

Operational Programme II Cohesion Policy 2007-2013

Empowering People for More Jobs and a Better Quality of Life

Annual Implementation Report

2014



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
ACR	Annual Control Report
AIR	Annual Implementation Report
ALP	Alternative Learning Programme
APL	Accreditation of Prior Learning
CA	Certifying Authority
CAF	Common Assessment Framework
CAF	Common Assessment Framework
CCF	Corradino Correctional Facility
CESGI	Centro Studi per la Governanza dell'Innovazione'
CF	Cohesion Fund
COCOF	Coordination Committee of the Funds
COESIF	Coordination Committee for the European Structural and Investment Funds
CPD	Continuing Professional Development
CPR	Common Provision Regulation
CSGs	Community Strategic Guidelines
CSR	Country Specific Recommendation
CV	Curriculum Vitae
DG	Director General
DLG	Department for Local Governance
DoC	Department of Contracts
DQSE	Directorate for Quality and Standards in Education
DSWS	Department for Social Welfare Standards
EAFRD	European Agricultural Fund for Rural Development
EAP	Employment Aid Programme
eAPEL	e-Accreditation of Prior Experiential Learning

EC	European Commission
EEA	European Economic Area
EEG	European Employment Guidelines
EES	European Employment Strategy
EET	Enhancing Employability through Training
EFF	European Fisheries Fund
EPP	Electronic Public Procurement
ERDF	European Regional Development Fund
ERF	European Refugee Fund
ESF	European Social Fund
ESG	Evaluation Steering Group
ESL	Early School Leaving
ESP	Employee Support Programme
ETC	Employment and Training Corporation
EU	European Union
EUPA	European Union Programmes Agency
EURES	EURopean Employment Services
FCU	Financial Control Unit
FDP	Funds & Programme Division
FES	Foundation for Educational Services
FHE	Further Higher Education
GDP	Gross Domestic Product
GPP	Green Public Procurement
IAID	Internal Audit Investigation Department
IB	Intermediate Body
IBSC	Intermediate Body Steering Committee
ICT	Information Communication Technology
IEG	Integrated Employment Guideline
IF	European Fund for the Integration of third Country Nationals

IMCC	Inter-Ministerial Co-ordination Committee
INIO	Informal Network of Information Officers
IP	Intellectual Property
ISCED	International Standard Classification of Education
IT	Information Technology
ITP	Intensive Training Programme
ITS	Institute of Tourism Studies
JER	Joint Employment Report
KMS	Kunsill Malti għall-Isport
KNPD	Kummissjoni Nazzjonali Persuni b' Dizabilità
KT	Knowledge Transfer
LAPS	Learning and Assessment Programmes
LEAP	Leadership for Energy Action and Planning
LM	Line Ministry
LMS	Learning Management System
LOF	Learning Outcomes Framework
LSA	Learning Support Assistants
MA	Managing Authority
MBB	Malta Business Bureau
MC	Monitoring Committee
MCAST	Malta College for Arts, Science and Technology
MCESD	Malta Council for Economic and Social Development
MEAIM	Ministry for European Affairs and Implementation of the Electoral Manifesto
MEDE	Ministry of Education and Employment
MEU	Management Efficiency Unit
MEUSAC	Malta-EU Steering and Action Committee
MFC	Malta Film Commission
MFSS	Ministry for the Family and Social Solidarity
MIS	Management Information System

MITA	Malta Information Technology Agency
MJCL	Ministry for Justice, Culture and Local Governance
MPSC	Ministerial Project Steering Committee
MQC	Malta Qualifications Council
MQF	Malta Qualifications Framework
MQV	Making Quality Visible
MS	Member State
MT	Malta
MTI	Ministry for Transport and Infrastructure
NCF	National Curriculum Framework
NCFHE	National Commission for Further and Higher Education
NCPE	National Commission for the Promotion of Equality
NEETS	Not in Education Employment or Training
NGO	Non-Governmental Organisation
NHSCT	Northern Health and Social Care Trust
NHSCT	Northern Health and Social Care Trust
NQF	National Qualifications Framework
NRP	National Reform Programme
NSO	National Statistics Office
NSRF	National Strategic Reference Framework
OP	Operational Programme
OPI	Operational Programme I
OPII	Operational Programme II
PA	Priority Axis
PPCD	Planning and Priorities Co-ordination Division
PPR	Project Progress Report
PSC	Project Selection Committee
PWC	Pricewaterhouse Coopers
QA	Quality Assurance

R&D	Research & Development
RD	Restoration Directorate
RES	Renewable Energy Sources
RPL	Recognition of Prior Learning
S&T	Science and Technology
SAMB	State Aid Monitoring Board
SEC	Secondary Education Certificate
SFD	Structural Funds Database
SOE	Statement of Expenditure
SOP	Standard Operating Procedure
STEPS	Strategic Educational Pathway Scholarships
TA	Technical Assistance
TAF	Training Aid Framework
TFEU	Treaty on the Functioning of the European Union
TM	Transport Malta
TSS	Training Subsidy Scheme
TSSA	Training Subsidy Scheme Academic (TSSA)
UK	United Kingdom
UOM	University of Malta
UHM	Union Haddiema Magħqudin
VAT	Value Added Tax
VET	Vocational Education and Training
VLE	Virtual Learning Environment
YGIPs	Youth Guarantee Implementation Plans

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: 2014

Date of approval of the annual report by the Monitoring Committee
29th May 2015

2 – Overview of the implementation

2.1 Achievement and analysis of the progress

The main objective of Operational Programme II (OPII) is to primarily address the development of human resources and the employment needs of the country, addressing the NSRF strategic objective *investing in human capital*. The OP, through its Priority Axes, contributes to priorities identified within Pre-Budget documents and the National Reform Programme. Supported by four Priority Axes, the OP aims towards investment in human capital and the strengthening of labour market structures through improvements in education and skills; investment in employability and adaptability of the workforce; support towards an equal and inclusive labour market; and strengthening of institutional and administrative capacity.

In line with the underlying direction provided by the Community Strategic Guidelines, the OP concentrates the allocation of funds on those areas which contribute to the overall objective *investment in human capital to raise the employment rate*. The overall objective is further sub-divided into two specific objectives: Objective 1 aiming at Investing in human capital addressed mainly through three Priority Axes, namely PA 1 – Improving Education and Skills; PA 2 – Investing in employability and adaptability of the workforce and PA 3 – Promoting an equal and inclusive labour market. Together with PA 4 – Strengthening institutional and administrative capacity, PA 3 also contributes towards Objective 2, namely *Strengthening labour market structures*.

The achievement of these objectives is possible through the allocation of €131M. Considering that the programming period is nearing its end, during the year under review an over-commitment on the overall allocation was made with the aim to ensure full absorption of funds. This report provides a thorough analysis of the progress registered in 2014 under OPII.

2.1.1 Information on the physical progress of the Operational Programme

Towards the end of the reporting year, the number of approved operations stood at ninety-two (92)¹ out of which forty-nine (49) are still ongoing. With regards to the closed projects, as at end 2014, twenty-eight (28) had all payments certified, whilst another fifteen² (15) projects have concluded their activities but administratively were still ongoing by year end. With regard to progress registered in terms of budgets and results achieved on the ground, by 31 December 2014, the MA not only managed to commit the full amount allocated under the OP (€131,764,707) but also overcommitted

¹ Eighty-nine (89) mainstream projects; two (2) Aid Schemes and one (1) Technical Assistance

the allocation by 1.67%³. This was done in order to ensure maximum absorption of funds as much as possible. The latter also means that over the past year, the committed amount increased by 2.16%⁴. Furthermore, by end of December 2014, 82.60% of the OP allocation was contracted i.e. there was an increase of 15.99% from the previous reporting period⁵. In order to achieve the above mentioned progress, in May 2014, the MA issued the last call for project proposals. The latter resulted in nine (9) projects being approved under PA 4⁶ fully allocated the Axis allocation.

During the year under review, disbursement increased by 5.83% over the previous year⁷ amounting to €24,094,827.31⁸ bringing the total cumulative payments as at the end of year to €93,662,185. The latter represents 71.08% of the committed⁹ amount and 86.06% of the contracted amounts¹⁰ which is an improvement over the previous year.

In 2014, besides ensuring timely disbursement from the Beneficiary's end, the A kept focusing on the verification of expenditure reaching once again the financial targets set for Malta (N+3 targets). As a matter of fact, by end 2014, certified public eligible expenditure amounted to €88,773,635¹¹ representing 67.37%¹² of the total OP allocation.

In the year under review more and more individuals kept on reaping the benefits of ESF through measures aimed at improving education and skills; employability and adaptability in the labour market; social inclusion; and lifelong learning to strengthen the institutional and administrative capacity. This is further highlighted by the achievements registered in the majority of output and result indicators¹³ as will be described below and in more detail in Chapter 3.

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

In 2014 activity under the two (2) schemes, namely the Training Aid Framework (TAF) and the Employment Aid Programme (EAP), implemented under Article 107 of the Treaty, implementation was mostly concentrated on the processing of reimbursement claims and management verifications although during the year under review saw the launch of the TAF scheme to commit additional funds allocated to the Scheme in 2014.

³ Commitments as at 31st December 2014 amounted to €133,961,155.09

⁴ Committed amount as at end 2013 stood at €131,133,092

⁵ In Air 2013 it was reported that 71% of the amounts committed and contracted

⁶ ESF 4.248 and ESF 4.249 approved under call 14 (launched in 2014).

⁷ Paid public eligible amount in AIR 2013 amounted to €22,768,247

⁸ Public Eligible Paid Amount less adjustments for the year 2014

⁹ As per OP allocation i.e. €131,764,707

¹⁰ Contracted public eligible amount as at 31.12.2014 amounts to €108,837,486.35

¹¹ The total certified public eligible amount up to end 2013 amounted to €61,942,286 (as per AIR) and €61,942,281 (as per report sent by FCU)

¹² AIR 2013 states that certified amount up to end of December 2013 amounted to 46% of the OP allocation. According to my workings figure had to read 47% and not 46%.

¹³ 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.

As will be described in more detail under Chapter 3, the launch of the TAF scheme saw the piloting of a simplification process. This simplification is set to result in a faster and more efficient process with fewer administrative costs in terms of human resources.

As already reported in the AIR 2013, both Schemes had achieved full commitment of the total public eligible amount allocated to it by the end of 2014, resulting in €24.1m¹⁴ committed to operations by more than 1,500 different private enterprises. Nevertheless, a number of de-commitments were registered over the years during the reimbursement processing, as Beneficiaries either claimed less amounts than committed, or the eligible amounts were reduced by the IB following its management verifications. These amounts have been recommitted within the schemes. In fact during in November ETC launched an extension to the TAF scheme entitled - TAF2, whereby an additional funding of about €1.1 million was allocated for training that will be completed by the end of June 2015. This brought the total allocated budget of the Training Aid Framework to almost €10 million.

With regards the Employment Aid Scheme, during January 2014, the IB issued all grant agreements linked to the EAP (Gozo extension) to those eligible beneficiaries. This amounted to 322 grants agreement for a value of more than to €2 million. Most of these grant agreements were issued covering the period January 2014 till December 2014 for all target groups, the only element that varied was the aid intensity; for target group 7 (the target group for disabled persons) these had an aid intensity of 75% while all the other target groups – target group 1 to 6 (the target groups for disadvantage persons) had an aid intensity of 50%.

The two Aid Schemes contributed significantly to OPII financial targets for 2014, with a total of €7.38M¹⁵ (public share) certified to the Commission under both Schemes (representing 28% of the amounts certified under the entire Programme during the year under review). More than €2M (public eligible) was paid under the TAF during 2014, bringing the total amount public eligible paid to around 83% from the value that remained valid as at end 2014. The remaining €1M are to be disbursed, by the end of 2015. Even better results were achieved under the EAP, where €4.34M were paid in 2014; this amount included the processing of part-payment for the Gozo Extension of the EAP (Gozo), the remaining €949k will be processed by the IB in 2015.

- **Territorial Earmarking: Progress on Implementation of the 10% Commitment for Gozo**

As reported in previous years, Government has a territorial commitment to spend 10% of OPII Funds on projects that contribute directly to Gozo's socio-economic development.

¹⁴ TAF €9,962,844 and EAP €14,162,500, excluding the over-commitments

¹⁵ TAF €2.13M and EAP - €5.25M

As at end 2014, there were five (5) Gozo-based projects¹⁶, contributing to a direct investment of €597,073 in public eligible costs. In addition, as at end 2014 (under ESF), there were sixty-seven (67) projects which had a component targeting Gozo, (32 projects out of 64 are now considered closed¹⁷), with an investment of €10,973,219. Out of this amount, €368,662 has been committed under the TAF scheme while €4,120,500 has been committed under EAP, assisting 335 valid participants¹⁸. This brought the total overall investment contributing to Gozo's socio-economic development to €11,570,292.

It is important to note that, by late 2014 slight progress was made towards the 10% commitment with the new projects selected under Call 14. Through this call, out of the nine (9) selected projects five (5) projects committed a total amount of €104,269 towards Gozo. It should be also noted that during the year under review, circa €162,492 previously committed on Gozo were registered as savings on a number of projects. In this regard, the commitment towards Gozo has decreased slightly, from €11,732,784 in 2013 to €11,570,292 in 2014.

By way of summary, as at end of the year, the total commitment for Gozo (including Aid Schemes) was €11,570,292, equivalent to 8.64% of the total OP allocation. It should be noted that although the 10% commitment target towards Gozo has not been achieved through direct contributions, a number of interventions, such as campaigns and studies indirectly target the Gozo population but it is not possible to quantify such contribution.

