increase when compared to the requests received in 2011⁴⁸⁵. This increase in requests is a reflection of the start of activities linked to the preparation for the new programming period, but also reflects the programme in the implementation of the operational programme. In terms of the latter there was increase in demand related to the first level of control function (as payments increased in 2012) and the strengthening of the monitoring process. As highlighted under Chapter 3 (section 3.5.2) of this report, the requests processed in 2012 were mainly related to the participation in training both locally and abroad, information and publicity actions, evaluation as well as furniture and equipment and implementation costs. As in previous years, most of the requests (52 out of the 70 requests received) were for actions worth less than € 2,000 under the capacity building component. Therefore this meant that more than half of the requests received were of a fragmented nature, once again resulting in an administrative weight on a number of organisations involved in the implementation and payment process⁴⁸⁶ linked to Technical Assistance.

As explained in different sections of this report, in order to provide the necessary support to the different stakeholders involved in the implementation of the programme, in 2012 the MA submitted to the Commission a request to slightly increase the TA allocation up to the Maximum allowed by Article 57 of EC Reg. 1083/2006 (4% of the OP allocation). The request relied on the following motivations:

- the ever increasing fragmentation of the operations which has resulted in increased pressures on the resources of the horizontal stakeholders during the monitoring, payment and verification processes;
- the highly centralised system of implementation which is particular to Malta giving rise to expenditure which needed to be borne horizontally by TA rather than the vertical Axes; and

⁴⁸⁵ In 2011 the Managing Authority (MA) received and approved forty (40) requests

⁴⁸⁶ Including the MA (as the Beneficiary), the Line Ministry, the Treasury as well as the Director Cooperative Services

- the Commission clarifications (in Q4, 2009) which have confirmed that costs related to the IB management of Aid Schemes being implemented under Art 107 of the TFEU should be incurred from within the Technical Assistance Budget rather than from by the schemes' relevant Axis.

In view of the above, approval to increase the total budget of technical assistance of an additional €205,883, to be revised to € 5,270,588 from the original budget of € 5,064,705 was presented to the Commission on the 4th April 2012 and approved in July 2012.

During the year under review, the contracting figures under TA has witnessed an increase compared to 2011. This resulted in 41% increase in the contracted amount⁴⁸⁷. The increase is linked to the contracting linked to implementation of the programme, evaluation costs followed by the cost of Information and Publicity as well as 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) and to the preparation for the new programming period. During 2012, the number of payments processed increased and where possible the MA managed to process the majority of the payments related to the commitments made in the same year⁴⁸⁸.

As explained in previous sections of this report, the increase pace of implementation of the programme continued to increase the need for monitoring and first level control activities in order for the targets of verification of expenditure to be met. To this effect, the need for administrative and staff capacity increase was necessary together with a number of training / capacity building initiatives⁴⁸⁹.

Another highlight for 2012 included the European Commission Audit on TA expenditure in June 2012. During this audit, ESF Technical Assistance was also assessed and examined. DG Employment came to review the work of the Audit Authority (AA) (IAID) pursuant to Article 62 of Council Regulation 1083/2006. This experience has showed that the system in place is effective and that further improvements can be introduced in the next programming period.

5.1 Furniture and Equipment

During 2012, a number of requests were received under the component furniture and equipment. The recruitment of a number of new recruits working both within the OP II unit as well as horizontal units working on both OPI and OP II gave rise to requests linked to the necessary office furniture as well as for

⁴⁸⁷ Refers to percentage increase in amount contracted through TA as at end December 2012. Figure contracted as at end 2011 amounted to €2,858,217 whilst as at end 2012 amounted to € 4,034,615

⁴⁸⁸ This is not always possible, as was the case for Evaluation where a large amount of funds were committed but payment would take place once the deliverables are on the ground

the leasing of a number of PCs/ laptops and furniture office equipment. All these items aim to aid towards the smooth implementation of the running of the programmes.

5.2 Capacity Building

During 2012, TA gave officers the opportunity to utilise funds to attend diverse training seminars as well as meetings abroad⁴⁹⁰. The training seminars / meetings, assisted officers ability to increase their knowledge in the management / implementation of EU Funds and provide them with the opportunity to network and gain experiences learnt from other member states.

During the year under review, ninety- eight (98) participants attended training either locally or abroad. Ninety- three (93) officers benefited from training locally with the aim of giving new recruits/new beneficiaries the opportunity to gain knowledge on how the implementation of structural funds is to take place (held in September and November 2012). Training locally was also organised for specific target groups: training session organised for voluntary organisations (held in March 2012); and a full day training seminar in October 2012 which focused on monitoring techniques. Five (5) officers attended training abroad (trainings focused on audit-related techniques, state-aid rules, implementation of structural funds regulations as well as public procurement regulations).

During 2012, officers both within and outside the MA involved in the implementation process continued to attend meetings financed abroad. The meetings focused on topics relating to the management/ implementation of structural funds including areas such as: future cohesion policy issues, audit issues, evaluation related to the current and the next programming period and SFD- related matters (eCohesion initiatives).

5.3 Implementation of Cohesion Policy

Similar to what occurred in 2011, 2012 also saw an increase in capacity of staff within both OPII as well as other horizontal units. As a result, the contracted amount under TA relating to staff costs undoubtedly increased during 2012.

As the implementation of the Programme continues to reach its peak, the monitoring costs continued to increase in 2012. For this reason, the Monitoring Committees held in March, May and October 2012, six (6) PPM bilateral meetings, a senior management meeting as well as the Intermediate Body Network (IB)

⁴⁹⁰ Twenty-one (21) officers went abroad either for training or for a conference/meeting. Out of the twenty-one (21) officers sixteen (16) attended meetings abroad, while five (5) officers received training overseas. This includes repeat officers, therefore if an officer attended two (2) meetings he is being counted for twice. Thirteen (13) are officers working within the MA whilst eight (8) officers are stakeholders outside the MA involved in the implementation process of EU funds.

meeting and Inter Ministerial Coordination Committee (IMCC) meeting, held in April and October 2012.⁴⁹¹ Other costs linked to the implementation of the programme such as the remuneration of the Project Selection Committee members engaged in the selection activity of project proposals received for published calls and the financing of consumables were also financed through TA. In addition, as explained above costs, were also committed for the financing of future cohesion policy related activities, such as the tender for the partnership agreement and the ex ante evaluation.

During the year under review, TA continue to finance costs related to the developments of the Structural Funds Database 2007-2013 and also related to consultancy on the requirements for the future in terms of system requirements taking into account regulatory changes proposed within the draft regulatory package. The updates financed have been discussed in a different section of the report.

5.4 Information and Publicity

TA continued to be the main source of financing for information and communication related activities at Programme Level complementing information and communication actions undertaken by the Beneficiaries and the Intermediate Body⁴⁹² in order to pass on information and further increase awareness on the operations/projects and schemes being funded under the different Axis of the Programme.

As per regulatory obligation on MSs,⁴⁹³ the annual event for 2012 involved the creation of a new website (www.investinginyourfuture.gov.mt). The new website was launched through a press conference on 18 December 2012. Following the launch, the website was promoted through online adverts published on the local electronic news portals to raise public awareness of the site. A total of fifty-eight (58) projects (including schemes) are currently featured on the website. The related to the development of the website were financed through TA funds.

In addition, TA financed the second Local Informal Information and Publicity Network (LIIP) which was held on the 13 April 2012. 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 involved in communication of Cohesion Policy objectives and achievements.

⁴⁹¹ When compared to 2011 the number of monitoring activities undoubtedly increased in 2012

⁴⁹² Considering the budget limitation only limited actions could be financed through TA

⁴⁹³ 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

During 2012, TA funds were also used to finance the publication of the pre-announcement call adverts as well as actual call adverts together with the relevant information sessions. Further details on Information and Publicity actions carried out in 2012 will be provided under Chapter 6 of this report.