¹⁶ ESF 1.23, ESF 2.7, ESF 2.141, ESF 3.108 and ESF 4.189 (same projects outlined in 2013 except ESF 1.209 – the latter is now falling under the remit of the MED to cater for both Maltese and Gozitan participants)

¹⁷ Closed projects include those projects which payments are all raised in the SOE and/or those projects whose activities have been completed but project administration is still on-going

¹⁸ Participants under the new EAP for Gozo are not reported here. These will be reported in the AIR 2015, following commitments made between the IB and the Beneficiaries in January 2014

- **Indicators**

Table 1 - Indicators - Priority Axis 1: Improving Education and Skills

Priority Axis 1 – Improving education and skills				2007	2008	2009	2010	2011	2012	2013	2014	Total	
Output	A	Indicator 1: Number of persons participating in further or higher education & training programmes	Achievement	0	0	140	155	147	45	229	66	782	
			Target	n/a	n/a	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	n/a	n/a
	B	Indicator 2: Number of persons participating in S&T or ICT in further or higher education & training programmes	Achievement	0	15	583	605	745	397	190	399	2,934	
			Target	n/a	n/a	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	n/a	n/a
		Indicator 3: Number of persons participating in S&T or ICT capacity building education & training	Achievement	0	0	1	27	52	2	0	0	82	
			Target	n/a	n/a	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	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	1	1	7	
			Target	n/a	n/a	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	n/a	n/a
	C	Indicator 5: Number of persons trained through capacity building courses	Achievement	0	0	96	545	49	150	331	171	1,342	
			Target	n/a	n/a	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	n/a	n/a
Indicator 6: Number of persons trained through supplementary courses, modules or credits for better skills matches		Achievement	0	213	211	1,503	3,744	4,741	3,731	734	14,877		
		Target	n/a	n/a	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	n/a	n/a	
Indicator 7: Number of actions supporting educational quality, relevance, structures, systems, campaigns and research		Achievement	0	0	1	4	5	1	2	2	15		
		Target	n/a	n/a	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	n/a	n/a	
Results	A	Indicator 1: % of participants gaining a further or higher education & training qualification	Achievement	0%	0%	0%	28%	38%	59%	57%	62%	62%	
			Target	n/a	n/a	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	n/a	n/a
	B	Indicator 2: % of participants gaining a further or higher education & training qualification in S&T or ICT	Achievement	0%	0%	0%	18%	27%	47%	71%	72%	72%	
			Target	n/a	n/a	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	n/a	n/a
		Indicator 3: % of participants	Achievement	0%	0%	0%	29%	90%	96%	96%	96%	96%	

		gaining a qualification/certification in capacity building education/training	Target	n/a	n/a	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	n/a	n/a
	C	Indicator 4: % of participants gaining a qualification/certification	Achievement	0%	0%	3%	53%	64%	86%	86%	86%	86%
			Target	n/a	n/a	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	n/a	n/a

Table 2 - Indicators - Priority Axis 2: Investing in employability and adaptability of the workforce

Priority Axis 2 – Investing in employability and adaptability of the workforce				2007	2008	2009	2010	2011	2012	2013	2014	Total	
Output	A	Indicator 1: Number of persons trained/supported	Achievement	0	0	4,809	14,084	15,885	6,893	2,446	7,749	51,866	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
		Indicator 2: Number of actions supporting educational structures, systems, campaigns and research	Achievement	0	0	0	0	0	3	4	2	9	
			Target	n/a	n/a	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	n/a	n/a
	B	Indicator 3: Number of undertakings supported	Achievement	0	0	114	853	938	857	12	0	2,774	
			Target	n/a	n/a	n/a	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	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%	33%	31%	33%	33%	32%	28%	28%	
			Target	n/a	n/a	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	n/a	n/a
		Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	77%	83%	86%	89%	86%	83%	83%	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
	B	Indicator 3: % of participants gaining a qualification/certification	Achievement	0%	0%	93%	95%	99%	99%	98%	98%	98%	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a

Table 3 - Indicators – Priority Axis 3: Promoting an equal and inclusive labour market

Priority Axis 3 – Promoting an equal and inclusive labour market				2007	2008	2009	2010	2011	2012	2013	2014	Total		
Output	A	Indicator 1: Number of actions supporting a lifecycle approach to work	Achievement	0	0	0	0	1	2	0	1	4		
			Target	n/a	n/a	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	n/a	n/a	
		Indicator 2: Number of women trained/ supported	Achievement	0	0	23	275	374	267	15	10	964		
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a	
		Indicator 3: Number of families benefiting from childcare	Achievement	0	0	0	0	0	0	0	0	0		
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a	
	B	Indicator 4: Number of vulnerable persons trained/supported	Achievement	0	0	494	3,486	4,316	1,638	88	1,583	11,605		
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a	
		Indicator 5: Number of persons trained in capacity building courses	Achievement	0	0	22	258	30	97	359	73	839		
			Target	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	600	
			Baseline	n/a	0	n/a	n/a	n/a	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	1	3	1	18		
			Target	n/a	n/a	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	n/a	n/a	
Indicator 7: Number of civil society projects		Achievement	0	0	2	0	1	1	0	0	4			
		Target	n/a	n/a	n/a	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	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%	39%	38%	37%	42%	
				Target	n/a	n/a	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	n/a	n/a
	Indicator 2: % of participants gaining a qualification/certification		Achievement	0%	0%	0%	75%	61%	49%	48%	47%	47%		
			Target	n/a	n/a	n/a	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	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%	14%	42%	75%	81%	70%	70%		
			Target	n/a	n/a	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	n/a	n/a	
		Indicator 4: % of participants in capacity	Achievement	0%	0%	0%	81%	83%	69%	36%	40%	41%		
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

	building gaining a qualification/certification	Target	n/a	n/a	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	n/a	n/a

Table 4 - Indicators – Priority Axis 4: Strengthening of institutional and administrative capacity

Priority Axis 4 – Strengthening of institutional and administrative capacity												
				2007	2008	2009	2010	2011	2012	2013	2014	Total
Output	A	Number of persons participating in training	Achievement	0	0	3	225	2,288	8,518	7,103	2,506	20,643
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9,000
			Baseline	n/a	n/a	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	4	2	5	13
			Target	n/a	n/a	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	n/a	n/a
	B	Number of projects supporting partnership	Achievement	0	0	2	0	0	0	0	3	5
			Target	n/a	n/a	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	n/a	n/a
Results	A	% of participants gaining a qualification/certification	Achievement	0%	0%	0%	22%	61%	88%	93%	92%	92%
			Target	n/a	n/a	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	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%	50%	0%	0%	0%	0%	50%
			Target	n/a	n/a	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	n/a	n/a

Table 5 - Indicators – Priority Axis 5: Technical Assistance

Priority Axis 5 - Technical Assistance				2007	2008	2009	2010	2011	2012	2013	2014	Total		
Output	A	Indicator 1: Number of Persons Trained	Achievement	0	86	57	71	31	44	48	59	396 ¹⁹		
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	350 ²⁰	
			Baseline	n/a	n/a	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	0	0	1	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
		Indicator 3: Number of Publicity measures undertaken	Achievement	3	5	4	5	5	3	4	3 ²¹	4	32 ²²	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
		Indicator 4: Number of studies/research activities carried out	Achievement	0	0	1	0	0	0	0	1	0	2	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
Result	A	Indicator 1: Reaching N+3/N+2 targets	Achievement	0%	0%	0%	0%	100%	100%	100%	100%	100% ²³		
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a	

A further analysis of the Output and Result indicators is provided in Chapter 3 of this report.

Impact Indicators

The overall impact indicator, namely *increasing the employment rate* aims to measure and assess the achievement of the overall objective of this OP, *Investing in Human Capital in order to increase the employment rate* as well as the specific objectives, *Investing in Human Capital* and *Strengthening labour market structures*. ESF has throughout the years supported the NSRF Strategic Objective of *Investing in Human Capital* and the NSRF core target and impact indicator with a target to increase the employment rate from 54.3% (in 2005) to 57% in 2013. The specific objectives are then further supported by four specific impact indicators.

¹⁹ 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

²⁰ Does not include repeat trainees

²¹ This figures includes: 1 (Annual Event); 1 (call for proposals) and 1 (promotional items and information tools, stickers, including adverts)

²² 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

²³ Under this indicator the total achievements are not being calculated cumulatively but are reflecting the final reporting year

The table below illustrates the target indicators as specified in the OP (as at 2005); the targets by 2013 as identified in the OP; and the actual achievements both as at end 2013²⁴; and as at end 2014.

Table 6 - Impact Indicators - Achievements

Impact Indicator	Original OP Baseline (as at 2005)	Target to be achieved by 2013 (as set in OP)	Actual Target achieved (as at 2013)	Actual Target achieved (as at 2014)
Increasing the employment rate	54.3%	57.0%	60.8% (15-64yrs)	62.3% (15-64 years)
% Increase in participation rates in upper secondary education level or more, of 20-24 years old	53.7%	70%	76.5%	75.6%
% Decrease of early school leaving rate	38.9%	22%	20.5%	20.2%
% Increase in the number of adults (25-64 years) participation in lifelong learning	5.4%	8%	7.6%	7.5%
% increase in female employment	33.9%	41.0%	47.0% (15-64yrs)	49.3% (15-64 years)

In line with the national target on employment, it is to be noted that ESF has largely contributed towards the achievement of the indicator *increase in employment rate* which by the end of the reporting period (2014) was at a rate of 62.3%. Whilst addressing the previously mentioned NSRF Strategic Objective, as can be seen in further detail within this report, the projects implemented under OPII have focused on addressing NRP targets, the National Employment Policy as well as the now the Europe 2020 Strategy and the European Employment Guidelines with a common aim to achieve the target under the overall impact indicator.

The specific indicator *increase in participation rates of 20-24 year olds in upper secondary education level or more* has been mainly addressed particularly through Priority Axis 1 – Improving Education and Skills which contributes directly towards improving the education experience and its relevance to the labour market. A total of nine (9) PA 1 projects²⁵ have contributed towards the achievement of this indicator through various activities such as the ESF 1.25 and ESF 1.225 scholarships. In fact, as at end 2014, 452 scholars aged between 20-24 had obtained a certification. Moreover, it is worth noting that a number of projects will continue to contribute towards this indicator post project. In fact, it is

²⁴ In line with the OP targeted timeframe

²⁵ ESF 1.25; ESF 1.28; ESF 1.29; ESF 1.31; ESF 1.36; ESF 1.125; ESF 1.130; ESF 1.209; ESF 1.225

planned that the ESF 1.130 which aims to improve the quality of vocational training and expand MCAST's course offerings will contribute towards the increase of certified students post project, once the courses are implemented. It is also estimated that a number of the certified students will ultimately find employment thus contributing towards the employment targets.

Both PA 1 and PA 3 projects²⁶ have contributed towards the specific impact indicator *decrease of early school leaving rate* which was targeted to be reduced by 22% as at end 2013 but recorded a remarkable decrease of 20.2% by the end of the reporting period. In the case of PA 1, the projects implemented by MCAST and MQC mainly contributed towards this indicator. The overall objective of the MCAST projects is to ultimately contribute towards the overarching goal of enhancing the educational experience by improving the quality of existing programmes to make them more relevant and accrediting courses to facilitate students' mobility and improve prospects of employment and to provide the necessary training to students in various areas such as ICT (ESF 1.33) and aviation (ESF 1.34). On the other hand, the MQC projects, also contributed towards the target of reducing ESL by contextualising vocational training and linking current training programmes within VET institutions to competences needed within industry and the design of occupational standards of skills within nine (9) key sectoral areas.

The impact indicator that was mostly targeted by ESF projects was *the increase in the number of adults (25-64 years) participating in lifelong learning*. With an aim to increase Malta's competitiveness, all the four (4) PAs under OP II encourage continuous training and development, equipping the workforce with skills to meet the changing labour market requirements. Although the targeted indicator has not been achieved, it should be noted that it is likely that this marginal non achievement would be addressed in the long run through projects that have invested in initiatives that offer flexible learning options that are new to the lifelong learning offer in Malta, such as ESF 2.139. Furthermore, it should also be noted that a substantial number of projects, mainly under PA 4, which are contributing towards this impact indicator are still under implementation. Therefore, it is estimated that ESF's contribution towards the achievement of this indicator will reap its benefits at closure stage.

Whilst PA 3 strives to address female participation in the labour market, it should be noted that the strongest force addressing the impact indicator *increase in female employment* has been Government's policy drive in reaching the set targets through its commitment to foster a better balance between the workplace and labour forms through family-friendly work environment, since it is believed that this is conducive in creating employment opportunities for all. In particular, the introduction of free child-care services continued to ensure that women have all the opportunities available to return to work. Besides addressing the specific impact indicator, such initiatives are also direct contributors towards an increased employment rate.

The attainment of the specific impact indicators, which lead to the achievement of the overall OP target, proves that through further studies and training people increase their employment chances and increase their adaptability in line with the challenges brought about by globalisation.

²⁶ ESF 1.28; ESF 1.29; ESF 1.31; ESF 1.33; ESF 1.34; ESF 1.130; ESF 3.49; ESF 3.108

2.1.2 Financial information

Advance Payments

No further advance payments were due to Malta in 2014. The total amount of advance payments received under ESF remained €10,080,000 as per Article 82 of EC Regulation 1083/2006.

Interim Payments

Interim payments received in 2014 amounted to €15,953,136, accounting for 24% of all interim payments received under the Programme by the end of the year (€67,681,726) excluding the advance payment. The MA launched the Statement of Expenditure process on six separate occasions in 2014, namely, February, March, June, July, November and December. Table 1 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 2014.

Table 7 - Summary of Verified, Certified and Received Amounts

Period of Statement of Expenditure	Verified by MA in 2014	Certified by CA in 2014	Received from EC in 2014
<i>ESF</i>	<i>Public Share (€)</i>	<i>Public Share (€)</i>	<i>EU Share (€)</i>
December 2013	0	0	922,353 ²⁷
February 2014	1,918,222	1,918,222	1,630,489 ²⁸
March 2014	4,673,572	4,673,572	3,972,536 ²⁹
June 2014	6,747,031	6,747,031	5,734,976 ³⁰
July 2014	4,344,449	4,344,449	3,692,782 ³¹
November 2014	7,662,436	7,662,436	0 ³²
December 2014	1,485,639	1,485,639	0 ³³
Grand Total	26,831,349	26,831,349	15,953,136

²⁷ Received from EC on 14th February 2014

²⁸ Received from EC on 30th April 2014

²⁹ Received from EC on 29th August 2014

³⁰ Received from EC on 21st October 2014

³¹ Received from EC on 19th December 2014

³² Received from EC (€6,513,071) on 16th January 2015

³³ Received from EC (€1,262,793) on 16th January 2015

Table 8 - Priority Axes by source of funding (€)

Priority Axis (PA)	Allocation of Funds (OPI)	Financial Contribution	Certified Amounts	Certified Amounts as a % of Allocation of Funds (OPI)
	€	Public Cost (P)	€	%
PA 1 – Improving Education & Skills	€41,400,000	P	€31,068,639	75%
PA 2 – Investing in Employability & Adaptability of Workforce	€30,995,000	P	€20,921,181	68%
PA 3 – Promoting an Equal & Inclusive Labour Market	€36,900,000	P	€25,734,813	70%
PA 4 – Strengthening of Institutional & Administrative Capacity	€17,199,118	P	€7,687,444	45%
PA 5 – Technical Assistance	€5,270,589	P	€3,361,558	64%
Grand Total	€131,764,707	P	€88,773,635	67%

Annual Control Report

The 2014 Annual Control Report for both Programmes (OPI and OPII), is based on systems audits and audits on operations that had expenditure declared to the Commission in 2013. The ACR, was submitted by IAID (the sole audit authority responsible to carry out the audits) on 30th December 2014 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, a system audit was carried out at the Employment and Training Corporation and the Treasury Department with respect to Operational Programme II. In addition eight (8) payment claims were selected from Operational Programme II from a total of 2,663 periodic payment claims certified in 2013. These claims were related to seven (7) operations. Following

feedback received on the ACR for year ending 2013, Directorate-General for Employment and Social Affairs requested the Audit Authority to draw a complimentary sample for ESF for expenditure declared in 2012 and 2013. IAID reviewed the coverage provided by the operations selected for auditing to date and it transpired that the aid schemes (Employment Aid Programme and Training Aid Framework) did not have enough coverage. Based on professional judgement, IAID deemed it necessary to audit a complimentary sample of twenty five (25) payment claims for year ending 2012 and twenty two payment claims (22) for year ending 2013.

The ACR reports that only one irregularity was detected from the complimentary sample checked. The irregular amount was settled in May 2014. 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 Programme functions well and provides a high level of assurance as derived from the systems audits and audits of operations.