5.5 Evaluation

The actions under this component continued to be carried out in accordance with the Evaluation Plan and financed through TA. In line with the Evaluation plan, a request was received to finance the Thematic evaluation for Operational Programme II entitled “Thematic Evaluation for Operational Programme II- Assessment of the contribution of OII initiatives to Education and Lifelong Learning and to the Enhancement of Employability and Adaptability of the Workforce”. In quarter two (2), the Thematic Evaluation tender was launched. As already described under section 2.7.4 of this report, the MA had to revise the tender dossier, which was re-launched on the market in quarter four (4) 2012. The deadline for the submission of tenders is in quarter one (1) 2013. For this reason, although the request was received in 2012 to finance the thematic evaluation no payments were processed within the same year.

TA also approved the financing of the Ex-ante Evaluation for Structural funds 2014-2010. During the year under review, the tender was launched on the market in quarter three (3) 2012. The contract has been awarded in quarter four (4) and will be signed in quarter one (1) 2013. As above, no payments were processed as yet within 2012.

TA funds were also utilised during this same year to organise the evaluation steering committee which took place in January 2012. As described above, during 2012, a considerable amount of TA funds were committed towards different activities to be implemented under this component for which it is expected that their disbursement will commence during 2013.

5.6 Conclusion

In conclusion, in line with the approved OP change and Article 46 of the General Regulation EC/1083/2006, 4% of the total Funds allocated to the Programme⁴⁹⁴, have been allocated for TA. 35% of TA funds have been paid as at end 2012. A detailed explanation on disbursement figures are provided in Chapter 3.5 of this same report. As can be seen from above description, TA has continued to be a pivotal tool in the implementation of the Programme providing the necessary support to both the MA and the horizontal stakeholders.

⁴⁹⁴ Total Community share of OPII Funds amounts to €112,000,000. Of these €4,480,000 represent the Community funding for Priority Axis 5

The increase in TA budget allocation under OP11, approved during the year under review, represented an important step for the MA, with a view to ensuring that the implementation and the closure of the current Programme is undertaken in the most efficient and effective manner.

2012 saw an increase in the number of payments and contracted figures. Therefore this highlights that the TA procedures have now been established and are functioning well. However, the fragmented nature of TA continues to be the main problem.

6 – Information and Publicity

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

During the year under review, the MA continued to ensure a steady flow of information on the implementation of the Programme in order to guarantee that information is available to all interested parties on how cohesion policy funds are being used in Malta. Several activities have been undertaken to get the message through to potential beneficiaries and the general public in line with the obligations emanating from Implementing Commission Regulation (EC) No. 1828/2006, following on the lines of the revisions to the Communication plan as presented to the Monitoring Committee in 2011.⁴⁹⁵ The activities foreseen within the plan comprise of a number of information and promotional measures using a number of tools, which are either, 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 2012.

6.1.1 Analysis of Activities carried out in 2012

Annual Information Event:

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

In 2012, the MA opted for the creation of a new website, www.investinginyourfuture.gov.mt which aims to complement the official MA website (www.ppcd.gov.mt). The new website (hereinafter referred to as IIFY website), was launched through a press conference on 18 December 2012. Adverts on the local electronic news websites, linking directly to the IIFY website, were featured following the launch to raise further public awareness of the site.⁴⁹⁶

The IIFY website is envisaged to remain updated and 'live' until the end of the programming period. Apart from the need to have an appealing design of the website, clean and intuitive style, that appeals to the general public, the MA drew up 'fact sheets' for each ongoing and completed project under the 2007-2013

⁴⁹⁵ The Communications Plan, originally approved by the EC on the 21st January 2007, was revised and presented to the MC on the 19th October 2011.

⁴⁹⁶ The contract for the IIFY website was signed on 15 October 2012 for €6,525.42. Cost is quoted excluding VAT. The IIFY website is co-financed on a 70% ERDF + 30% ESF basis.

programming period and gathered photos through the Department of Information as well as the project leaders themselves, to publicise co-financed operations.

The site avoids the use of technical jargon and is broken down according to themes which are more representative of the OPs' priorities. The themes under which the projects are grouped are:

- Heritage & tourism
- Equal opportunities
- Health
- Research, science & technology
- Education
- Life-long learning & employment
- Environment, climate change & renewable energy sources
- Waste management & risk prevention
- Public infrastructure
- Public administration
- Private sector.

Some of the projects were featured under more than one category in view of their wider reach. The projects' title and the respective categories they featured under are found in Annex I to this report.

Upon loading the website, the visitor finds a dynamic slide transition featuring key projects but will also find the full complement of projects shown underneath, through thumbnail images and the project titles. The project thumbnail images include an icon, immediately depicting the theme or themes they fall under. By accessing the selected icon, visitor will be informed on the categories mentioned above, with a short overview for each theme, and on the projects pertaining to the selected category. Further details about the individual selected project are also accessible. In order to enhance the interactive experience, the visitor can share information from the website on various social media platforms, including the most popular Facebook, Twitter and Google+.

The website also includes a page with information on the Managing Authority and a 'Contact Us' form for direct interaction with the MA. Complementary to the IIYF website, a Facebook page and Twitter account have been created in order to retain a more informal, as well as ongoing means of updating the public with information on the achievements made through the projects.

Hereunder, various analytics to measure the website’s impact are being reported. However, given that these refer to results registered on a short timeframe they cannot be considered as representative at this stage.

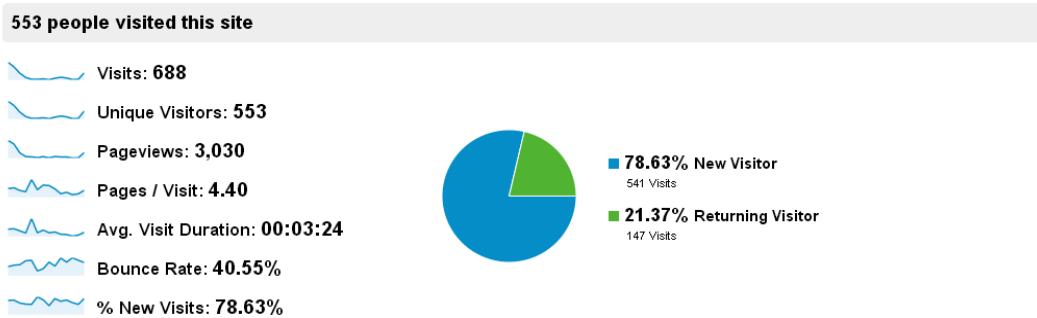


Figure 1 - Audience overview for the period 18th December to 31st December 2012 (Source: Google Analytics)⁴⁹⁷

For the period from the website’s launch (18th December) to the end of the year (31st December), the website registered a total of six-hundred-eighty-eight (688) visits, with five-hundred-fifty-three 553 (80.38%).⁴⁹⁸ As explained earlier, the website was promoted through a number of leaderboard adverts on all local electronic news websites, with direct hyperlinks to the IYF website. This promotion took place between 31st December 2012 and 6th January 2013. Further promotional activities will continue in 2013.

⁴⁹⁷ The number of visits denotes the number of people who visited the IYF website. Pages/Visit (Average Page Depth) is the average number of pages viewed during a visit to the website site (repeated views of a single page are counted). On the other hand, Average Visit Duration denotes the average time duration of a session. The % New Visits is an estimate of the percentage of first time visits whereas the Bounce Rate denotes the percentage of single-page visits (i.e. visits in which the person left the site from the entrance page). (Source: Google Analytics)

⁴⁹⁸ Source: Google Analytics



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www.investinginyourfuture.gov.mt



Operational Programme I & II – Cohesion Policy 2007-2013
Investing in Competitiveness for a Better Quality of Life
Empowering People for More Jobs and a Better Quality of Life
Website part-financed by the European Union
European Regional Development Fund (ERDF) and European Social Fund (ESF)
Co-financing rate: 65% EU Funds (70% ERDF, 30% ESF), 15% National Funds



Investing in your future

Figure 2 - Website promotional image.

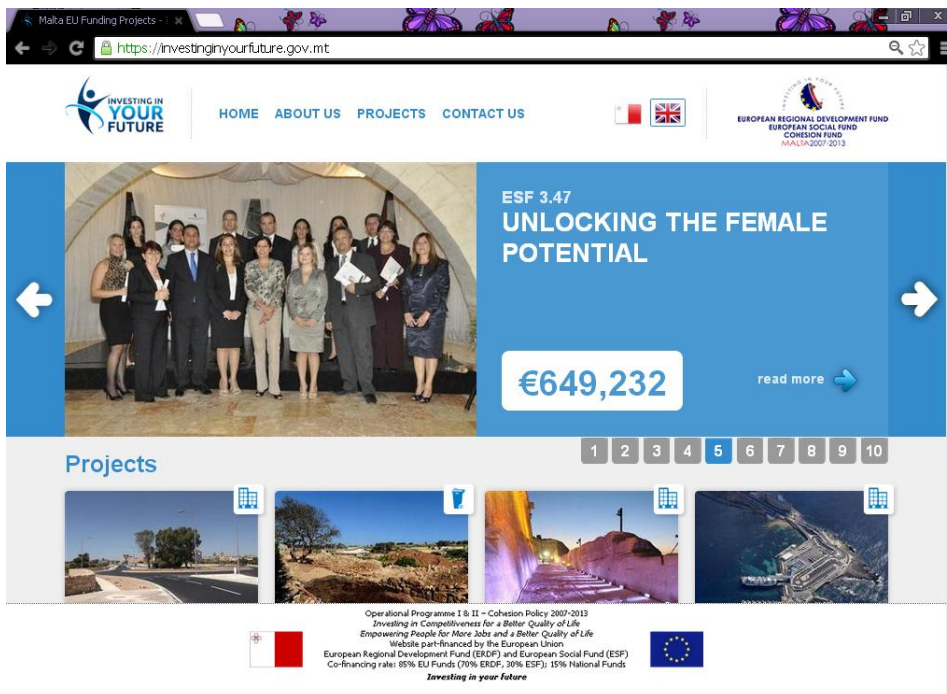


Figure 3 - Website screen shot

Other Publicity Measures undertaken in 2012

Calls for Projects and Information Sessions for Project Promoters

A total of four (4) calls for Project Proposals and two (2) pre-announcements were issued during 2012. Information sessions were held for all calls for Project Proposals in order to guide the potential beneficiaries in preparing their submissions accordingly. In cases where the pre-announcements had highlighted the priorities for the forthcoming calls,⁴⁹⁹ the MA continued to hold specific info-sessions explaining properly the aim, in line with the recommendations of the Mid-Term evaluators. Summarily, the calls and pre-announcements were:

Table 22 - Summary of Calls for Project Proposals and respective Priority Axes targeted.

Pre- / Call no.	Priority Axis / Axes	Issued on	Information Session held on
Call 8	<ul style="list-style-type: none"> Priority Axis 2: - Investing in the Employability and Adaptability of the Workforce; and Priority Axis 4 - Strengthening of Institutional and Administrative Capacity 	18, 25, 29 Jan 2012	3, 6 Feb 2012
Call 9	<ul style="list-style-type: none"> Priority Axis 3: - Promoting an Equal and Inclusive Labour Market 	2, 3, 6 May 2012	15 May 2012
Pre-call 10	<ul style="list-style-type: none"> Priority Axis 1: Improving Education and Skills; and Priority Axis 2: - Investing in the Employability and Adaptability of the Workforce 	3 May 2012	n/a
Call 10	<ul style="list-style-type: none"> Priority Axis 1 - Improving Education and Skills; and Priority Axis 2 - Investing in the Employability and Adaptability of the Workforce 	24, 25, 27 May 2012	6 Jun 2012
Call 11	<ul style="list-style-type: none"> Priority Axis 1 - Improving education and skills; and Priority Axis 4 - Strengthening of institutional and 	1, 2, 4 Nov 2012	14 Nov 2012

⁴⁹⁹ Given that both Call 10 and 12 targeted all focus areas, no information session at the pre-announcement stage was held.

Pre- / Call no.	Priority Axis / Axes	Issued on	Information Session held on
	administrative capacity		
Pre-Call 12	<ul style="list-style-type: none"> Priority Axis 3: - Promoting an Equal and Inclusive Labour Market 	12, 16 Dec 2012	n/a

All calls and pre-announcements were published as Press Releases as well as adverts on all newspapers of the designated dates. Additionally, these were also advertised on the PPCD official website, its social media page, as well as on the Malta-EU Steering and Action Committee (MEUSAC)'s various communication channels. A total of one-hundred-and-seventeen (117) persons attended the information sessions held throughout the year for all calls.

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 2012, staff from the communications unit attended and participated in the INIO network meetings organised by DG EMPL held in: Berlin, Germany on the 28th of March; in Kraków, Poland on the 12th of September; and in La Plaine Saint Denis (Paris), France on the 3rd and 4th of December.⁵⁰⁰

One of the topics during the March meeting was youth unemployment and how it is addressed through ESF. Workshops held during the meeting addressed issues related to the drafting of the communication strategy (with a view to the next programming period), communicating the value added of ESF through innovative actions and the lists of beneficiaries which are required by EC Regulation 1828/2006 art.7 (2) (d) and how to successfully communicate such lists to the uninformed public. The meeting also included an item on the communication actions carried out by the Commission itself; as well as an information point on the proposed rules governing categorization and data collection in view of the 2014-2020 programming period (i.e. investment priorities being the core targets for investment and reporting). This was done with a view to further sensitise the Member States to the need for more consistent and comparable data across all Member States.

The main topic of discussion during the September meeting was the organisation of competitions as a means of communicating EU Funds. The meeting held in December was conducted jointly with DG

⁵⁰⁰ This meeting was held jointly between DG Empl and DG Regio and therefore also involved the members of the INFORM network.

REGIO and its INFORM network of ERDF Information Officers. The meeting started with the INFORM core member meeting and the focus of the discussion was the formation of local (national or regional) communication networks and communication actions across Member States. During this meeting, Malta presented a short study carried out in summer 2012, giving an overview of all the communication activities, including target audiences across the Member States throughout the entire programming period so far. During the plenary sessions, a state of play on the new programming period was presented by the Commission and a number of parallel workshops ensued.

At a local level, the second Local Informal Information and Publicity (LIIP) network was organized on 13th April. 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 stakeholders⁵⁰¹ 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 meeting, the MA gave an overview of the communication activities conducted during 2011 and 2012, presenting also the plans for the current year. The revised Visual Identity Guidelines were also presented to the network. Presentations from an Intermediate Body⁵⁰² on its experience with promoting a number of schemes it manages and from an ESF Beneficiary⁵⁰³ on how it has carried out an awareness raising campaign were also delivered.

Website and Social Network page

In 2012, the PPCD website continued to be updated with news about the pre-announcement of the upcoming calls for project proposals listed above for OPII and other information related to the Programme Implementation (AIR, MC presentations etc.)⁵⁰⁴. Furthermore, in line with EC/1828/2006 Art 7(2) (d) the MA continued to update the list of Beneficiaries with new information as necessary⁵⁰⁵. Information related to the new IIYF website (<http://www.ppcd.gov.mt/news-details?id=1911&l=1>) 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 (www.ppcd.gov.mt).