2.1.3 Information about the breakdown of disbursement of funds

Table 9 - 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	1,750,903.04			
			22	MT0 - Malta	1,005,153.26			
			18	MT0 - Malta	1,803,582.33			
			20	MT0 - Malta	503,027.59			
			3	MT0 - Malta	445,692.81			
			4	MT0 - Malta	445,692.81			
			5	MT0 - Malta	445,692.81			
			6	MT0 - Malta	445,692.81			
			7	MT0 - Malta	445,692.81			
			8	MT0 - Malta	445,692.81			
			9	MT0 - Malta	445,692.81			
			10	MT0 - Malta	445,692.81			
			11	MT0 - Malta	445,692.81			
			12	MT0 - Malta	445,692.81			
			13	MT0 - Malta	445,692.81			
			15	MT0 - Malta	445,692.81			
			16	MT0 - Malta	445,692.81			
			19	MT0 - Malta	445,692.81			
			21	MT0 - Malta	445,692.18			
			63	1	3	14	MT0 - Malta	249,912.20
			64	1	3	18	MT0 - Malta	39,922.80
65	1	3	0	MT0 - Malta	88,695.30			
66	1	3	1	MT0 - Malta	29,965.21			

			2	MT0 - Malta	29,965.21
			3	MT0 - Malta	29,965.21
			4	MT0 - Malta	29,965.21
			5	MT0 - Malta	29,965.21
			6	MT0 - Malta	29,965.21
			7	MT0 - Malta	29,965.21
			8	MT0 - Malta	29,965.21
			9	MT0 - Malta	29,965.21
			10	MT0 - Malta	29,965.21
			11	MT0 - Malta	29,965.21
			12	MT0 - Malta	29,965.21
			13	MT0 - Malta	29,965.21
			14	MT0 - Malta	29,965.21
			15	MT0 - Malta	29,965.21
			16	MT0 - Malta	29,965.21
			17	MT0 - Malta	147,368.60
			18	MT0 - Malta	3,189,052.93
			19	MT0 - Malta	381,503.25
			20	MT0 - Malta	29,965.21
			21	MT0 - Malta	29,965.21
			22	MT0 - Malta	29,965.21
68	1	3	18	MT0 - Malta	451,183.59
69	1	3	18	MT0 - Malta	731,051.09
			20	MT0 - Malta	254,163.50
			22	MT0 - Malta	1,053,247.11
71	1	3	1	MT0 - Malta	574,070.06
			2	MT0 - Malta	574,070.06
			3	MT0 - Malta	574,070.06
			4	MT0 - Malta	574,070.06
			5	MT0 - Malta	574,070.06
			6	MT0 - Malta	574,070.06
			8	MT0 - Malta	574,070.06
			9	MT0 - Malta	574,070.06
			10	MT0 - Malta	574,070.06
			11	MT0 - Malta	574,070.06
			12	MT0 - Malta	574,070.06
			13	MT0 - Malta	574,070.06
			14	MT0 - Malta	574,070.06
			15	MT0 - Malta	574,070.06
			16	MT0 - Malta	574,070.06
			17	MT0 - Malta	574,070.06
			18	MT0 - Malta	996,396.71
			19	MT0 - Malta	574,070.06
			20	MT0 - Malta	6,598,306.97

			21	MT0 - Malta	574,070.06
			22	MT0 - Malta	3,099,701.70
			0	MT0 - Malta	56,961.82
72	1	3	1	MT0 - Malta	117,863.15
			2	MT0 - Malta	117,863.15
			3	MT0 - Malta	117,863.15
			4	MT0 - Malta	117,863.15
			5	MT0 - Malta	117,863.15
			6	MT0 - Malta	117,863.15
			7	MT0 - Malta	117,863.15
			8	MT0 - Malta	117,863.15
			9	MT0 - Malta	117,863.15
			10	MT0 - Malta	117,863.15
			11	MT0 - Malta	117,863.15
			12	MT0 - Malta	117,863.15
			13	MT0 - Malta	117,863.15
			14	MT0 - Malta	117,863.15
			15	MT0 - Malta	117,863.15
			16	MT0 - Malta	117,863.15
			17	MT0 - Malta	1,168,696.50
			18	MT0 - Malta	27,308,807.07
			19	MT0 - Malta	117,863.15
			20	MT0 - Malta	326,667.98
			21	MT0 - Malta	117,863.15
			22	MT0 - Malta	117,863.15
73	1	3	1	MT0 - Malta	51,939.69
			2	MT0 - Malta	51,939.69
			3	MT0 - Malta	51,939.69
			4	MT0 - Malta	51,939.69
			5	MT0 - Malta	51,939.69
			6	MT0 - Malta	51,939.69
			7	MT0 - Malta	51,939.69
			8	MT0 - Malta	51,939.69
			9	MT0 - Malta	51,939.69
			10	MT0 - Malta	51,939.69
			11	MT0 - Malta	51,939.69
			12	MT0 - Malta	51,939.69
			13	MT0 - Malta	51,939.69
			14	MT0 - Malta	611,315.50
			15	MT0 - Malta	51,939.69
			16	MT0 - Malta	51,939.69
			18	MT0 - Malta	9,669,280.37
			19	MT0 - Malta	151,467.03

			20	MT0 - Malta	71,939.71
			21	MT0 - Malta	51,939.69
			22	MT0 - Malta	291,672.18
74	1	3	18	MT0 - Malta	12,480,415.48
80	1	3	22	MT0 - Malta	206,949.50
			18	MT0 - Malta	93,215.90
			20	MT0 - Malta	493,120.61
81	1	3	17	MT0 - Malta	11,878,219.55
			18	MT0 - Malta	671,740.31
			0	MT0 - Malta	91,946.86
			20	MT0 - Malta	381,041.03
			9	MT0 - Malta	44,603.75
			22	MT0 - Malta	387,151.57
85	1	3	0	MT0 - Malta	2,992,500.65
86	1	3	0	MT0 - Malta	1,487,500
Grand Total					€113,866,981.82

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 (€24,125,344 of which €14,162,500 are funds allocated for the EAP and €9,962,844 for the TAF and TAF2). The below values are indicative and do not take into consideration the additional funds committed in 2014 which up to December 2014 had not been contracted.

Table 10 - Training Aid Framework

Code	Description of Economic Activity	Total Contracted/Paid Amounts
1	Agriculture, hunting and forestry	€ -
2	Fishing	€ -
3	Manufacture of food products and beverages	€ 421,092.77
4	Manufacture of textile and textile products	€ -
5	Manufacture of transport equipment	€ -
6	Unspecified Manufacturing Industry	€ 1,824,847.89
7	Mining and quarrying of energy producing materials	€ 5,620.65
8	Electricity, gas, steam and hot water supply	€ -
9	Collection, purification and distribution of water	€ 541.08
10	Post and Telecommunications	€ 331,671.91
11	Transport	€ 867,837.74
12	Construction	€ 228,002.83

13	Wholesale and Retail Trade	€ 1,183,561.53
14	Hotels and Restaurants	€ 421,084.73
15	Financial Intermediation	€ 376,377.10
16	Real Estate, renting and business activities	€ 1,247,894.03
17	Public administration	€ -
18	Education	€ 141,666.14
19	Human Health Activities	€ 92,148.68
20	Social work, community, social and personal services	€ 170,990.44
21	Activities linked to the environment	€ -
22	Other unspecified services	€ 149,506.11
Grand Total		€ 7,462,843.63³⁴

In this regard, the total indicative amount committed by EAP by the end of 2014 is divided by code of economic activities, as follows;

Table 11 - Employment Aid Programme

Employment Aid Programme			
Code	Economic Activity	Value	%
0	Not applicable	€ 10,031	0%
1	Agriculture, hunting and forestry	€ 194,600	1%
2	Fishing	€ 0	0%
3	Manufacture of food products and beverages	€ 511,978	4%
4	Manufacture of textile and textile products	€ 64,383	0%
5	Manufacture of transport equipment	€ 12,092	0%
6	Unspecified manufacturing industries	€ 2,019,338	14%
7	Mining and quarrying of energy producing materials	€ 19,855	0%
8	Electricity, gas, steam and hot water supply	€ 0	0%
9	Collection, purification and distribution of water	€ 0	0%
10	Post and telecommunications	€ 1,011,768	7%
11	Transport	€ 360,743	3%
12	Construction	€ 726,850	5%

³⁴ This amount reflects the committed amount as at end 2014 excluding the TAF extension. The amounts related to the TAF 2 will be recorded in 2015

13	Wholesale and retail trade	€ 3,248,015	23%
14	Hotels and restaurants	€ 577,001	4%
15	Financial intermediation	€ 427,780	3%
16	Real estate, renting and business activities	€ 2,871,771	20%
17	Public administration	€ 0	0%
18	Education	€ 238,248	2%
19	Human health activities	€ 558,552	4%
20	Social work, community, social and personal services	€ 28,764	0%
21	Activities linked to the environment	€ 29,811	0%
22	Other unspecified services	€ 1,250,921	9%
	Total Amount	€ 14,162,500	100%

2.1.4 Assistance by target groups

Table 12 - Annex XXIII Data on Participants

AIR 2014		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+ Unemployed+ Inactive)	14774	8381	12363	6985
	Employed	6579	3532	5506	2959
	Self Employed	441	145	374	118
	Unemployed	5942	3643	4985	3035
	Long Term Unemployed	1542	497	1339	430
	Inactive	2253	1206	1872	991
	Inactive in Education and Training	255	135	258	140
Age	Young People (15-24 years)	2652	1258	2415	1131
	Older Workers (55-64 years)	3093	2059	2474	1630
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	211	73	116	47
	Disabled	400	133	203	62
	Other Disadvantaged People	477	193	432	188
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	8697	5265	7230	4324
	Upper Secondary education (ISCED 3)	1666	768	1298	597
	Post-secondary non-tertiary education (ISCED 3)	1213	704	1095	634
	Tertiary Education (ISCED 5 & 6)	3198	1644	2740	1430

An analysis of the data in the above table is provided further down. In addition, analysis per PA can be found in Chapter 3.

2.1.5 Assistance repaid or re-used

In the year under review, financial corrections amounting to €119,349 were made to amounts already certified under ESF (i.e. assistance repaid or re-used following cancellation of assistance as referred to in Article 57 and 98 [2] of the Regulation [EC] No 1083/2006). These amounts were deducted from requests for payments made to the Commission during 2014. The amounts cancelled have been returned to the Programme and used for new calls for proposals issued under various Priority Axes.

2.1.6 Qualitative Analysis

The year 2014 proved to be a considerable challenge for the implementation of projects. Keeping in mind that there will still an allocation not yet committed under PA 4, the MA needed to focus on the commitment of funds allocated, the monitoring and evaluation of ongoing projects and considering the stage of the programme lifecycles, the collection of result from closed projects.

This was being done within the framework of Malta's target of achieving its N+2. In this respect, a concerted effort continued to be done in order to ensure a timely verification of payments. In order to do this, similarly to the previous year, 2014 continued to mark an ongoing coordination between the MA and the CA with considerable effort by both parties to verify and certify payments, in view of the N+3 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. Regular meetings with all stakeholders involved in order to address and solve bottlenecks proved to be an efficient way of expediting matters at all stages of implementation.

In 2014, a total of 14,774³⁵ people participated in the various initiatives financed through the Operational Programme. When compared to the previous year this shows a slight increase in participants benefitting from ESF funds, showing the continuous trend that some of the interventions are at their peak of their activities whilst others are drawing to a close.

Out of 14,774, 6,393 (44%) were male and 8,381 (56%) were female. Moreover 6,579 were employed³⁶ (45%), 5,942 (40%) were unemployed³⁷, whilst 2,253 (15%) were economically inactive³⁸. The participation of young people and older worker was 2,652 (representing 18% of total participants) for the former and 3,093 (21%) for the latter There is a registered increase in the participation of these cohorts as compared with the previous year. Clearly, the ESF has made an impact in assisting both

³⁵ 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

³⁶ Of which 440 were *self-employed* – 7% of the total Employed

³⁷ Of which 1542 were *long term unemployed* – 26% of the total Unemployed

³⁸ Of which 255 were *inactive in education and training* – 11% of the total Inactive

youths and older workers to get integrated or at least closer to the labour market. ³⁹ It is interesting to note this percentage does not reflect the percentage of the Maltese working population within the same target group, whereby only 22,161 or 12% are aged 55 years or over. The EAP Gozo has also started to report the expected results, in terms of undertakings supported. In fact, as at end 2014, 161 Gozitan undertakings took advantage of the scheme. In addition, during the year under review, projects which were at their initial stages have started with their activities on the ground, further contributing to the number of participants registered. Towards the end of the programme it is forecasted that this amount will increase even further with the consolidation of projects which have been approved in 2014 as well as activities which were planned for 2015.

The majority of those assisted or who benefitted through ESF projects were mostly of working age, amounting to 9,029 (61%). Persons coming from different vulnerable groups also benefited from operations implemented under OP II during the reporting year. Out of 1,088 participants falling in the category of vulnerable groups entered training during 2014, 400 were people with disabilities (37%). It is to be noted that the participation of persons falling within the vulnerable category has more than tripled, evidencing initiatives which revolve around the concept of social inclusion.⁴⁰ In terms of performance and results, as highlighted in *Table 1 Physical progress of the OP*, in 2014 achievements were registered on eighteen (18) output indicators and eleven (11) result indicators. A more detailed assessment of the indicators achievement will be presented in Chapter 3.

Operational Programme's contribution towards the Lisbon Objectives

Right from the start of the Programme, Malta has endeavoured to contribute as much as possible towards the achievement of the Lisbon Objectives and has participated voluntarily in the Lisbon Earmarking exercise through the interventions financed by ESF. As a result, to date 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.

As in previous years, the MA continued with its efforts towards the achievement of the OP earmarking targets. In this regard, the committed amounts contributing to the Lisbon Objectives have increased slightly from 84% as at end December 2013 to 85% as at end of the year under review.

As at end 2014, a total amount of €95,138,992 is committed in terms of earmarked codes (EU share) out of a total commitment (approved projects) amounting to €113,866,982⁴¹. The main achievements are outlined in Table 4 Cumulative breakdown of allocations of the Community contribution by category (Part C of Annex II). Throughout 2014, the MA continued to monitor the earmarking process.

³⁹ During 2013, the people entering into training/support provided through OP II amounted to 13,944 participants. This means that in 2014, there was a slight increase of 6% over the participants as at end of 2013. In addition, the total number of youths and older workers assisted in 2013 amounted to 1715 for the former and 1437 for the latter (54% increase in 2014)

⁴⁰ In 2013, a total of 304 vulnerable persons participated in ESF funded actions

⁴¹ This amount includes the committed projects targeting Codes 80, 81,85 and 86. These do not contribute directly to the Lisbon codes of intervention, but are nevertheless crucial for the Maltese context

As at end of the year, there were nine⁴² (9) newly approved projects which contributed towards the category addressing the mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, as well as capacity building in the delivery of policies and programmes.

Given that there were minimal fluctuations in the addressing new codes, the following categories, as was the case last year, are those which are most being 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*);
- 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*);
- g) Mechanisms for improving good policy and programme design, monitoring a devaluation at national, regional and local level, capacity building in the delivery of policies and programmes (*code 81*).

Similar to previous years of implementation, the implementation of OP II resulted in a higher commitment than originally planned of the codes of interventions 66, 71, 72, 74 and 81. On the other hand, some Lisbon-related categories of expenditure remained untapped or with a lower commitment than originally planned. These are codes 63, 64, 65, 67, 68, 69 and 70⁴³, which clearly indicate challenges in devising measures (receiving project applications) that directly address the area of organising work, the restructuring of sectors and firms, the support for start-ups and self employment as well as the encouragement of the active aging and prolonging working lives.

Amongst the significant changes, it was noted that the commitment under some codes (62, 69 and 73), has decreased when compared to previous year. The changes between 2013 and 2014 are the following:

Codes	Commitment as at end 2013	Commitment as at end 2014
63	262,480.91	249,912.20
65	101,181.08	88,695.30
66	4,371,805.37	4,287,263.73

⁴² The projects approved in 2014 contribute to Code 81

⁴³ 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

69	2,169,896.04	2,038,461.71
71	21,529,724.66	21,084,628.27
72	31,114,137.23	31,043,571.39
73	11,964,570.52	11,626,709.89
80	931,898.45	793,286.01

The reduction in the commitment was mainly due to the savings registered and returned to the programme under several projects under all Priority Axis during the year under review. This is considered to be normal taking into consideration the stage of implementation of the programme.