⁵⁰¹ Key Stakeholders included Line Ministries and Ministers' Communication Coordinators, MEUSAC and the EU Commission Representation in Malta.

⁵⁰² Malta Enterprise presented its information campaign which encompassed all the ERDF schemes it manages.

⁵⁰³ ESF 3.59: Nista': The benefits of sharing life's responsibilities campaign

⁵⁰⁴ 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.

⁵⁰⁵ This list is updated, on average, twice during every one calendar year period.

The PPCD page on a popular social networking site was also continuously updated to further supplement the website. 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 targeting a wider audience. Moreover, status updates over the year, have reflected ongoing EU-related events such as Europe Day (9th May) and the award of the Nobel Prize for Peace to the European Union. In the weeks leading up to the launch of the IIFY website, status updates encouraged followers of the page to look out for the website and follow its respective page for updates on achievements made by the OP.

Others Initiatives

In line with EC1828/2006 Article 7 (2) (c), the EU flag was flown outside the MA's premises during the week of the 9th May 2012 (Europe Day). Lastly, during November 2012, the Managing Authority was also involved in the organization of a conference during which the Commission launched the Country Specific Recommendations for the New Programming Period.

6.2 Expenditure during 2012

The total expenditure during 2012 amounted to €21,168 as illustrated in the table hereunder:

Table 23 - Expenditure per Information and Publicity Measure during 2012 in Euros (€)

Visibility and Awareness of Cohesion Policy Aims and Results	
Annual Event including launch events	€ 2,421
Local and other Communication Networks	€ 53
Complementary measures to support the Information Events	
Publications and collateral materials	€ -
Media Campaigns	€ 351
Promotional Items	€ -
Measures relating to Transparency, Technical and Procedural Information	
Calls for Project Proposals incl. Information Sessions	€ 15,722
Other ad hoc measures incl. ongoing monitoring and evaluation	€ 2,621
Total	€ 21,168

The bulk of expenditure during 2012 was taken up by *Measures relating to Transparency, Technical and Procedural Information* with a total expenditure of €18,343 (87%⁵⁰⁶). Almost €16,000 were spent on the publication and promotion of calls and pre-announcements of calls for project proposals as well as the organization of Information Sessions to further explain the call for projects and to guide potential beneficiaries in their submissions.

In contrast to previous years, the *Annual Events including launch events* measure did not generate large expenses. This is mainly due to the fact that since the IIFYF website showcased both ESF as well as ERDF and Cohesion Fund projects, the contract was jointly co-financed by ESF and ERDF.

Additional costs linked in making the IIFYF website more accessible, the services of a translator to assist the Managing Authority in the translation of the website from English to Maltese, were procured. This expenditure is categorized under *Measures relating to Transparency, Technical and Procedural Information* (line: other *ad hoc* measures including ongoing monitoring and evaluation).

In addition, a 12-page press pack created for the Press Conference launching the website was financed nationally and subsequently uploaded on the PPCD website (<http://www.ppcd.gov.mt/news->

⁵⁰⁶ Of the total expenditure for the year.

details?id=1911&l=1) for public access. With regard to promotional items, no new merchandise was procured during 2012 as items procured in 2011 were still available and hence were made use of.

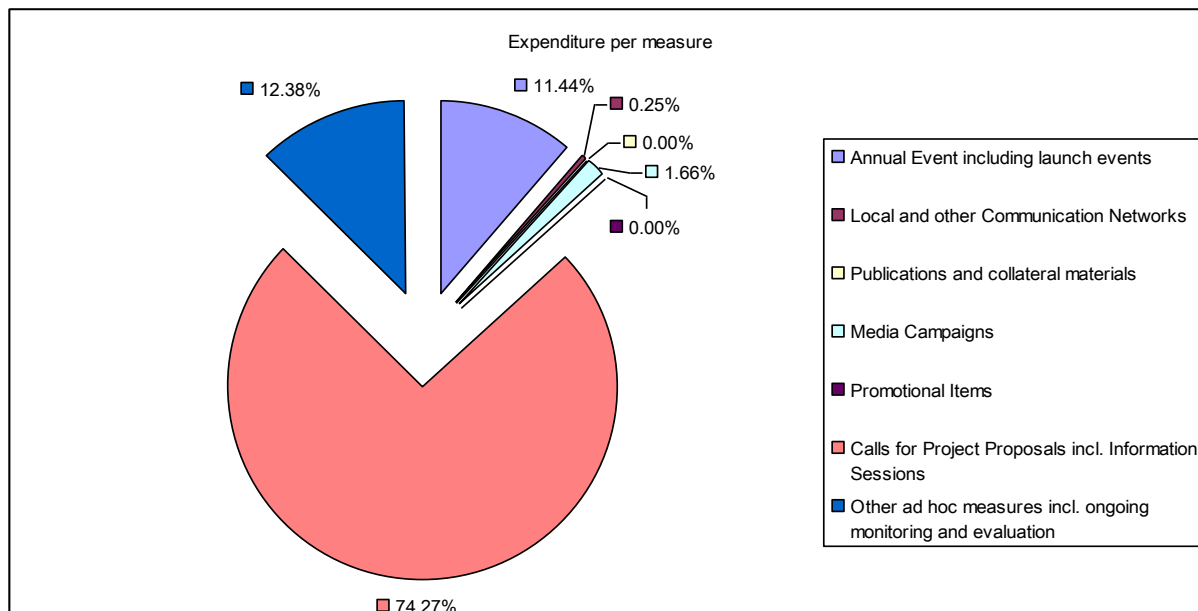


Figure 4: Expenditure per Information and Publicity measure during 2012 in percentage (%)

6.3 Expenditure to Date⁵⁰⁷

Table 24 - Expenditure to date per Measure

	% of Budget	Communication Plan Budget ESF (MA Share)	Total Expenditure to Date	% Expenditure on Budget
Visibility and Awareness of Cohesion Policy Aims and Results				
Annual Event including launch events	43%	€ 253,700	€ 55,757	22%
Local and other Communication Networks	2%	€ 11,800	€ 179	2%
Complementary measures to support the Information Events				
Publications and collateral materials	10%	€ 59,000	€ 2,331	4%
Media Campaigns	15%	€ 88,500	€ 5,369	6%

⁵⁰⁷ Information on this section relates to measures implemented from the start of the programming period to December 2012.

Promotional Items	15%	€ 88,500	€ 23,654	27%
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Measures relating to Transparency, Technical and Procedural Information

Calls for Project Proposals incl. Information Sessions	12%	€ 70,800	€ 45,471	64%
Other ad hoc measures incl. ongoing monitoring and evaluation	3%	€ 17,700	€ 3,497	20%
Total	100%	€ 590,000	€ 136,258	23%

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 22% of the ESF share allocated towards events as indicated in the table above. Almost in all the years,⁵⁰⁸ the events are held in both Malta and Gozo which requires a considerable commitment in terms of financial resources.

Expenditure on promotional items (giveaways) represent 27% of expenditure of the allocated budget. Promotional items are primarily disseminated at annual information activities as well as other information events and among stakeholders. Promotional items are a useful 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% of the ESF Communication budget. Out of the total amount allocated under this item (€70,800), the expenditure on this measure has risen reaching 64% of the allocation. It is expected that expenditure related to this cost category will be used during 2013.