Horizontal Themes

As part of the Malta's Structural Funds Programmes, horizontal themes play a crucial role in the implementation of the Programmes. In this regard, the Operational Programmes have pushed for more integration of the horizontal themes within the planning and the actual implementation of projects, such as, Environmental Sustainability and Development, Equal Opportunities, as well as Social Inclusion. At all operational levels, mainstreaming is a key issue. Co-financed projects were invited to show how these horizontal themes are incorporating equal opportunities, social inclusion as well as sustainable development within the overall project design. An analysis of this is provided below, showing the relevant measures taken during the year under review.

Monitoring Horizontal Themes

Monitoring Horizontal Themes is extremely important. Since horizontal themes are important, Beneficiaries are not only asked on how implementation of these horizontal themes will be achieved, but also to provide evidence of the measures used. Therefore, it is the MA's role to monitor these horizontal themes through the various mechanisms such as through correspondence with the Project Leaders as well as through spot-checks. During the year under review, the monitoring process has taken a similar approach to previous years, with the MA checking the implementation of commitment taken at application stage during the documentary of physical checks.

Mainstreaming the Horizontal Themes – A two-pronged approach

A two-pronged measure in order to mainstream horizontal themes has been put forward in Operational Programme II: identifying the action listed within approved projects (intended to promote equal opportunities); and the obligation of tackling these horizontal themes within project activities. During the year under review, positive actions have been taken by several OPII projects. In fact, the EAP as well as other projects such as LEAP and Youth Guarantee have directly contributed to reduce

social exclusion. Similarly, other projects have tackled different horizontal themes through their specific activities, such as gender equality and equal opportunities through the promotion of female participation in the labour market. These projects include, ESF 3.196, ESF 3.105, ESF 4.174, and ESF 4.220.

Equal Opportunities

Fighting discrimination and inequality is a key Horizontal Priority under OP II. The European Social Fund Regulation 1081/2006, Article 3 (b) (iii) specifies that ESF shall support “*mainstreaming and specific action to improve access to employment and increase sustainable participation and progress of women in employment and to eliminate direct and indirect gender based segregation in the labour market inter alia by addressing the root causes of the gender pay gaps*”. In addition, the Regulation Article 3 (c) requires “*reinforcing the social inclusion of disadvantaged people with a view to their sustainable integration in employment and combating all forms of discrimination in the labour market...*”

Within this framework, projects submitted under OP II must display commitment to respect the principles of non-discrimination and Equal Opportunities. During the project selection process, project proponents are asked to identify at the onset, manners in which their proposal addresses equal opportunities, which may be awarded a 5% of the marks allocated. The principle of Equal Opportunities is in fact not only a horizontal priority across all the Priority Axes, but is also a vertical priority under PA3. To reinforce this priority and provide support on how to integrate equal opportunities in ESF, the MA considers the involvement of the National Commission for the Promotion of Equality and the National Commission for Persons with Disability as valuable in the implementation of the various operations under ESF. Among the projects approved in 2014, ESF 4.239, ESF 4.243 and ESF 4.247 consultations with one or both of the two agencies were undertaken in order to incorporate such principles in the project design to ensure that gender mainstreaming and/or equality criteria are incorporated within the project activities.

The projects approved in 2014 will address the Equal Opportunities priority through different measures. The list below provides some examples of these:

- Publicity and advertising will be free from stereotypes or any form of discrimination (ESF 4.239);
- Course material will be available in alternative formats to ensure accessibility for all (ESF 4.239, ESF 4.243, ESF 4.249);
- Venues such as training premises are to be fully equipped and accessible to persons with mobility problems (ESF 4.241, ESF 4.243, ESF 4.245, ESF4.249);
- Training is to be provided at flexible times to cater for those with family responsibilities (ESF 4.248);

- Transport which caters for persons with disabilities will be provided (ESF 4.248);
- NCPE and KNPD will be invited to deliver presentations to all trainees so as to raise awareness on equal opportunities (ESF 4.241);
- Training on equality and non-discrimination will form part of the training delivered in order to create awareness on equality issues such as age, disability, sexual orientation, gender identity, religion or belief, ethnic origin and family responsibilities (ESF 4.242).

Meanwhile actions fostering equality implemented in 2014 include:

- Advertising and/or marketing was free from stereotypes or any form of discrimination (ESF 3.108, ESF 3.196, ESF 3.193, ESF 3.231, ESF 4.163, ESF 4.189);
- The venues were adequate and accessible to people with disabilities (ESF 1.229, ESF 2.186, ESF2.201, ESF2.85, ESF 3.105, ESF 3.196, ESF 4.100, ESF 4.159, ESF4.164, ESF4.220);
- More specifically, through ESF 3.234 placements for traineeships were matched according to the profile of the individual, and the necessary precautions were taken to ensure that people with disability were placed in accessible venues;
- Laptops with specific software for disabled persons were provided to trainees to facilitate the process of learning (ESF 2.204);
- Persons with disabilities participated in sheltered employed training and individual job coaching under ESF 3.113.;
- Information about mental health problems at the place of work was distributed amongst enterprises and the general public through an awareness campaign and information sessions (ESF 3.193);
- During 2014 the design/ re-design process of the new MCAST curricula with the aim of making MCAST curricula more appealing to all disadvantaged/vulnerable students reached an advanced stage (ESF 3.102). MCAST lecturers are also benefitting from KNPD training on disability and inclusion;
- To increase the participation of women, family friendly measures were introduced under ESF 2.201 and ESF 4.174. These measures included the provision or reimbursement of costs for childcare facilities/services for persons attending training courses. Moreover, ESF 4.218 organised a training schedule to meet the needs of all participants.

Environmental Sustainability

Environmental sustainability features as an important element in the Maltese Government's Agenda as can be seen in a range of national and sectoral policies⁴⁴, in particular '*The Sustainable Development Strategy for the Maltese Islands*' which aims at "ensuring a socially responsible economic development while protecting the resource base and the environment for the benefit of future generations". Together with the promotion of cleaner energy, environmental sustainability also represents one of Malta's strategic thrusts within the NRP under EU 2020. These commitments have been reflected in a number of projects funded by the Cohesion Policy including ESF funded projects.

During 2014 the MA continued to promote environmental sustainability from project design planning to project implementation. Project proponents were asked to identify, at the onset, the contribution of the project to environmental sustainability, which may result in an additional 5% of the marks during the project selection process. This has clearly been seen as an enticement for potential beneficiaries as all newly approved projects under PA4 in 2014 had proposed environmental actions in some way depending on the activities foreseen within the project.

Some of the measures proposed include: keeping printing material to a minimum and/or increasing the use of electronic media⁴⁵, encouraging beneficiaries to make use of public transport or to adopt car-sharing practices in order to reduce vehicle emissions⁴⁶, including environmental questionnaires in tenders and call for quotations for bidders to consider environmental responsibilities⁴⁷ and using energy saving lights⁴⁸. In terms of direct training activities, the newly approved projects include some training actions such as the training provided under ESF 4.239 on the sustainable use of water resources to ensure a high level of protection to Malta's water environment. Other projects may include ad hoc modules linked to the environment such is the case under ESF 4.241 and ESF 4.242.

During the year under review, most projects continued implementing environmental actions and contributing towards environmental sustainability as follows:

- Using non-printed media as means of communication (ESF3.113, ESF 3.234, ESF 3.64, ESF 3.916, ESF 4.180, ESF4.236);
- Training content and other material was distributed through electronic means (ESF 1.211, ESF 2.204, ESF 2.85, ESF 3.110, ESF4.174, ESF 4.180, ESF4.221);
- Tenders and calls included an environmental clause for bidders to consider environmental responsibilities with respect to waste, energy, printing of material and other environmental factors (ESF2.186, ESF2.204, ESF 4.218);
- Discouraging private car use by encouraging car pooling, organizing transport for training, or encouraging the use of public transport (ESF 2.186, ESF 3.108, ESF 3.234, ESF 3.916);

⁴⁴ Sectoral policies including Public Consultations on sustainable development are available from MRRA (<http://mrra.gov.mt>), MEPA (www.mepa.gov.mt) and MRA website (<http://mra.gov.mt>).

⁴⁵ ESF 4.241, ESF 4.242, ESF 4.243, ESF 4.245, ESF 4.246, ESF 4.249

⁴⁶ ESF 4.241, ESF 4.242, ESF 4.249

⁴⁷ ESF 4.241, ESF 4.242

⁴⁸ ESF 4.249

- Issuing tenders as per GPP (Green Public Procurement) criteria (ESF 2.204, ESF 3.916, ESF4.220);
- Using the Electronic Procurement Process (EPP) which totally eliminates paper (ESF3.234).

In terms of direct training the following actions have been taken:

- ESF 2.186 which aim is to re-skill workers for the Local Film Industry have included a training module which is specifically dedicated to promoting environmentally friendly practices at the place of work and reducing wastage. All other modules deal with environmental consideration as applicable to the particular sector being taught;
- Through STEPS (ESF 1.25) two (2) participants completed their studies in a topic related to the environment and research while through Master IT! (ESF 1.225), 68 scholars undertook a Masters in a subject related to the environment;
- Through ESF 1.130, MCAST concluded the design or re-design of 16 courses with environmental themes such as; Agri-tourism, Green energy use and application in agriculture, and Eco-friendly agricultural practices.

Innovative Activities

The European Social Fund Regulation 1081/2006, Article 7 specifies that '*in the framework of each operational programme, particular attention shall be paid to the promotion and mainstreaming of innovative activities*'. In fact, innovation is a crosscutting principle across all four (4) Priority Axes under OPII and projects that meet this principle gain additional points in the selection process. Indeed seven (7)⁴⁹ out of the nine (9) approved projects in 2014 obtained extra points for innovative ideas.

The principle of innovation features strongly in the newly approved projects under PA 4. For instance, ESF 4.239 will provide training on innovative water management practices and technologies, through innovative educational tools offered by UNESCO-IHE Institute for Water Education which will include specialized training through online media. Under ESF 4.248 the Online Networking Tool is an innovative first step to allow Local Councils and regional offices employees to share knowledge, resources, experiences and best practices to ensure that employees are supported and kept up-to-date in the carrying out of their roles.

Meanwhile, in the course of 2014 the principle of innovation was addressed through the implementation of innovative systems in the training and education sectors. Under ESF 3.110 an innovative web-based solution software was purposely and specifically designed for the training of CCF inmates. This year also saw the setting up of an e-portfolio software under ESF 1.211 which records and facilitates the management of both clinical as well as personal development through learning, helping trainees (post-graduate Medical Students) record the progressive achievement of their competences.

⁴⁹ ESF 4.239, ESF 4.241, ESF 4.243, ESF 4.245, ESF 4.247, ESF 4.248 and ESF 4.249

The principle of innovation was also implemented through the areas of training being provided. ESF 4.218 is innovative because it proposes to nurture and grow skills in relatively new areas such as maritime, aviation and transport management systems. In the public administration sector, ESF 4.97 is innovative as it provides assistance to individual employees to retain their employment by addressing their psycho-social and disability needs. Also, ESF 4.181 is innovative as it is the first time that accredited tailor-made training is being provided for those working in local councils.

In the area of disability ESF 3.113 sheltered employment training activities were launched by ETC during the year under review. This is the first training initiative in sheltered environment by the public sector. In the field of mental health, ESF 3.193 provided innovative management tools, previously inexistent, which enterprises can use to set up policies in their workplace to maximise the potential of employees.

Transnational Activities

The inclusion of transnational partnerships is highly encouraged under OP II especially alongside innovation. Five (5)⁵⁰ projects approved in 2014 include a transnational element. ESF 4.239 will include study visits at lead water management institutions in the United Kingdom, Italy, Portugal and Israel which will expose Maltese officials to best practices in the application of specific water management tools. ESF 4.249 will provide job shadowing opportunities for staff of the Department for Social Welfare Standards (DSWS) with foreign organisations with similar roles to the DSWS, thereby moving away from the traditional learning methods into more appropriate eclectic forms of training. The project will also include a scholarship option, whereby students can follow short-courses overseas.

A number of projects approved in 2014 also have the collaboration of transnational partners. The Italian 'Centro Studi per la Governanza dell'Innovazione' (CESGI) will be providing consultation and through training seminars will assist Local Councils in identifying possible projects partners for future projects (ESF 4.248). With the aim of strengthening competencies in the field of eGovernment, ESF 4.243 have partnered with the Danish Agency for Digitisation to provide public officials with the opportunity to network with Government representatives of one of the top-performing countries in the EU on the subject of efficiency and effectiveness through eGovernment.

Meanwhile, in the course of 2014 examples of transnational activities included job placements or training in foreign institutions (ESF 4.159, ESF 4.175, ESF 4.218) and foreign lecturers giving lectures at the UoM (ESF 4.175). Representatives from Austria and Sweden attended the conference on Youth Guarantee in Malta (ESF 3.231) in which they gave presentations on the Youth Guarantee in their respective countries. Other projects held meetings with foreign partners or visited foreign institutions to share expertise and best practices (ESF 4.220 and ESF 4.97) in the areas of public

⁵⁰ ESF 4.239, ESF 4.243, ESF 4.245, ESF 4.248 and ESF 4.249

administration, local governance, health, and social partners. In the field of education, study visits abroad were carried out (ESF 3.234).

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

In line with article 10 of Council Regulation (EC) No 1081/2006, the ESF Operational Programme also addresses the implementation and execution of actions that are specifically related to gender mainstreaming, migrants, minorities and disadvantaged groups, innovative and transnational activities (the latter two have been addressed above).

Gender Mainstreaming

In line with article 6 of Regulation No 1081/2006, member states have been required to ensure that gender equality is being promoted through the operational programmes. Gender equality is an important horizontal theme strengthened by Operational Programme II. One of the OP's main aims has been that of promoting gender equality throughout all priority axes. During the year under review a range of activities in which gender mainstreaming was given due importance were implemented under several projects⁵¹.

Linked to the various activities under different projects, gender mainstreaming measures were specifically targeted. The actions taken include: encouraging participation by women in the labour market⁵²; gender neutral documents and sponsorships offered to female participants⁵³; gender neutral communications and publicity⁵⁴; training programmes being offered during office hours⁵⁵; as well as the provision of childcare services for all those attending academic training⁵⁶.

Having an inclusive and an integrated labour market has been one of the main objectives promoted at a national level. In section 2.3.2 of the NSRF, the promotion of gender equality has been one of the goals listed in achieving stability and quality of employment for both genders. In this regard, several projects during 2014 aimed at promoting family-friendly measures in order to have a balance between family-life and work. An important initiative has been that of integrating women into the labour market through the provision of training. To this effect, two (2) projects⁵⁷ offered child care services to

⁵¹ ESF3.64, ESF3.102, ESF3.105, ESF3.110, ESF3.113, ESF3.193, ESF3.196, ESF3.231, ESF3.234, ESF4.100, ESF4.159, ESF4.163, ESF4.164, ESF4.174, ESF4.189, ESF4.236, ESF4.220, ESF4.218 and ESF4.242

⁵² ESF3.234

⁵³ ESF4.100

⁵⁴ ESF3.113, ESF3.193, ESF3.196, ESF3.231, ESF4.159 and ESF4.189

⁵⁵ ESF4.218

⁵⁶ ESF4.174 and ESF4.220

⁵⁷ ESF4.174 and ESF4.220

encourage women participating in training. Other projects⁵⁸ made sure that the training organized includes a fair share of both genders so that the level of male and female applicants is well- balanced. In fact, the women trained in 2014 increased as compared with previous year. Under ESF 3.64, 325 of the women assisted had been absent from work or education for at least two (2) years contributing to the OP overall aim of increasing female participation in the labour market.