To date, low commitment has been registered on the media campaigns and publications cost category. Mostly, this is due to the fact that most publications or campaigns carried out so far have been part and parcel of Annual Information Activity contracts, therefore not constituting a separate expenditure. Furthermore, such measures are considered more opportune at the outset of the Programming period (intended 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). The MA envisages that this cost category will be used towards the end of the Programme when there are more tangible results to show.

⁵⁰⁸ With the exception of 2008 and 2012, when the activities were held only in Malta.

6.4 Information and Publicity by Intermediate Bodies in 2012

The Intermediate Body of OP II, the Employment and Training Corporation (ETC) continues to complement actions carried out by the MA through a series of activities to promote and further disseminate information about its' Aid Schemes⁵⁰⁹ which are the *Training Aid Framework*⁵¹⁰ (TAF) and the *Employment Aid Programme*⁵¹¹ (EAP).

Training Aid Framework (TAF)

During the year under review, various information sessions and presentations were held addressing a total of three-hundred-ninety-five (395) participants. No calls were published under TAF since this is a demand-driven scheme. Four (4) information sessions⁵¹² were held with TAF beneficiaries with the aim to reach out to a number of TAF beneficiaries and assist them with the reimbursement process as well as promote the scheme.⁵¹³

The IB also participated in the ***Europa Year 2012 – National Committee***, held in April 2012 that targeted training and life long learning principles to working elders and their carers. Some 120 persons were present for this committee. This activity was targeted towards the elderly that encouraged them to live a healthier and more active life by promoting social inclusion. A TAF Executive was present to distribute to those interested material/information of the scheme. A promotional stand about the TAF scheme was also set-up during an interactive conference titled *Digital Games Strategy for Malta* held on 27th April 2012, organised by Malta Enterprise, University of Malta and the Malta Council for Science and Technology (MCST) held during the same month.

Following ETC decision to stop accepting new applications submitted under TAF in June 2012, the publicity actions were shifted to one-to-one meetings with the beneficiaries which helped increase the number of correctly filled reimbursement requests. ETC has also continued monitoring the beneficiaries to ensure compliance to publicity regulations. In 2012, 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.⁵¹⁴

⁵⁰⁹ Funds for IB publicity are provided by the IB concerned and are not financed through Programme funds.

⁵¹⁰ ESF 2.65

⁵¹¹ ESF 3.64

⁵¹² 8th February – 20 participants; 15th March – 35 participants; 11th April – 30 participants; 19th April – 80 participants

⁵¹³ In the case of the latter, this was only done for the first quarter of the year

⁵¹⁴ <http://etc.gov.mt/Category/5/72/Forms.aspx?1=1#taf>

Employment Aid Programme (EAP)

The Employment Aid Programme (EAP) is also a demand driven scheme and no calls are published. Following ETC decision to stop accepting new applications submitted under EAP in June 2012, the publicity actions consisted mostly of one-to-one meetings with the beneficiaries with the aim of increasing the number of reimbursement requests received in a correct manner.

A number of information sessions and presentations were also held addressing over three-hundred-and-fifty (350) participants. The information sessions⁵¹⁵ promoted the success of this Scheme however the main focus was the reimbursement process. During these sessions, the initiatives undertaken by ETC to simplify the reimbursement process were presented and the reimbursement documentation was distributed, explained in the presentation and discussed. An update about the grant amounts committed to assist disadvantaged groups and the Maltese industry was also given. Four (4) information sessions⁵¹⁶ were dedicated to students. During the presentation for students, a general overview about the EAP was given. The basic concepts of the programme were explained highlighting the fact that the focus of the Scheme is also to encourage the employment and development of youths. Students were encouraged to research and contact ETC when they decide to initiate their job search in order to ensure their successful integration in the labour market.

In 2012, the list of EAP beneficiaries continued to be updated and regularly made available online on both the ETC and MA's websites respectively in line with EC Regulations⁵¹⁷.

6.5 Information and Publicity by Beneficiaries 2012

OPII Beneficiaries have continued to implement a mixture of publicity activities throughout 2012 to promote their respective projects. The chart below gives an overview of the publicity measures implemented.⁵¹⁸

⁵¹⁵ 15th March – 40 participants; 11th May – 50 participants; 19th April – 150 participants – Information sessions to GRTU, Malta Chamber, and a business breakfast with beneficiaries

⁵¹⁶ 28th March – 40 participants; 11th May; 8th November; & 12th November – 70 participants

⁵¹⁷ <http://etc.gov.mt/Category/5/72/Forms.aspx?1=1#taf>

⁵¹⁸ It is important to note that projects may exercise more than one publicity measure at the same time

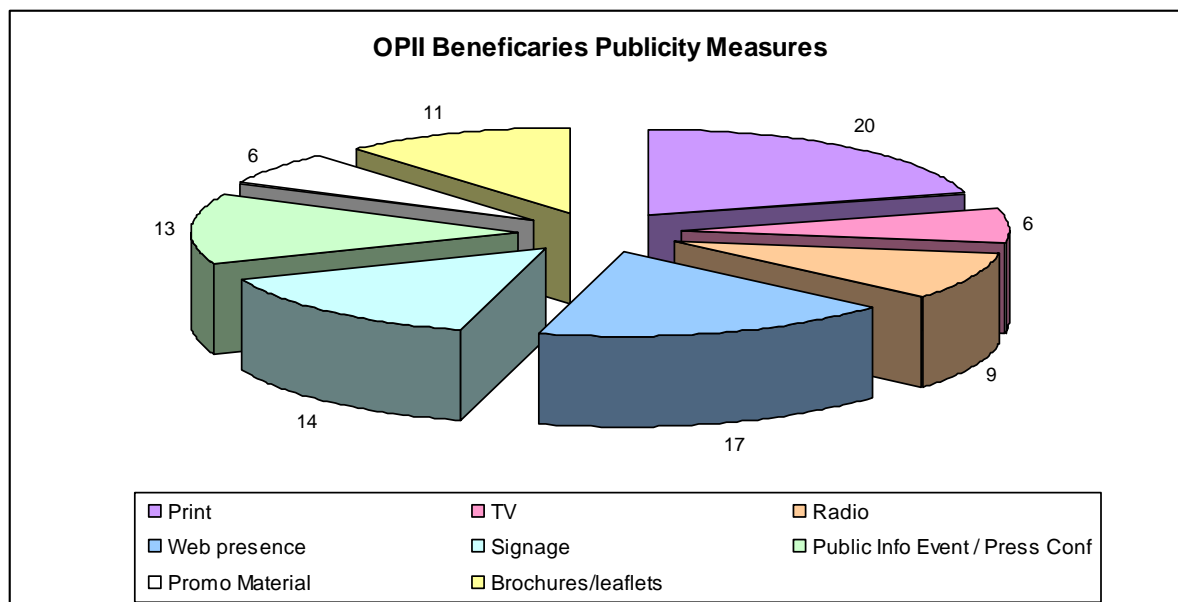


Figure 1: Publicity Actions carried out by OPII Beneficiaries

As can be seen from the above chart, publicity through print scored the largest share (mostly adverts in local newspapers). This is followed by online presence with a combination of websites, web-pages,⁵¹⁹ use of social networks and e-newsletters. Signage through the use of posters, banners and plaques is the third most frequently used publicity measure. Public events and use of brochures/leaflets registered a fair share of usage whilst TV, radio and promotional items (such as CDs, DVDs, stationery items, and bags) are less frequently used.

The overall statistics are as follows:

- Twenty (20) projects used print adverts in the form of newspaper adverts and articles with a total 197 features;
- Seventeen (17) projects have made use of online media in terms of dedicated websites, web-pages, social network presence, use of e-newsletters and online adverts;
- Fourteen (14) projects made use of signage;
- Thirteen (13) projects organised/participated in a total of 35 information events that included launches; information seminars; training sessions; participation in fairs. Through these events organised/participated in, the projects reached out to a total of 17,468 persons;

⁵¹⁹ In this context a 'website' is a dedicated project website while a 'webpage' is a page about the project on the website of the beneficiary.