Migrants

Operational Programme II aims to target different categories of vulnerable people such as migrants and asylum seekers. In this regard, the OP's objective is to offer training and job opportunities so as to increase their participation and thus their integration within our society. Although there is no single project that specifically target migrants and asylum seekers,⁵⁹ there have been other ESF initiatives that target all categories of vulnerable people.

In 2014, several ESF initiatives have offered migrants different kinds of services and training provisions to equip them with the necessary tools so as to make them more employable and integrate better within society. Under ESF 1.125, a number of migrants have been supported through training/seminars aimed at equipping them with the necessary skills and knowledge to ensure that their chances of successfully starting up their own business are improved. In addition, 30 migrants have participated under ESF 2.204. This project also involved an interpreter to aid the learning process and ensure that the migrants are benefitting as much as possible from the training offered. ESF 3.234 targeted migrants both directly (through the eligibility criteria of the traineeship scheme) as well as indirectly through the establishing of the *LEAP centre* in Qawra where there is an increased community of migrants.

It is pertinent to note that other EU initiatives⁶⁰ are directly targeting migrants. To this effect, the MA together with the FPD work in synergy to ensure a maximization of the implementation of EU Funds.

Minorities and disadvantaged groups

Minorities and disadvantaged groups in Malta are also tackled through specific actions under OPII. Although there is no single definition of the term 'minorities', disadvantaged groups mostly target persons with physical or mental disabilities, unemployed, inmates, homeless persons, people having little or no education, women or youths coming from an abusive background and early school leavers.

Different OPII projects, especially those falling under Priority Axis 3, included different means of tackling disadvantaged groups such as, through the provision of training or seminars to participants in order to equip them with the necessary tools in having a better chance to start their own businesses⁶¹.

⁵⁸ ESF3.105, ESF3.110, ESF4.164 and ESF4.236

⁵⁹ The European Refugee Fund has been one of the financial instruments supporting this specific group

⁶⁰ European Refugee Fund and the European Fund for the Integration of Third Country Nationals (IF)

⁶¹ ESF1.125

Other courses were specifically designed to equip inmate participants with the necessary skills and qualifications so as to help them integrate within our society⁶². In cases of persons with any impairment related needs, projects such as ESF 3.196 and ESF 4.163 ensured that conferences held in venues are physically accessible without exclusions. In addition, under ESF 3.102, lecturers have benefitted from KNPD training on disabilities and inclusion, specifically focusing on the different disabilities and the necessary required support.

In 2014, a considerable amount of grants have specifically targeted minorities and disadvantaged groups⁶³. Under ESF 3.193, the provision of training specifically dealt with the inclusion of disadvantaged groups, namely persons with mental health problems in employment and labour productivity. Some of the actions that these projects tackled included, transport for persons with disabilities and sign language services⁶⁴, pre-employment skills training and giving assistance to disabled persons at their place of work in order to become more independent and integrated at the workplace⁶⁵, training provision to lecturers and other support services staff to assist vulnerable groups in joining the labour market⁶⁶, as well as including eligibility criteria relating directly to disabled individuals⁶⁷.

Youths, especially those classified as NEETs (Not in Employment Education or Training) have been provided with new opportunities specifically through the provision of the Youth Guarantee⁶⁸. Such measures included training as well as job exposures so to assist them in re-entering the labour market or education.

In 2014, besides training programmes, a 'National Research Study' was launched under ESF 3.108 aiming to provide policy makers with the necessary information on teenage parents so that policies at a national level are well- targeted. In this regard, the research study aims to include the challenges, potential future employment and educational opportunities faced by teen parents, together with the impact of parenthood on their lives. Besides identifying the factors that are leading to an increase in teenage mothers, this research study also provides a broader picture of the current situation. Amongst the results and policy recommendations proposed, it was highlighted that ideally, policy makers should focus more on children from troubled backgrounds and from lower socio-economic groups, so that problems can be addressed right at a young age. Additionally, apart from devising more in-depth educational strategies on how to tackle problems linked to adolescence, schools should impart positive values.

⁶² ESF3.110

⁶³ ESF3.64

⁶⁴ ESF3.196

⁶⁵ ESF3.113

⁶⁶ ESF3.102

⁶⁷ ESF3.234

⁶⁸ ESF3.231

2.2 Information about compliance with Community Law

No significant problems relating to the compliance with Community law have been encountered in the implementation of the operational programme during the period under review.

2.3 Significant problems encountered and measures taken to overcome them

Absorption of funds

Whilst PA1, 2 and 4 was over-committed by year end (committed into projects following calls for projects), the commitment under PA3 is slightly lower (i.e. 99%) than the total OP contribution. Nevertheless, the overall commitment under the OP as at the end of 2014 has been exceeded resulting in an overall commitment of Eur2.2M. As will be explained earlier and in more detail under Chapter 3, this over commitment will ultimately mitigate against the savings that are usually registered during the contracting process or if some activities are not implemented on time.

The savings registered following the awarding of a number of contracts was one of the main challenges during 2014. Ultimately this resulted in the release of funds back to the programme which was however re-allocated during the same year in an effort to ensure the full absorption of funds available. This will be elaborated in Chapter 3.

Public procurement and recruitment processes

Given the timeframes involved and that activities are now time bound one of the major challenges was to ensure a timely contracting process. Weekly meetings continued to be held with the Department of Contracts in order to ensure timely publication of tenders and signature of contracts once a recommendation for award is in place.

In terms of challenges from a procurement point, they are similar to previous years and included: non-submission of bids; compliance issues related to bids received as well as over- or under-budgeting of bids submitted when compared to available budgets. Different means were used to resolve such issues such as the republishing of tenders and further publicity, better planning or more clarity of the Terms of Reference. Still this is all time consuming, giving rise to significant delays in projects under implementation.

Other problems encountered during the recruitment processes include the difficulty in attracting suitably qualified trainers and professionals or a very low response to calls. Given that many projects required the input of a considerable number of professionals who, in their majority are normally already employed, recruitment has been difficult throughout 2014 with the result that multiple calls were issued by project beneficiaries in order to identify the right capacity. Different means were used to resolve such issues including offering the possibilities for internal shift within organisations.

The Payment and Verification Process

The main difficulty faced during the verification process continued to be the high level of fragmentation in terms of components or disbursements, particularly as a result of considerable activities which involve the reimbursement of salaries and fees from professionals/experts. The significant number of documents such as time-sheets, calculations of staff costs, attendance sheets as well as procurement supporting documentation presented a significant burden on the MA and the main stakeholders.

This fragmentation requires the input of a large number of human resources at numerous stages leading to slow disbursement and verifications. In this regard, as a mitigating measure the MA adopted sampling methodologies which were applied in line with the recommendations of the COCOF note on management verifications (*COCOF 08/0020/04-EN – Guidance document on management verifications*). In addition, as in previous years processes and templates were simplified ensuring that work is carried out in an efficient and timely manner. This reduced the cumbersome checking but at the same time preserved the level of control and soundness of financial management.

In addition, during 2014, the MA had also commissioned out a study on the flat rate financing under ESF for the new Programming Period 14-20. This will ultimately lead to future simplification in the future and at the same time providing the legal certainty for the managing authority.

Closure of projects

Given that a number of projects are now nearing maturity or concluding their activities, closure of projects including the reconciliation of financial and physical data (i.e. indicators and Annex XIII) was also one of the main challenges for 2014. Although a number of projects had concluded their activities, these were still in the final stages of administratively closing off. This continued to place an administrative burden in order to process the final payments, verifying all data submitted and concluding the respective Closure Reports.

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

During 2013, no substantive problems in the implementation of actions under Article 10 of EC Regulation 1081/2006 were encountered by the MA.

2.4 Changes in the context of the operational programme implementation

Not applicable for the year under review.

2.5 Substantial modification pursuant to Article 57 of Regulation (EC) No 1083/2006

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

2.6 Complementarity with other instruments

In accordance with its obligation deriving from Article 9(4) of Regulation EC/1083/2006, the MA co-ordinated assistance from the OP co-financed by the ESF with assistance from the OP co-financed by the ERDF and CF, the programmes financed by the European Agricultural Fund for Rural Development and the European Fisheries Fund, and other existing financial instruments. This was maintained mainly through the co-ordination of the Inter-Ministerial Committee and the EU Human Capital Investment Programmes which met on the 26th February and 6th October with the aim to enhance synergies and ensure complementarity and maximum utilisation of resources whilst monitoring any possibilities of double funding.

During the meeting held on the 26th February, the items discussed included:

- The audit findings and the need to have a clear evidence that the checks on double funding are carried out;
- A presentation on the Partnership Agreement & Programme 2014-2020, outlining the EU2020 targets and the CSRs;
- A presentation on the project selection process

On the 6th October, it was decided the OPI and OPII Inter-Ministerial Co-Ordination Committees were being amalgamated in one single consolidated meeting.

A number of representatives from different stakeholders including the State Aid Monitoring Board and Treasury were invited to initiate a brain storming session on how the system for double funding checks could be centralised to become more effective for the new programming period.

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. Complementarity within the educational sector continues to be evidenced through the intervention aimed at enhancing the effectiveness of training and educational tools. An example of this is the newly approved project under OPII – ESF 4.243, which addresses Government's efforts on improving and simplifying its e-services to improve the citizens' and business' interaction with Government. This is being done through a

research study, a publicity campaign to raise awareness to the general public and by conducting training. This project was complemented by an ERDF investment (ERDF 159) which included the provision of new e-services for the public and business community, with the introduction of new e-services and the financing of the software of e-ID cards.

Another component under ERDF 159 which relates to the supply of interactive whiteboards both to primary and secondary schools was supported through ESF 1.228. This ESF project aims in developing the “Learning Outcomes Framework” and associated “Learning and Assessment Programmes” which together with the NCF will form the backbone of the Maltese compulsory education programmes. ERDF 332 further complements the enhancement of compulsory education programmes through the construction, conversion and development of a number of schools throughout Malta and Gozo.

Health care is another area where the public sector is recognising the need to enhance its efficiency and effectiveness through improved hospital management and quality assurance procedures. ESF4.247 aims to strengthen Accident and Emergency staff with soft skills training and customer care to better adapt their technical skills and knowledge. This is further complemented through ERDF 319, which involves the setting up of a Medical Assessment Unit at Mater Dei. This Project will see the implementation of a new, efficient and effective service of observation and management of acute admission to Mater Dei to alleviate the challenge of waiting times encountered by patients at the hospital. Another major investment within Mater Dei hospital is the construction of an Oncology Centre (ERDF 196).

The Restoration Directorate, through ESF4.164 – ‘Time to Consolidate’ aims to strengthen the Directorate's capacity by providing training to staff at all levels to consolidate knowledge in varied but inter-related fields of interest. This project complements ERDF 39 – ‘Restoration and Rehabilitation of Historical Fortifications of Malta and Gozo’, which is implemented by the same Directorate, where workers within the Directorate will be responsible for the maintenance of the fortifications restored and rehabilitated under this project.

Projects approved in previous years continued to implement the ERDF components through the cross-financing mechanism as per Article 34 of Regulation 1083/2006. By the end of 2014, the MA had committed €4.2M on ERDF expenditure in forty (40) projects being implemented under the ESF OP throughout the different Priority Axis.

Investments in 2014 included the purchasing of medical equipment under ESF 4.174 to train the discharge liaison service midwives working in Malta and Gozo and also in ESF 4.175, which included the purchasing of equipment to enhance and aid in the training of medical physicists trainees.

Complementarity and consistency between ESF and EAFRD / EFF

In view of the clear link that exists within OPII financing between vocational training in agriculture and the fishing enterprises and the labour market, close co-operation and coordination with the FPD as

the Managing Authority for the EAFRD and the EFF programmes is essential. In fact the Managing Authority participates in the MCs which are organised by EEF and EAFRD to share experiences and good practices between both divisions, promote consistency and ensure the avoidance of double funding.

Taking into consideration the opportunities offered under the Employment Aid Programme potential double funding between the Aid Schemes and operations under the agriculture and fisheries programmes was also discussed during the IB Network meetings. With a commitment of €194,600 in EAP operations under the agricultural sector, providing support to 35 individuals receiving a placement with 30 undertakings, it is clear that complementarity between the different EU funding mechanisms provides a synergetic impetus. This complementarity calls for constant vigilance in order to avoid double funding, also through the MA's participation in the Monitoring Committees for EFF and EAFRD. Exchange of lists of approved operations between the stakeholders involved helped to confirm that there was no double funding.

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

With the overall objective of investing in human capital in order to increase the employment rate in Malta, Operational Programme II is complimented by actions funded through other Community Initiatives. In line with the possibility that the Cohesion Policy programmes would coincide with the implementation of initiatives under a number of other financial instruments, the participation of representatives of the different Community programmes that relate to education, training, and youth, in the IMCC safeguards stakeholders' position in avoiding double funding between ESF and such funding mechanisms. Discussions held during the meetings, positively confirmed that actions undertaken under these Community Programmes complemented the interventions under OPII. It should be highlighted that at selection stage, where possible overlaps are identified, the Project Selection Committee asks the Applicant organisation for a clarification/confirmation that there is no overlap/risk of double funding with similar projects funded under other Programmes. Should the PSC not consider the clarification provided as sufficient, the MA would consult the respective stakeholders prior to pursuing with the appraisal of the project. It is to be emphasised that the procedure adopted at project selection stage, complimented by discussions at different stages of implementation, and the IMCC meetings, have contributed towards the commitment to ensure that Malta maximises on the available resources and that there is no duplication of effort and resources.

2.7 Monitoring and evaluation

During 2014, the MA continued to carry out its monitoring obligations in accordance with Article 66 of Council regulation EC1083/2006.

2.7.1 Monitoring and reporting by the MA and IB

Day-to-day management

The daily correspondence with Beneficiaries and other stakeholders remained the most tangible form of monitoring by the MA. Officers within the MA continued with their desk-based monitoring of the progress of the projects through the SFD 2007-13, but also through other forms of communication including e-mail and physical checks as necessary (the numbers of such checks conducted in 2014 are outlined in the next sub-section). Management verifications, as prescribed by Article 13 of EC 1828/2006, were carried out on all active projects before certification of payment to the Commission. This level of monitoring was coupled with other forms, such as the bi-annual Project Progress Reports, the Ministerial Project Steering Committees and the periodic project progress meetings. At IB level, the IB Network and IB Steering Committees' meetings were the main monitoring fora.

Management Verifications

During 2014, the MA carried out a total of 493⁶⁹ documentary checks, which required around 3,178⁷⁰ working man hours. In addition, the MA conducted 100 physical spot checks while the IBs carried out 341 physical spot checks amounting to a total of 441⁷¹ physical spot checks during the year under review.

Project Progress Reporting

Beneficiaries and IBs continued to formally submit the Project Progress Report (PPR) to the MA twice a year – in January (for the period Jul-Dec) and July (Jan-Jun). The PPR provides, amongst others, updates on the main deliverables, the actual involvement of partners, indicators, contracts, disbursements and participants' data of each project, which feed in the statistical data required by the MA in the monitoring of the Programme's targets.