- Eleven (11) projects produced brochures/leaflets;
- Six (6) projects made use of TV and nine (9) projects used radio. These media was used in various ways ranging from spots, interviews and participation in programmes; and;
- Six (6) projects produced and distributed promotional items.

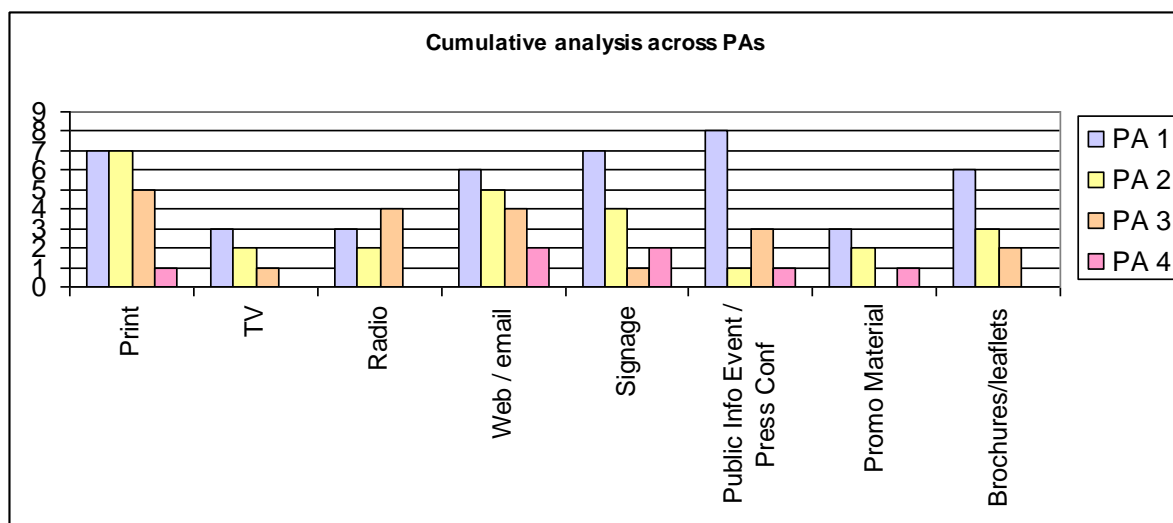


Figure 2: Cumulative analysis across PAs

PA 1 has the highest use of all publicity measures overall as opposed to the previous year followed by PA 2 and 3, whilst PA 4 has the least usage as can be noted from the bar-chart above. This is due to various factors, such as the different status of implementation of approved projects but also due to the fact that projects under PA 1, which aim at stimulating education to thrive in challenging economic times, need to strongly promote awareness about courses and educational opportunities on offer in order to generate interest.

The overall use of publicity under PA 4 remains relatively low when compared to the other PAs due to the fact that the nature of projects under this PA are targeted towards the capacity building and strengthening of institutions within the public service. Therefore, the type of publicity used is different and targeted towards public service employees and social/civil partners rather than the external public at large.

Public events followed closely with seven projects (7) projects reporting this as most effective. Web presence was indicated as the second most effective measure.

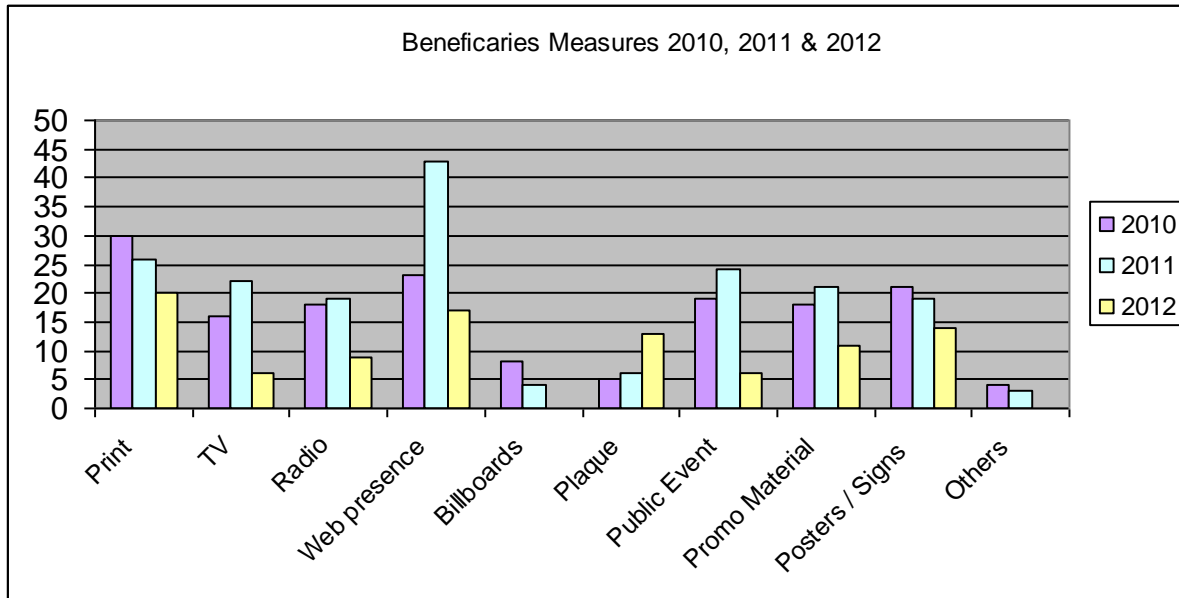


Figure 4: Beneficiaries Information and Publicity Measures 2010, 2011 & 2012

As anticipated above, 2012 registered a lesser use of publicity measures all round in comparison to 2010 and 2011. This is due to the fact that many projects are coming to an end with other in their initial stage of implementation. A peak in publicity actions is expected in 2013

A number of projects reported positively about the interest generated through their publicity initiatives:

- ESF 2.85 reported that over 500 applications were received to join the courses on offer that were advertised through the prospectus;
- ESF 1.36 reported that fifty (50) students graduated with a first degree after following the courses on offer;
- ESF 3.105 reported a very good interest in a seminar that was organised to present results on research about disabled persons;
- ESF 4.100 registered over 200 applications; and;
- ESF 2.11 reported that the training programme was over-subscribed.

Conclusion

At this stage of the programming period, the importance of promoting results achieved through the various projects and schemes implemented is acknowledged. For this reason, the Managing Authority will continue its communication efforts, giving the necessary promotion to actions under the OP, using

these to inform the public on Cohesion Policy 2007-2013. While employing traditional means of communication, the Managing Authority will also be seeking out new and innovative means of informing the public. Support and cooperation by the Intermediate Bodies, Project Beneficiaries as well as other stakeholders will ensure that the right target audiences are reached, and the message put forward is a clear and positive one.