Ministerial Project Steering Committee

In 2014, Line Ministries continued to hold regular Ministerial Project Steering Committee (MPSC) meetings with Project Leaders under their remit in order to keep track of projects progress in terms of disbursement / verification targets as well as to iron out issues that were hindering implementation at project level. The monitoring at the level of the LMs facilitates programme management at MA level and contributes to the achievement of targets. The frequency of MPSC meetings held throughout the year was constant with an average of three (3) meetings organised per year. Usually meetings consist

⁶⁹In 2013, 125 documentary checks were carried out

⁷⁰In 2013 a total of 2522 working man hours were used for verification procedures

⁷¹In 2013, 280 physical spot checks in were undertaken

of one session however, ministries such MEDE and MTI held more than one session due to the large number of projects⁷² under their remit. In total, during 2014, twenty-four (24) MPSC meetings were organised targeting ESF Projects.

Intermediate Bodies Network

These types of meetings provide IBs with the opportunity to share experiences and promote consistency in the implementation of the schemes not only across both Structural Funds, but also across EAFRD and EFF-funded schemes. In this regard, two meetings were held in 2014 - in February and October.

Intermediate Bodies Steering Committees

Throughout 2014, ETC organised two IBSC meetings in relation to both ESF schemes (TAF and EAP). One meeting was held in June and the other one in November. Participants amongst others included the ETC Heads of Division, the MA, LM, Treasury, Project Partners and stakeholders from the civil society. During both meetings, the project leaders provided a general update on the two schemes. However, during the November meeting, the proposed eligibility criteria for the new launch of TAF under the 2007-2013 programming period and the proposed eligibility criteria for Training and Employment Aid in relation the new programming period 2014-2020 were also discussed.

Project Progress Meetings (High-level meetings)

During the year under review, the MA continued to organise high level meetings on a periodic basis in order to address the most pressing issues pertaining to salient project. In this regard, thirteen (13) Project Progress Meetings were held and chaired by the Parliamentary Secretary for EU Presidency 2017 and EU Funds and the Permanent Secretary of the ministry (MEAIM). Around fifty-three (53) ESF projects were discussed in nine (9) out of the thirteen (13) meetings held. Project Leaders and respective Heads of Organisation of individual projects are invited to discuss issues hindering project implementation. These meetings include also the presence of Treasury, the Permanent Secretary of the Line Ministry, and the Department of Contracts. In 2014, one of the most pressing issues was the timeline disbursement and verification of funds due to targets to be reached.

2.7.2 Monitoring Committee

During 2014, the MC was convened twice: on the 16th May and the 31st October.

⁷² Meetings were not necessarily targeting ESF projects only. For instance the majority of projects under MTIs remit are ERDF projects.

- The items discussed during May MC meeting included a presentation on the Annual Implementation Report for 2013 as an overview of the latest development on Programme Implementation from October 2013 up to the meeting date;

The second meeting of the MC, which took place in October 2014, covered the following items:

- An overview of the latest development on Programme Implementation from May 2014 to the meeting date;
- A presentation delivered by the Head of the Division of the EU Funded Schemes Division of the ETC on the Proposed Eligibility Criteria for the upcoming TAF (2007–2013);
- A presentation delivered by the MA on the Criteria for Selection of Operations 2014-2020;
- A presentation delivered by PWC on the OPII Thematic Evaluation titled '*Assessment of the contribution of OPII initiatives to education and lifelong learning and the enhancement of the employability and adaptability of the workforce*'

These meetings are an opportunity for all the stakeholders to get an updated picture of the implementation of the OP.⁷³

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 30th October 2014.

2.7.4 Evaluation

During 2013, the evaluations have gained momentum and progress was well under way. In fact, as detailed out in the coming sections, the Cohort Study was in the finalisation of its sixth Wave while the first Task of the Thematic Evaluation was finalised and approved.

Cohort Study

During the reporting year, the National Statistics Office (NSO) has submitted three reports covering Waves 4, 5 and 6. As per previous practice, the participants' data was extracted from the SFD2007-2013 by the MA and passed on to NSO. Details provided include both the participant's personal details and other details related to the ESF-funded course/training s/he had attended.

⁷³ All presentations were made available on:
<https://eufunds.gov.mt/en/Operational%20Programmes/Monitoring%20Committees/Pages/Operational-Programme-2-2007-2013.aspx>.

Following the submission and analysis of the first four Waves and discussions held between NSO and the MA, additional questions were introduced in order for the study to be more comprehensive and able to better capture outcomes and results. Thus, following the introduction of two questions and other textual changes to the questionnaire, Waves 5 and 6 gave a better picture of the participants' perception of the ESF training/course they attended. To explain briefly, after the participants are asked whether the positive change they experienced in the labour market was due or partly due to the ESF training/course they had attended, the revised questionnaire probes deeper by asking how did the training/course contributed towards this change (for instance, through better chance of finding employment, having a better paid job, gaining more skills and knowledge, etc.). The second question provides additional impetus to the study as it tries to assess whether the ESF-funded course/training helped the participants to enhance further their skills and knowledge as prior to the introduction of this question, the study only assessed whether the ESF training/course the participants received had helped them maintain employment or enhanced their employability.

- **Wave 4**

As can be seen in the tables below, the majority of persons were female, persons aged between 25 and 64 years of age, and were residing in Malta. Taking into consideration other socio-economic characteristics, most of the respondents had a tertiary level of education and were in employment at the time they entered the ESF-funded activity.

Table 13 - Population by Gender

Gender	Number of Participants	Percentage
Male	3,516	49.6%
Female	3,577	50.4%
<u>Total</u>	7,093	100%

Table 14 - Population by Age

Age Bracket	Number of Participants	Percentage
15-24	971	13.7
25-54	5,391	76
55-64	700	9.9
65 +	31	0.4
<u>Total</u>	7,093	100%

Table 15 - Population by Region

Region	Number of Participants	Percentage
Malta	6,288	88.6%
Gozo	805	11.4%
<u>Total</u>	7,093	100%

A change in labour status (either for the better or for the worse) after completion of the ESF training was perceived by 40% of all respondents. The results show that amongst the 80.3% of those who attributed this change in their labour status to the ESF training/course were mainly youths aged between 15 and 24, unemployed, and persons with a tertiary level of education closely followed by persons with a primary or secondary level of education. 84% of those who attributed their change in the labour status to the ESF training/course experienced a positive change. Comparable percentages were observed amongst persons with a primary or lower secondary level of education, with 84.6%. Analysis by region showed that 83% of Maltese residents considered the ESF training as the cause of their positive change in labour status while a higher percentage of 91.2% was recorded for Gozitans.

Although 60% of the participants reported no change in their labour status after finishing the ESF course/training, more than half of the respondents (55.7%) stated that the course/training has contributed towards improving their employability. On another positive note, 88.8% of the respondents considered that the ESF training/course would be helpful in the future. These were mainly youths, persons who are currently self-employed, and persons with an upper-secondary level of education.

- **Wave 5**

This was the first assessment that included the amendments to the questionnaire as stated above. As can be seen from the tables below, the majority of respondents were female, persons aged between

15 and 54 years of age, and residing in Malta. With regard to other socio-economic characteristics, persons mostly had a tertiary level of education and were employed.

Table 16 - Population by Gender

Gender	Number of Participants	Percentage
Male	3,407	47.8%
Female	3,727	52.2%
<u>Total</u>	7,134	100%

Table 17 - Population by Age Group

Age Bracket	Number of Participants	Percentage
15-24	1,022	14.3%
25-54	5,268	73.8%
55-64	788	11.0%
65 +	56	0.8%
<u>Total</u>	7,134	100%

Table 18 - Population by Region

Region	Number of Participants	Percentage
Malta	6,497	91.1%
Gozo	637	8.9%
<u>Total</u>	7,134	100%

Eighty-eight percent (88.2%) of the respondents who experienced a change for the better in the labour status attributed this change to the ESF training/course. This was mainly amongst older workers aged between 55 and 64 years of age, inactive persons in education or training, and persons with a primary or lower level of education. Eighty-one percent (80.5%) attributed this change for the better towards gaining more skills and knowledge, while 16.7 percent on better chance of finding employment.

On another positive note, 87.3% perceived the course/training as being contributory towards the enhancement of their skills and knowledge while 60% perceived the course/training as enhancing/maintaining their employability. Those persons who remarked that the course/training did

not help them enhance their skills and knowledge or employability, was mainly due to the fact that the course was not in line with the desired work expectations or were already familiar with the course content.

When it comes to future expectations, 86.6% perceived that the training received will eventually be useful in the future. This was particularly the case amongst the youths, inactive persons in education or training, persons with a tertiary level of education and the vulnerable persons.

- **Wave 6**

As can be seen from the tables below, similarly to Wave 5, the majority of respondents were female, persons aged between 15 and 54 years of age, and residing in Malta. With regard to other socio-economic characteristics, persons mostly had a tertiary level of education and were employed.

Table 19 - Population by Gender

Gender	Number of Participants	Percentage
Male	1,635	43.1%
Female	2,162	56.9%
<u>Total</u>	3,797	100%

Table 20 - Population by Age Group

Age Bracket	Number of Participants	Percentage
15-24	322	8.5%
25-54	3,029	79.8%
55-64	424	11.2%
65 +	22	0.6%
<u>Total</u>	3,797	100%

Table 21 - Population by Region

Region	Number of Participants	Percentage
Malta	3,348	88.2%
Gozo	449	11.8%
<u>Total</u>	3,797	100%

The share of individuals recording an improved labour status as a consequence of ESF training stood at 73.8%. This was mainly true among youth, persons with a lower or upper secondary level of education and male participants. Most of the respondents responded that this was due to gaining better skills and knowledge. This was followed up by the fact that now they stand a better chance of employment.

Moreover, 74.9% of the respondents perceived that the course/training contributed towards further enhancing/maintaining their employability while 93% perceived that it further enhanced their skills and knowledge. Those persons who remarked that the course/training did not help them enhance their skills and knowledge or employability, was mainly due to the fact that the course was not in line with the desired work expectations or were already familiar with the course content.

87.8% of the respondents perceived that in the future the training received would be beneficial to them. This was mainly among the youths, employed, persons inactive in education or employment, Gozitans and persons with a primary or lower education.

As a concluding remark, although efforts have been made in designing the questionnaire in such a way to reduce the participants' biasness, one has to note that such study is still mainly based on the participants' perception in view of the training/course received. Therefore conclusions cannot be interpreted on their own without looking at the broader picture. Conclusions are to be seen from a wider perspective in view of the projects being implemented on the ground as a result of ESF in order to avoid disparities between the participants' perceived perspectives and the measurable results on the ground.

Thematic Evaluation Operational Programme II

During this reporting year, the evaluators responsible for the *Thematic Evaluation: Assessment for the Contribution of Operational Programme II Initiatives to Education and Lifelong Learning and the Enhancement of Employability and Adaptability of the Workforce*, PricewaterhouseCoopers (PwC), finalised the first Deliverable and started their work on the second Deliverable.

PwC wrapped up the series of meetings held in 2013 together with their desk-based research with a Focus Group (Validation) Meeting, targeted towards the MA's main stakeholders, which was held on 16th April 2014. During the meeting, PwC gave an overview of the interim results obtained through such assessment. Thus, the main objective was to substantiate the main findings and validate the analysis and conclusions emanating from the research carried out prior to the finalisation of the first evaluation report.

Consequently, the first draft report was submitted to the MA on 7th May 2014. The report was divided into two main sections: (i) the initiatives to education and lifelong learning, and (ii) the enhancement of employability and adaptability of the workforce. Nonetheless, it also included a section related to PwC's assessment of the contribution of the horizontal priorities and ESF Principles. Moreover, a

number of recommendations for both this programming period and the 2014-2020 programming period were also provided by PwC.

In general, the Thematic Evaluation concluded that OP II's initiatives contributed positively towards education and lifelong learning and to the enhancement of employability and adaptability of the workforce with the majority of the overall objectives set out in the programme having been achieved. Indeed, when analysing Eurostat statistics for the five impact indicators to assess whether the targets set for 2015 had been achieved by the end of 2012⁷⁴, it was concluded that all were achieved except for the decrease in the early school leaving rate where the rate decreased to 22.6%, compared with a target of 22%, and the increase in the number of adults participating in lifelong learning, where the rate increased to 7 percent compared to a target of 8 percent.

With regard to the thematic area of education and lifelong learning, the related focus areas of intervention are investing in the education system, addressing skills mismatches, research and innovation, information and communication technology and lifelong learning for the public sector. PwC's analysis highlighted the fact that a number of indicators related to S&T and ICT were still under-achieved as at end of 2012, nonetheless, the MA was aware of this issue and a number of measures were being implemented in order to reach such targets.

With regard to the thematic area of enhancement of employability and adaptability of the workforce, the related focus areas of intervention of OP II are continuous training and education, supporting the private sector, female participation in the labour market, promoting an inclusive society, addressing labour market distortions and ensuring that work pays, and strengthening the quality of employment services. Again, PwC had highlighted a number of indicators which were still underachieved as at end of 2012, nonetheless, either measures were already in place, or projects were still at their early stages of implementation, or else, for instance in the case of the childcare indicator, the Government has in the meantime decided to fund childcare through national funds therefore this initiative will not be captured under this indicator.

Recommendations put forward by PwC were varied and addressed the two thematic areas, such as how to increase female participation, address active ageing, examples of studies that need to be conducted in the 2014-2020 programming period, etc. Other recommendations were more related to the implementation aspect, such as the need of more integration between different projects, enhance the central Government support and the training system, further strengthen post-delivery interventions to assess the realisation of the intended project outcomes, and publication of guidelines and ideas of how the horizontal priorities could be addressed, etc.

The final draft report was then presented to the Evaluation Steering Group for their feedback. After PwC inserted the necessary feedback, it was presented to the Monitoring Committee on 31st October and given that no feedback was received by its members it was consequently approved by the MA.

⁷⁴ The cut-off date for Deliverable 1 was 31st December 2012.

In the meantime, a kick-off meeting on Deliverable 2 was held on 8th August, 2015, whereby the way forward for Deliverable 2 was discussed. The Inception Report was submitted to the MA on 24th September and it mainly encompassed the methodology, timeline, key deliverables, and the assumptions and risks.

Ex Ante Evaluation on Structural Funds 2014-2020

As reported in 2013, the work carried out on the evaluation of the Partnership Agreement served as a preparatory work for the evaluation of the Operational Programmes which followed once the Partnership Agreement⁷⁵ was finalised. The ex ante evaluation report was undertaken in parallel with the formulation of Malta's OP II *Investing in Human Capital to Create More Opportunities and Promote the Wellbeing of Society 2014-2020*.

The ex ante evaluation concluded that there is a strong coherence with the OP. Besides having strong coherence between the specific objectives within the same priority axis, there are also a number of interdependencies across the PAs. It also has strong convergence points with four of the EU2020 flagship initiatives. The OP programme priorities and corresponding objectives are in line with the Partnership Agreement and aim to address Malta's needs and challenges. Where equal opportunities are concerned, the evaluators also stated that the OP includes planned measures to promote gender equality, accessibility and to prevent discrimination.

Recommendations put forward in the ex ante assessment, included adding further information within the OP for any initiatives aimed at mainstreaming equal opportunities during the project selection and implementation. Moreover, it was also proposed that the OP should include a section articulating the efforts and initiatives for sustainable development in the preparation, implementation and monitoring of the OPs.

The ex ante evaluation also considered the relevance and clarity of the proposed programme indicators, the appropriateness of the indicator values as well as the sustainability of the performance milestones. Although most of the indicators were relevant, measurable and coherent with the actions to be supported by the ESF programme, a number of recommendations were also put forward in this regard.