Annex I

List of ESF projects and respective themes as found on the Investing in Your Future website (www.investinginyourfuture.gov.mt) upon launch of website (18 December 2012)

		Heritage & Tourism	Equal Opportunities	Health	Research, Science & Technology	Education	LLL & Employment	Environment, Climate Change & RES	Risk Prevention & Waste Management	Public Infrastructure	Public Administration	Private Sector
ESF1.123	Training Support for the e-Learning Programme				X	X						
ESF1.125	Creating a Knowledge Transfer Framework and Technology Entrepreneurship Training Programme					X						
ESF1.130	Making VET Education More Relevant and Attractive					X						
ESF1.131	Training Educators for Diversity					X						
ESF1.19	Online e-Learning Management System for Post-graduate Medical Training Activities			X		X						
ESF1.21	Parents and Teachers Fusion ICT Training Programme				X	X						
ESF1.22	Research Analysis and Training for Enhancing the University Library					X						
ESF1.23	Higher education courses to address skills mismatches in Gozo					X						
ESF1.24	Career Guidance Capacity Building					X						
ESF1.25	Strategic Educational Pathway Scholarships - STEPS					X						

		Heritage & Tourism	Equal Opportunities	Health	Research, Science & Technology	Education	LLL & Employment	Environment, Climate Change & RES	Risk Prevention & Waste Management	Public Infrastructure	Public Administration	Private Sector
ESF1.28	Accrediting Quality Vocational Training (VQPACK)					X						
ESF1.29	Valuing all Skills for the Labour Market (SKILLSPLUS)					X						
ESF1.31	Wood CPR: Education & Training in Wood Conservation Restoration (ICMCH)					X						
ESF1.33	Increasing ICT Student Capacity in Malta				X	X						
ESF1.34	Addressing skills mismatches in the aviation maintenance industry				X	X						
ESF1.36	Professional development programmes for MCAST staff & student's top-up degrees					X						
ESF1.40	Science Popularisation Campaign				X	X						
ESF2.11	Developing Leaders for Change and Innovation in Tourism	X					X					
ESF2.12	Second Step				X		X					
ESF2.137	Train to Succeed						X					
ESF2.138	Empowering Pyrotechnicians For Longevity and a Safer Quality of Workplace						X					
ESF2.139	Increasing Accessibility, Flexibility and Innovation to MCAST Life-Longlearning Course Offer						X					
ESF2.4	Employability Programme						X					

		Heritage & Tourism	Equal Opportunities	Health	Research, Science & Technology	Education	LLL & Employment	Environment, Climate Change & RES	Risk Prevention & Waste Management	Public Infrastructure	Public Administration	Private Sector
ESF2.65	Training Aid Framework (TAF)											X
ESF2.7	Training Courses to enhance Employability and Adaptability of the Workforce						X					
ESF2.72	EPITOME - Empowerment Programme for IT use: Outreach for Micro Entrepreneurship				X		X					
ESF2.78	Retaining and Attracting People within Tourism through Diversity Management	X										
ESF2.84	Promoting Life-Long Learning amongst Civil Society Organizations' Voluntary Staff						X					
ESF2.85	Linking Industrial Needs and VET to Optimise Human Capital						X					
ESF3.102	Inclusion for Employment		X									
ESF3.105	Promoting the Social Inclusion of Disabled persons with Challenging Behaviour		X									
ESF3.107	ICT specialisations for inclusive upskilling/re-skilling of women and disadvantaged groups		X		X							
ESF3.108	LWIEN		X									
ESF3.110	Better Future: Promoting an Equal & Inclusive Labour Market		X									

		Heritage & Tourism	Equal Opportunities	Health	Research, Science & Technology	Education	LLL & Employment	Environment, Climate Change & RES	Risk Prevention & Waste Management	Public Infrastructure	Public Administration	Private Sector
ESF3.112	Training Rehabilitation Workers for persons with visual impairment		X									
ESF3.113	Employment Support for Persons with Disabilities		X				X					
ESF3.114	Employment in the Social Economy		X				X					
ESF3.42	An Independent living training service for disabled people in Malta		X									
ESF3.43	Dignity for Domestic Violence Survivors		X									
ESF3.47	Unlocking the female potential		X									
ESF3.48	Lifelong Learning for enhanced employability for parents (LLEEP)						X					
ESF3.49	Training of Inclusion Coordinators for Secondary Education		X									
ESF3.52	Care creates changes in people's lives						X		X			
ESF3.54	REACH- Opportunities close to home		X				X					
ESF3.56	Specialised research on OHS and the development of OHS accreditation			X								
ESF3.59	Nista': The benefits of sharing life's responsibilities campaign		X									
ESF3.60	Youth Employment Programme		X									

		Heritage & Tourism	Equal Opportunities	Health	Research, Science & Technology	Education	LLL & Employment	Environment, Climate Change & RES	Risk Prevention & Waste Management	Public Infrastructure	Public Administration	Private Sector
ESF3.61	E4L: Embark for Life - Labour market integration of socially excluded youth		X									
ESF3.62	ME2 - Integration of persons with a disability in the labour market		X									
ESF3.64	Employment Aid Programme											X
ESF3.66	Ic-Cavetta - Maltese Literacy Toolkit for employment and education inclusion		X									
ESF3.71	Impact Assessment of Mental Health on Employment for Policy Development		X									
ESF4.100	Developing Core Skills in the Public Service										X	
ESF4.86	Capacity Building for Equipping and Representing Micro Businesses Employers										X	
ESF4.87	Developing the Maltese Public Sector's Capacity to Implement Better Regulation										X	
ESF4.94	Closer to Europe										X	
ESF4.97	Employee Support Programme (ESP) for Public Employees										X	
ESF4.98	Strengthening IMU's and other related functions through Specialist Training Programmes				X						X	
Total no. of projects per theme		2	19	2	9	17	15	0	1	0	6	2

Operational Programme II - Communication Plan Indicators

(Targets are until 2015 and cover both OPs)

(D.N.A. - data not available in the case of new indicators and/or where the information was not gathered or available at the time)

ation Measure	Output	Target	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total	Result	Target	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Events	Total no. of annual events organised:	1 per year	1	1	1	1	1	1				6	Average increased awareness of Cohesion Policy 2007-2013 projects for participants following the annual event:	50%										
	Total no. of objectively verifiable expected participants attending annual events:	1,000 participants	D.N.A.*		10	D.N.A.*	40		D.N.A.			506						D.N.A.		49.66	50.00%	D.N.A.		

	Total no. of web presences	1	1****										Total no. of helpdesk queries per year:	100	66	135	90	84	92	121				522	
	Social networking page (setup in Q4 of 2010):	1	0	0	0	1	1	1					1	Total no. of social networking page subscribers:	400	N/A	N/A	N/A	114	84	273				471
Media Relations	Total no. of press participation in events:	20	1	2	0	1	4	2					10												
	Total no. of media interviews/features, including articles	35	3	4	8	8	11	3					37												

		Total no. of media queries answered:	35	1	8	9	2	5	0				25			
Launch	No. of newsrooms covering the launch:	10										Total no. of media publicizing event:	10	10		
	No. of info seminars organised:	6										Total no. of participants at launch:	250	250		
												Total no. of participants at information seminars:	300	300		

*2007 was the year of the launch; in 2008 the event was an information festival held at City Gate in Valletta; in 2010 the event was an ME&U fest (information festival). The nature of the events did not lend data to be

captured.

In 2012 the information activity was the launch of a new website Investing in Your Future - the launch was open to members of the press only.

**Calculated figures are for OPII only

*** The documentary produced last year is still available online for public viewing

**** the data for the new website will be fully captured in 2013 - at this stage can only report for 2 weeks in December since launch was on 18/12/2012 - two weeks are not representative of the whole year + they are discussed in body of text

7 - Concluding Remarks

2012 was a challenging year for both the MA and the stakeholders involved in the implementation of the Operational Programme. As in previous years, mitigating measures for delaying factors continued to be identified and addressed throughout the year. The Project Progress Meetings have been even more focused and new informal structures intended to ensure that issues identified during implementation (especially the verification) are addressed in a timely manner have been set up and have facilitated the implementation of the programme (such as the weekly meetings between DG-Contracts and DG-PPCD). In an effort to further commit the Programme, a number of calls for proposals were issued in 2012 and considerable effort was made by the PSC to evaluate applications received.

In numbers, 2012 translated in the ongoing implementation of the seventy-five (75) operations⁵²⁰, including two (2) schemes.

In terms of assistance more than 21,000 individuals benefitted from actions under the OP and more than 1,300 newly approved grants were signed with enterprises in 2012 alone.

This activity translated in €118,301,302 of the OP allocation approved for projects (including Aid Scheme and TA), of which €75,431,693 have been contracted whilst €46,761,811 paid by year end. Up to December 2012, €41,600,651.60 had been verified by the MA, out of which €33,728,880 had been proposed for certification and € 31,781,820.31 certified to the CION⁵²¹. The Programme's overall commitment and disbursement rates rose over the 2011 figures and in order to sustain this level of activity, the MA strengthened its internal capacity through capacity building and recruitment of additional staff. Apart from the financial progress, the completion of operations on the ground also reflected in an equivalent increase in the performance indicators.

The year 2013 will pose several challenges to the MA, not only in terms of committing the remaining funds, totalling to more than €13 million, but also in terms of the N+2/3 rules⁵²² and the financial targets that loom over 2013. To this end, the MA will focus its efforts to warrant enough disbursement and verify amounts paid in a timely manner to close the gap and ensure that Malta achieves its financial targets. Apart from the mitigation measures against the potential de-commitments, the MA will also continue its work to select further projects to commit fully the Operational Programme.

Furthermore during 2013, the MA will be coordinating with the relevant unit responsible for programming to ensure that future programming is inclusive of as many lessons learnt, from 2007-2013, as possible.

⁵²⁰ By December 2012, twenty-eight (28) were in the closure process with four (4) managing to submit their closure reports by the end of the year

⁵²¹ The difference reflects expenditure certified in January 2013

⁵²² As laid down in the provisions concerning automatic de-commitment in Articles 93 to 97 of Regulation (EC) N° 1083/2006

Annex 1 – Cumulative Expenditure Table⁵²³

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>	41,400,000.00	35,970,957.63	27,713,092.76	22,515,489.88	86.89%	66.94%	54.39%
Priority Axis 2 (ESF) <i>Investing in the employability and adaptability of the workforce</i>	30,995,000.00	30,705,628.90	18,995,996.74	9,154,313.62	99.07%	61.29%	29.53%
Priority Axis 3 (ESF) <i>Promoting an equal and inclusive labour market</i>	36,900,000.00	33,275,520.47	19,646,876.00	9,949,204.96	90.18%	53.24%	26.96%
Priority Axis 4 (ESF) <i>Strengthening of Institutional and Administrative Capacity</i>	17,199,117.00	13,078,607.05	5,041,112.49	3,318,295.53	76.04%	29.31%	19.29%

⁵²³ Figures quoted represent progress as at end 2012 and are expressed in total public eligible cost.

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Priority Axis 5 (ESF) <i>Technical Assistance</i>	5,270,588.00	5,270,588.00	4,034,615.46	1,824,507.10	100.00 %	76.55%	34.62%
Grand Total	131,764,705.00	118,301,302.05	75,431,693.45	46,761,811.09	90%	58%	35 %

Annex 2 – List of Projects & Aid Schemes as at end December 2012

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) Training Courses for the educational sector in Gozo (ESF1.209)
- 19) ePortfolio for Postgraduate Medical Training (ePmt) (ESF1.211)

- 20) Developing Leaders for Change and Innovation in Tourism (ESF 2.11)
- 21) Second Step (ESF 2.12)
- 22) Employability Programme (ESF 2.4)
- 23) Training Courses to enhance Employability and Adaptability of the Workforce (ESF 2.7)
- 24) EPITOME - Empowerment Programme for IT use: Outreach for Micro Entrepreneurship (ESF 2.72)
- 25) Retaining and Attracting People within Tourism through Diversity Management (ESF 2.78)
- 26) Promoting Life-Long Learning amongst Civil Society Organizations' Voluntary Staff (ESF 2.84)
- 27) Linking Industrial Needs and VET to Optimise Human Capital (ESF 2.85)
- 28) Train to Succeed (ESF 2.137)
- 29) Empowering Pyrotechnicians For Longevity and a Safer Quality of Workplace (ESF 2.138)
- 30) Increasing Accessibility, Flexibility and Innovation to MCAST Life-Longlearning Course Offer (ESF 2.139)
- 31) Skills Upgrading for the Tourism Sector in Gozo (ESF 2.141)
- 32) Re-Skilling of Workers for the Local Film Industry (ESF2.186)
- 33) Enhancing Employability through Training (EET) (ESF2.201)
- 34) An Independent living training service for disabled people in Malta (ESF 3.42)
- 35) Dignity for Domestic Violence Survivors (ESF 3.43)
- 36) Unlocking the female potential (ESF 3.47)
- 37) Lifelong Learning for enhanced employability for parents (LLEEP) (ESF 3.48)
- 38) Training of Inclusion Coordinators for Secondary Education (ESF 3.49)
- 39) Care creates changes in people's lives (ESF 3.52)
- 40) REACH- Opportunities close to home (ESF 3.54)

- 41) Specialised research on OHS and the development of OHS accreditation (ESF 3.56)
- 42) Nista': The benefits of sharing life's responsibilities campaign (ESF 3.59)
- 43) Youth Employment Programme (ESF3.60)
- 44) E4L: Embark for Life - Labour market integration of socially excluded youth (ESF 3.61)
- 45) ME2 (ESF 3.62)
- 46) Ic-Cavetta - Maltese Literacy Toolkit for employment and education inclusion (ESF 3.66)
- 47) Impact Assessment of Mental Health on Employment for Policy Development (ESF 3.71)
- 48) Inclusion for Employment (ESF 3.102)
- 49) Promoting the Social Inclusion of Disabled persons with Challenging Behaviour (ESF 3.105)
- 50) ICT specialisations for inclusive upskilling/re-skilling of women and disadvantaged groups (ESF 3.107)
- 51) LWIEN (ESF 3.108)
- 52) Better Future: Promoting an Equal & Inclusive Labour Market (ESF 3.110)
- 53) Training Rehabilitation Workers for persons with visual impairment (ESF 3.112)
- 54) Employment Support for Persons with Disabilities (ESF 3.113)
- 55) Employment in the Social Economy (ESF 3.114)
- 56) Capacity Building for Equipping and Representing Micro Businesses Employers (ESF 4.86)
- 57) Developing the Maltese Public Sector's Capacity to Implement Better Regulation (ESF 4.87)
- 58) Closer to Europe (ESF 4.94)
- 59) Employee Support Programme (ESP) for Public Employees (ESF 4.97)
- 60) Strengthening IMU's and other related functions through Specialist Training Programmes (ESF 4.98)
- 61) Developing Core Skills in the Public Service (ESF 4.100)
- 62) Capacity Building for MCST (ESF 4.152)

- 63) Development Quality Management in the Public Administration through CAF (ESF 4.159)
- 64) Training of Consumer and Competition Officials and Awareness Campaign (ESF 4.163)
- 65) Time to Consolidate (ESF4.164)
- 66) Enhancing the Public Service HR Management Competence (ESF4.167)
- 67) Training Health Care Professionals for Integrating Acute and Community Care (ESF4.174)
- 68) Capacity Building for Medical Physics Services in Malta (ESF4.175)
- 69) Enhancing Data Protection Compliance in the Public Service (ESF4.180)
- 70) Improving Public Governance and Management at Local Level (ESF4.181)
- 71) Strengthening the Office for Competition for better functioning markets (ESF4.182)
- 72) Continuous Training and Development for the Public Sector in Gozo (ESF4.189)

Aid Schemes

- 73) Training Aid Framework (TAF) (ESF 2.65)
- 74) Employment Aid Programme (EAP) (ESF 3.64)