The ex ante evaluation also concluded that the amount of allocations for each specific objective and investment priority is consistent and address these national priorities. The four PAs were also assessed for their contribution towards the three overriding European 2020 priorities of smart, sustainable and inclusive growth. The results of this analysis concluded that all these overriding priorities are being addressed through the PAs. The Programme's implementation measures were also appraised and although the feedback was in general positive, a number of recommendations were put forward, such as including further details to allow a proper appraisal of human resource

⁷⁵ The first final draft of the Partnership Agreement was submitted to the European Commission on 31st March 2014 and was consequently approved on 29th October 2014

adequacy. It was also recommended that the MA adopts an appropriate mechanism to be able to monitor measures undertaken to alleviate the administrative burden on beneficiaries.

Ex Ante Evaluation on the ESF Financial Instrument 2014-2020

During this reporting year, the MA has drafted a tender for the *Provision of Services for the Ex Ante Assessment of Financial Instrument in OP II 2014-2020 financed through ESF* which will be launched in January 2015.

The overall objectives of the contract are to draw up an *ex ante* assessment of the support of financial instruments under OP II 2014-2020 in accordance with Article 37 (2) of the CPR⁷⁶, as follows:

- a) Analysis of market failures or suboptimal investment situations and the estimated level and scope of public investment needs;
- b) Assessment of the value added of the Financial Instrument, consistency with other forms of public intervention in the same market and possible State Aid implications;
- c) Estimate of additional public and private resources to be potentially raised by the Financial Instrument, including assessment of preferential remuneration when needed;
- d) Identification of lessons learnt from similar instruments and *ex ante* assessment carried out in the past;
- e) Proposed investment strategy, including assessment of its possible combination with grant support, options for implementation arrangements, financial products and target groups;
- f) Specification of expected results including measurement of indicators;
- g) Provisions allowing the *ex ante* assessment to be reviewed and updated.

The report is expected to be finalised in 2015.

External Evaluations

- **Web Services Needs for SFC 2014**

In May 2014, the MA received a survey from COESIF related to Article 5 of the European Commission Implementing Regulation 184/2014 which establishes that the SFC2014 system shall be accessible to the Member States and the European Commission either directly through an interactive user-interface (i.e. a web-application) or via a technical interface using pre-defined protocols (i.e. web-services) that allows for automatic synchronisation and transmission of data between Member States' information systems and SFC2014. The objective of this survey was to identify which are the most important web services for each Member State and determine when they would be required. In order

⁷⁶ Common Provisions Regulation - Regulation (EU) 1303/2013

to obtain the necessary information, the MA liaised with the EU Funds Programming Unit and submitted its feedback in May.

- **Data Collection and Validation Support System for the Management of the ESF 2014-2020**

In January 2014, the Managing Authority received a questionnaire from Alphametrics in consortium with Applica Spri, on behalf of DG EMPL, related to the support to the ESF data collection and validation. The objective of the questionnaire was to assist MAs in their effort to improve the quality of data on ESF interventions in such a way that the collected stored and reported data on common and specific indicators are reliable and consistent and allow meaningful aggregate reporting and analysis. Thus, in order to develop relevant guidelines and to effectively run the data support centre the contractors asked both the European Commission and the MAs to clarify the possible problems in relation to data collection and analysis and suggesting possible methodological and practical solutions which could address these problems. The MA provided its feedback in March and October and further feedback would be provided in 2015.

- **Evaluation of the Public Procurement Remedies Directive**

DG Internal Market had launched a study to investigate the relevance of the regulations in place to address the breaches in public procurement law. Thus, in May 2014, the European Economic Research Limited had distributed a survey to all MAs to help the European Commission assess whether the “Remedies” have been effective in promoting competition in public procurement, and what the cost implications have been for contracting authorities. The MA, after liaising with the Department of Contracts, submitted its feedback in June.

Meetings

- **Evaluation Steering Group**

On 19th September 2014, the MA has organised the fifth Evaluation Steering Group (ESG) meeting. During this meeting, the final draft reports on both the Thematic Evaluations for Operational Programmes I and II were presented. Feedback provided by the stakeholders during such meeting was taken on board. Waves 4 and 5 of the Cohort Study were also presented.

- **ESF Evaluation Partnership Meetings**

DG EMPL organised its first meeting in Brussels between 20th and 21st March and it was mainly related to the monitoring and evaluation of the 2014-2020 programming period and the ex post evaluation of the 2007-2013 programming period. Other issues such as ESF data collection and validation, impact evaluations, and Evaluation Plan 2014-2020 were also discussed.

A joint DG EMPL and DG REGIO meeting was held on 15th May in Athens. It mainly focused on the 2014-2020 programming period as it focused on the Intervention Logic, Performance Framework, Evaluation Plans 2014-2020 and impact evaluations. Nonetheless, the ex post evaluation for the 2007-2013 programming period was also discussed.

The third meeting was held in Brussels between 17th and 18th June. The first day was dedicated to a learning seminar on sampling whereby theory and methodologies of sample design for the ESF and the statistical quality of derived indicators in the context of ESF reporting were the main topics of discussion. On the second day, the draft guidance on indicators of public administration capacity building, the ex post evaluation of the 2007-2013 programming period and monitoring and information systems were discussed.

On 26th November, DG EMPL organised its fourth meeting in Rome. The meeting provided guidance on monitoring and ESF data collection for the 2014-2020 programming period and focused on common issues that emerged in the Operational Programmes country analysis. The state of play of the 2007-2013 ex post evaluation was also discussed. Moreover, a session of the meeting was specifically focused on impact evaluations.

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 contributes towards the achievement of the Lisbon objectives of economic growth and job creation, by investing in the education system. The objectives and focus areas of intervention set under OP II which relate to this PA have focused on increasing investment in the education system and improving Malta's knowledge base. This will have long-term impact on the competitiveness of the Maltese economy.

Moreover, as outlined in the EU 2020 Strategy, education is also an essential driver for growth. In fact, education is one of the country-specific recommendations to Malta in order to improve its economic performance. The recommendations for Malta mainly included: reducing the early school leaving rate, increasing the tertiary educational attainment rate and increasing the labour market relevance of education and training. These recommendations are based on the fact that despite developments in the rate of the early school leaving rate (20.9% in 2013)⁷⁷ it still remains second highest in the EU. Moreover, although the tertiary level attainment of 30-34 years has increased significantly over the past years it is still low (26% in 2013)⁷⁸. It is envisaged that the former will be reduced to 10% by 2020⁷⁹, whereas the later will be increased to 33%⁸⁰.

The operational objectives of PA 1 are mainly: to increase student participation in both the general fields of study and S&T or ICT at a further or higher level of education; and to improve the quality or relevance of the educational experience. This shows that this PA contributes significantly towards the CSRs and the Union's strategy through investments in the education system, addressing skills mismatches, research and innovation, and ICT which are the main focus areas of intervention.

The qualitative analysis will delve deeper on how the projects implemented under PA 1 are contributing towards both the OP objectives and the CSRs; nevertheless, it is worth highlighting some flagship projects that are contributing towards the increase in tertiary level attainment. For instance, in order to increase the supply of skills in the labour force, the STEPS and Master IT scholarship scheme provided more opportunities to promote further Master's and PhD⁸¹ level specialisation in the key sectors of the Maltese economy. Moreover, the Intensive Training Programme/Masters in Technology Entrepreneurship (MQF level 7) was also offered under ESF 1.125.

Education, with particular emphasis being given to the reduction in the rate of early school leavers, has always been highlighted through the NRPs. It is worth noting that this challenge is being

⁷⁷ http://ec.europa.eu/europe2020/pdf/csr2014/swd2014_malta_en.pdf

⁷⁸ Ibid

⁷⁹ <http://education.gov.mt/esl/Documents/School%20Leaving%20in%20Malta.pdf>

⁸⁰ http://ec.europa.eu/europe2020/europe-2020-in-your-country/malta/progress-towards-2020-targets/index_en.htm

⁸¹ It is to be noted that PhDs from previous years were still ongoing in 2014

addressed one way or another through policy measures and educational reform by all PA 1 projects. The main contributors are the MCAST projects, such as ESF 1.33 and ESF 1.130 which aim to attract more individuals (particularly young students) to the vocational sector. With regards to the latter the results will continue to be reaped post project once the courses are implemented. In addition, the scope of the ESF 1.229 project is to address literacy and numeracy problems amongst children and adolescents that are essential in preventing ESL and ultimately improving employability. The ESF 1.228 project which is embedded within the regulatory structures of the National Curriculum Framework (NCF), governing the education reform is another flagship project. By means of this Learning Outcomes Framework project, for the first time in Malta, instead of having a prescriptive curriculum in schools based on the content of syllabi, a learning outcomes approach will be developed. This approach will facilitate a move away from standalone subjects to learning areas that form the entitlement for all learners towards inclusivity, citizenship and employability. Moreover, from a sustainable/ long-term point of view, ESF 1.28 and ESF 1.29 which are both closed projects, also contributed towards the target of reducing ESL by contextualizing vocational training and linking current training programmes within VET institutions to competences needed within industry and the design of occupational standards of skills within nine (9) key sectoral areas.

Measures have also been put in place in order to address the relevance of the educational experience, which is also one of the operational objectives of PA 1. In particular, ESF 1.130 involves the review and redesign of all MQF Level 4 and MQF 5 existing home-grown courses and courses that are currently being delivered by MCAST (and certified through foreign accredited bodies) and the launch of new training, in order to promote skills which are more relevant to the current economic needs. Thus apart from contributing towards the targets set in the OPII, PA 1 is also contributing towards the mission of the Union's strategy.

PA 1 feeds into the Community Strategic Guideline (CSG) – *Increasing investment in human capital through better education and skills*. As will be explained further within the qualitative analysis section below, further project activities were approved in 2014 in order to improve the education attainment levels of the Maltese population and equip students with the necessary competences required for the labour market. The underlying direction provided by the CSGs has been used as a guiding principle when approving actions under the different focus areas of intervention.

As a general overview, in 2014, no new calls were issued; however following the registration of savings under the Axis further activities were approved. In fact, all public funds budgeted in the OP under the PA (€41,400,000) were allocated, with a slight over-commitment (€1.2M as at year end) that is intended to ensure full absorption of funds allocated. As at end 2014, ten (10) projects⁸² were still active under this PA. The projects collectively address all the four focus areas under PA 1 as will be indicated below in Section 3.1.3. The following sections provide an overview of how the approved projects under the 2007-2013 programming period are contributing to national and sectoral strategies, policies and plans, whereas Chapter 4 will focus on how the approved projects contribute towards the

⁸² ESF 1.25; ESF 1.33; ESF 1.209; ESF 1.211; ESF 1.125; ESF 1.130; ESF 1.225; ESF 1.227; ESF 1.228 and ESF 1.229

Common Strategic Guidelines and the National Reform Programme. In this section a qualitative analysis will be undertaken to assess the likely achievement of the Priority Axis' objectives. It is also pertinent to note that the physical progress in line with the objectives of this PA will be discussed in Section 3.1.2 and the programme's output and result indicators will be also discussed under the same Section.

3.1.2 Information on the physical and financial progress

a) Analysis of Indicators

Table 22 - Priority Axis 1 Indicators (Output and Result Indicators)

Priority Axis 1 – Improving education skills													
				2007	2008	2009	2010	2011	2012	2013	2014	Total ⁸³	
Output	A	Indicator 1: Number of persons participating in further or higher education & training programmes	Achievement	0	0	140	155	147	45	229 ⁸⁴	66	782	
			Target	n/a	n/a	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	n/a	n/a
	B	Indicator 2: Number of persons participating in S&T or ICT in further or higher education & training programmes	Achievement	0	15	583	605	745	397	190 ⁸⁵	399	2,934	
			Target	n/a	n/a	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	n/a	n/a
		Indicator 3: Number of persons	Achievement	0	0	1	27	52	2	0	0	82	
			Target	n/a	n/a	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	n/a	n/a

⁸³ Includes repeat participants

⁸⁴ Achievements under ESF 1.25 were revised given that output indicators were being recorded by signature date of contract rather than start date of course

⁸⁵ Same as above

	participating in S&T or ICT capacity building education & training	Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Indicator 4:	Achievement	0	0	0	5	0	0	1	1	7
	Number of S&T or ICT actions/studies/campaigns/research activities carried out	Target	n/a	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	n/a
C	Indicator 5:	Achievement	0	0	96	545	49	150	331 ⁸⁶	171	1,342
	Number of persons trained through capacity building courses	Target	n/a	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	n/a
	Indicator 6:	Achievement ⁸⁷	0	213	211	1,503	3,744	4,741	3,731	734	14,877
	Number of persons trained through supplementary courses, modules or credits for better skills matches	Target	n/a	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	n/a
	Indicator 7:	Achievement	0	0	1	4	5	1	2	2	15
	Number of actions supporting educational quality, relevance,	Target	n/a	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	n/a

⁸⁶ Achievements under ESF 1.25 were revised given that output indicators were being recorded by signature date of contract rather than start date of course

⁸⁷ Achievements under ESF 1.123 were reconciled for all years as part of the project closure

		structures, systems, campaigns and research										
Results	A	Indicator 1:	Achievement	0%	0%	0%	28%	38%	59%	57% ⁸⁸	62%	62%
		% of participants gaining a further or higher education & training qualification	Target	n/a	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	n/a
	B	Indicator 2:	Achievement	0%	0%	0%	18%	27%	47%	71% ⁸⁹	72%	72%
		% of 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	n/a	n/a	75%
			Baseline	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Indicator 3:	Achievement	0%	0%	0%	29%	90%	96%	96%	96%	96%
		% of participants gaining a qualification/ certification in capacity building education/ training	Target	n/a	n/a	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	n/a	n/a

⁸⁸ Achievements under ESF 1.25 were revised following a reconciliation exercise

⁸⁹ Same as above

C	Indicator 4: % of participants gaining a qualification/ certification	Achievement	0%	0%	3%	53%	64% ⁹⁰	86%	86% ⁹¹	86%	86%
		Target	n/a	n/a	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	n/a	n/a

⁹⁰ Achievements under ESF 1.123 were reconciled for all years as part of the project closure

⁹¹ Achievements under ESF 1.25 were revised following a reconciliation exercise

When compared to 2013, the total number of persons trained in 2014 and supported under the PA registered a decrease over the previous year, primarily due to the fact that most projects are now nearing closure and the projects that dealt with training to all the educators⁹² including ESF 1.123 (provision of training on the e-Learning Solution including the use of the Platform and the use of the Management Information System); ESF 1.131 (continuous professional development for educators within church schools) and ESF 1.36 (MCAST staff development programme) did not implement any new training activities in 2014. These projects mainly contributed towards indicator 6 which is overachieved as it also includes the reporting of repeat participants. It is also worth noting that despite the fact that such large scale training to educators was not implemented during 2014 the impact of such training continued to reap its results in 2014 as will now be described. In fact with respect to ESF 1.123, statistics show that following the implementation of training, the teachers continued to upload and share their lessons with pupils and colleagues. The measures implemented in 2014, included amongst others access to online repository of learning materials created by their teachers or other education officials during or after school hours, receiving and submitting homework and assignments online and communication by email and instant messaging with teachers and students. Moreover, the data logins of both students' and teachers' continued to increase in 2014 highlighting the sustainability of the ESF 1.123 project. As at June 2014, there were 105 schools connecting to the system with login activity in Fronter, organised under 11 Colleges with a total number of user accounts of 48,710. Statistics show that when looking at school activity grouped by school level, the most usage is from the primary schools.

With regards to the achievement of the OP targets it is worth noting that *indicator 1 - number of persons participating in further or higher education and training programmes* has been exceeded mainly due to the training opportunities provided under ESF 1.25 and ESF 1.225. On the other hand the targets related to both indicators 2 and 3 were not achieved by end 2014. An analysis of their likely achievement by the end of the programming period shows that that indicator 2 and indicator 3 are unlikely be achieved. It is to be noted, that indicator 2 was ambitiously drastically increased from 600 to 3,000 through an OP change. Thus showing Malta's commitment to continue to invest and focus on S&T and ICT which in terms of indicators was nearly achieved by end of 2014. With regards to indicator 3, the underachievement is the result of the focus towards the re-development of courses (action) rather than capacity building of educators. Nevertheless, considering the importance of the continuous investment in ICT and S&T, these actions are expected to continue to be implemented within the framework of the 2014-2020 programming period.

The target number of *S&T or ICT actions/studies/campaigns/research activities carried out (indicator 4)* and *actions supporting educational quality, relevance, structures systems, campaigns and research (indicator 7)* continued to be addressed, thanks to the contribution of ESF 1.125 through the development of online course material (i.e. students are able to download content of lectures for the

⁹² ESF 1.123; ESF 1.131 and ESF 1.36 were the main contributors for overachievement under indicators 5 and 6

ITP through the University's VLE), ESF 1.130 through the design and re-design of home-grown courses respectively and ESF1.227 the development of National QA FHE Framework.

In terms of likely achievement *indicator 4* is also not likely to be achieved by the end of the programming period but similarly further actions in the area of ICT and S&T are expected to be implemented under the 2014-2020 programming period. In the case of *indicator 7* further actions are envisaged to be implemented in 2015 under ESF 1.130, ESF 1.227 and ESF 1.228.

Moreover, given that most of the projects are now at an advanced stage in implementation, significant progress was registered in relation to the result indicators. In fact, all result indicators continued to confirm the positive trends of previous years with the main contributors being ESF 1.125 and ESF 1.209 during the year under review. It is also worth noting that under both ESF 1.25 and ESF 1.225 a small number of participants obtained a post –graduate diploma rather than a masters degree. Thus although not officially contributing towards the project indicators, persons achieving a Masters or PhD, the qualification provided has nevertheless enhanced their competences and employability.

b) Data on Participants

The table below depicts the physical progress under Axis 1 in 2014, in accordance with Commission Regulation 1828/2006 Annex XXIII:

Table 23 - Data on Participants Priority Axis 1

TOTALS PA 1 2014		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+Unemployed+Inactive)	1,370	731	1,217	659
	Employed	1,189	649	1,028	580
	Self Employed	104	22	85	14
	Unemployed	57	28	49	20
	Long Term Unemployed	6	1	4	1
	Inactive	124	54	140	59
	Inactive in Education and Training	112	50	126	56
Age	Young People (15-24 years)	192	92	202	88
	Older Workers (55-64 years)	84	36	66	29
Vulnerable Groups	Minorities	0	0	0	0

	Migrants	16	4	10	1
	Disabled	1	0	2	1
	Other Disadvantaged People	0	0	0	0
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	25	5	18	5
	Upper Secondary education (ISCED 3)	22	19	21	9
	Post-secondary non-tertiary education (ISCED 3)	236	196	239	186
	Tertiary Education (ISCED 5 & 6)	1,087	511	939	459

On a general note, given that this programming period is now nearing its end, the number of participants in training decreased from the previous year (from 4,370 in the previous year to 1,370 this year). In 2014, the main contributor to the training opportunities under this PA was ESF 1.125. Nevertheless, despite the decline in persons trained, it is worth noting that the proportion of women attending training was around 53% and 6% were older workers. This shows that females are actively participating in education and training programmes including further and higher education. Although, the PA does not actually target older workers since its main focus is on students and enhancements of the education system, active ageing was also indirectly addressed through projects that targeted mainly the capacity building of the education system and also through participation in various courses, such as scholarships, which aid increasing employability in later life. By way of conclusion, the focus of PA 1 in 2014 was attainment of results and sustainability of the projects.

c) Financial Progress

Table 24 - 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	€42,603,863	€35,898,113	€32,009,367	103%	87%	77%

As was explained earlier within this section, the amounts committed under PA 1, exceeded the amounts allocated under the PA, resulting in an over-commitment of €1.2M under PA 1 in 2014. This is being done to mitigate against the savings that are usually registered during the contracting process under the ESF. Moreover, as can be seen from the above table, PA 1 continued to register positive trends on the financial side, with progress registered most notably in the amounts paid and contracted. Contracted amounts increased by €4.9M over 2013⁹³ as a result of substantial contracts signed under ESF 1.130 and ESF 1.228 projects and the ESF 1.225 contracts for scholarships⁹⁴. Payments also increased by a further 15%⁹⁵, with the major contributors towards this increase being ESF 1.130 and ESF 1.225. This year was also a challenging financial year for the OP due to the N+3 target. Nevertheless, the target was achieved with PA 1 contributing to the overall OP target. By December 2014, under PA 1 €31,068,639 had been certified to the Commission of which €6,586,653 were certified in 2014.

3.1.3 Qualitative analysis

Under PA 1, 2014 was characterised with projects reaching their maturity and having activities well underway. During the period under review, all projects approved under this PA, including projects approved in 2013, registered substantial progress and continued to deliver significant results in terms of qualifications, skills attainment and the implementation of actions intended to improve the education landscape in Malta. In the case of the latter, as will be explained further on below, both the ESF 1.228 and the ESF 1.130 project have contributed significantly, alongside other projects which are smaller in nature. Ultimately all projects are directly or indirectly contributing towards the overarching operational objective of PA 1, namely to improve the quality and relevance of the educational experience.

Priority Axis 1 confirms that *Malta's economic growth and development demand quality education for all* (OP II, 2012:57). Malta's educational system is the cradle for such development and has been steadily addressing diverse issues, gradually increasing its focus on the individual learner who is now being placed at the centre of the educational process. As part of this renewal, the ESF 1.228 project which is being implemented by the Directorate for Quality and Standards in Education (DQSE) within the Ministry for Education and Employment intended to develop the Learning Outcomes Framework (LOF) and the associated Learning and Assessment Programmes (LAPs) which is considered a key component of the Maltese Educational System as set out in the National Curriculum Framework (NCF). This project will contribute towards Malta's achievement of education targets by addressing reforms in the NCF. Moreover, the project is considered innovative because it is conceptually seeking to modify the methods of teaching and assessment in Malta and changes the focus of teaching and learning to measurable Learning Outcomes. Following the contracting of the design for the Learning

⁹³ As at end of 2013 €30,970,703 were contracted

⁹⁴ During 2014 €2.4M were contracted under ESF 1.225 – Master II!

⁹⁵ Paid as at end of 2013 was €27,786,151

Outcomes Framework in 2014, the DQSE proposed a number of additional activities including the development of a number of Vocational Education and Training Subjects such as Artisanship, Construction, Hairdressing and Beauty, Retail, and Textiles and Fashion, and other academic-oriented subjects being introduced as an option at Year 9 of Compulsory schooling to motivate those students who have less interest in academic subjects. These subjects are in addition to the subjects that are already being developed under the LoF and will ultimately also contribute towards the reduction of ESL. In fact, according to the NRP (2013) preventive measures against ESL will include the implementation of the NCF (which lays down the foundation for the ESF 1.228 project) and the provision of more opportunities for VET in compulsory education. These measures will also address the Early School Leaving Strategy. Another new activity proposed and approved in 2014 included Continuing Professional Development, that is, training of educators and local experts ranging from different educational contexts, on outcomes-based approaches, responding to the national need whilst building the internal capacity for the early implementation of the LOF & LAPs. This Train the Trainer programme will focus on the pedagogy and will have a strong multiplier effect as it will disseminate practices amongst colleagues across sectors. This is planned to be implemented in 2015. In addition, Early Years Childhood Education and Care will now also be tackled through the ESF 1.228 project. This will mainly include the development of an outcomes-based approach in the Early Years to support professionals working in this sector and help bring about the desired transformation of current practices to a more integrated, outcomes-based approach whilst preparing for a seamless transition to the more structured junior years. Moreover, in order to ensure the sustainability of this project a number of seminars have been held and will continue to be organised throughout the timeline of the project to address the need for the different stakeholders to be continually updated on the project, and to serve as an opportunity to hold brief training sessions with the Local Curriculum Development experts, and educators, on the Learning Outcomes approach.

The ESF 1.130 project, which is being delivered by MCAST, also contributes significantly towards the operational objective of improving the quality and relevance of the education system and in particular the focus area - *Investing in the education system* - through a number of actions. The aim is for the MCAST courses to be better suited to meet Malta's economic requirements. In fact, during 2014, the review of existing course structures including learning outcomes, syllabi, assessment methodologies, level rating, and teaching material of all MCAST Level 4 and MQF 5 home grown courses, such as the MCAST Diploma in Financial Services, MCAST Diploma in Pharmacy Technicians, MCAST Diploma in Masonry Heritage Skills and the MCAST Higher Diploma in Marine Engineering were completed. These courses have been reformulated to meet the latest industrial needs and address the Malta Qualifications Council (MQC) formal accreditation requirements. Moreover, a team of experts is also designing and writing the courses structure/syllabus and the teaching material of various new courses, such as Agri-tourism, Preservation and Restoration Skills and Marine Engineering, ultimately increasing MCAST course offerings in line with the industrial needs. Furthermore, the review and redesign of all MQF Level 4 and MQF Level 5 courses that are currently being delivered by MCAST (and certified through foreign accredited bodies) started to be redesigned

in 2014 and will be concluded in 2015. It is also pertinent to note that the ESF 1.130 project is currently in a sufficiently advanced stage that enables MCAST to map the project's outreach. Indeed, MCAST is now in a better position to be able to create a consolidated course offering that links together this project's deliverables and curricular developments conducted through other ESF funded projects. For instance, the Level 5 courses that are being designed within this project are a continuum of MCAST's Level 6 programmes developed under ESF 1.36. In addition, the co-financing of the provision of the e-library services for e-books at pre-University and University levels, which is also another new activity approved in 2014, will represent an important contribution towards the consolidation of MCAST's educational offer and the strengthening of vocational education in Malta which in turn can generate important educational and economic benefits. Within this context one should note that MCAST will be acquiring electronic access licenses in the following subject areas: Business and Commerce; Electrical and Electronics Engineering; Information and Communication Technology; and Mechanical Engineering. The courses that shall be offered within the context of these areas through the project are directly related to the national impetus to consolidate key growth economic sectors. Indeed, the Pre-Budget Document 2014 states that '*Noteworthy increases were registered in the services sector particularly in the financial and insurance activities, professional, scientific and technical activities and administrative and support activities.*' This is coupled by the fact that '*(...) one may conclude that during the 10-year period under analysis Malta has gained a European competitive advantage in the fast growth sectors of pharmaceuticals, computer-related, other business activities, financial services and remote gaming.*'⁹⁶ Therefore, the availability of the latest books and journals in these areas will provide MCAST students and academics with an indispensable tool that will place them on a par with their counterparts in leading European economies which in turn will lead to a better prepared Maltese workforce in leading economic sectors. One should also note that the subject areas listed above are highly dynamic areas within which developments are constantly occurring. For instance, the Business and Commerce sector is highly dependent on changes in legal frameworks and variations in financial scenarios. Moreover, the Engineering and ICT fields are also highly prone to changes due to the frequent emergence of new technologies. Therefore, the availability of e-books and e-journals in these areas as opposed to traditional books presents a clear advantage. Similar to the actions undertaken under the ESF 1.228 project, the above mentioned (ESF 1.130) actions can be considered as key measures in addressing both the CSR related to reducing the high rate of early school leaving rate and pursuing policy efforts in the education system to match the skills required in the labour market (NRP, 2013).

The ESL is also addressed through policy measures aimed at enhancing the education system. In fact the ESF 1.227 project, *Making Quality Visible (MQV)*, which is being implemented by the National Commission for Further and Higher Education (NCFHE), although smaller in nature, is also investing in Malta's educational system and is innovative within the local context. The aim is to implement the Legal Notice 291 of 2012 Regulations on Licensing, Accreditation and Quality Assurance, thus ultimately addressing the overarching operational objective of improving the quality and relevance of

⁹⁶ Pre-Budget Document 2014, pp.30

the educational experience. The year under review included the kick-off for the preparation of procedures and mechanisms for the auditing of Further and Higher Education entities in Malta including the three self-accrediting further and higher educational Maltese institutions namely MCAST, the University of Malta (UoM) and the Institute of Tourism Studies (ITS). Specifically, in 2014 training to both MCAST and ITS staff related to internal QA Mechanism and the QA Framework and the Quality Culture was delivered. The eLearning Audit training course was also implemented in 2014, whereas the CPD award in Further and Higher Education Quality Assurance (EQF level 5) was initiated and was ongoing by year end. In addition, a study visit was also implemented towards the end of 2014. This was a key component of the CPD training being provided since it exposed participants to a real context of internal and external QA in FHE institutions in Germany. In order for the planned results to be achieved, the study visit encompassed and included a representation of the entire further, higher and adult education quality assurance (QA) section in Malta with the aim of involving all the relevant stakeholders in the process of the development of a quality culture in FHE in Malta in line with the recommendation of the European Standards and Guidelines (ESG) which is also a key deliverable of the project. Ultimately, the study visit enabled each participant to adopt what is most relevant to its particular institutional scenario, leading to an education transfer. In fact another aim of this study visit was to adopt a developmental approach within the FHE sector rather than imposing a framework on QA officials. This will ultimately have an impact on the sustainability of the project, i.e. post-project quality assurance framework implementation. In addition, further training activities were proposed and approved in 2014, namely the Training for Local External Quality Auditors. This will further contribute towards achieving the indicators of PA1.

Furthermore, the educational system is also being enhanced through improved services. The ESF 1.209 project, is implementing a course leading to the Post-Graduate Diploma in Educational Leadership for Gozitan educators (EQF level 7) and Diploma Course in Facilitating Inclusive Education for Learning Support Assistants (EQF level 5) continued to be implemented under ESF 1.209. Moreover, in 2014, 284 participants, of whom 271 participants gained a qualification by end of 2014, participated in the LSA course which aimed to upgrade Learning Support Assistants 1 & 2 by providing them with In-Service training in order for them to be able to be in a better position to support the learners identified with diverse educational needs. This is also a new activity proposed, approved and implemented in 2014. Ultimately the Learning Support Assistants who were trained in supporting literacy and numeracy will be an asset to the educator in the classroom in supporting literacy and numeracy improving the attainment of Maltese learners. This project alongside all the PA 1 projects will ultimately have an impact on the reduction of ESL rate.

On the other hand, the ESF 1.229 project '*Skills Acquisition for Children and Adolescents*', which is being implemented by the Foundation for Educational Services, piloted two basic skills programme focusing on numeracy and literacy in order to improve the education and skills of children and adolescents respectively. As a result the focus area – *Investing in the Education system* – is being addressed as the project helps to address weaknesses within the Maltese Education system by providing early intervention. This project also aims to provide better play work provision, which is

essential in the building of soft skills in children through the training of play workers. In fact forty four (44) scholarships in play work were funded and will be completed in 2015. Thus apart from improving educational services, this project is also one of the main contributors, towards the CSR of decreasing early school leaving (ESL 20.9% in 2013) rate to 10% by 2020⁹⁷.

The realisation of the targets also depends on the education system becoming more attractive and relevant to the needs of the individual. The OPII states that '*Quality education for all will contribute towards the fulfilment of human and societal potential, the advancement of knowledge, social cohesion and economic progress.*' (OP II pg 59). Through the ESF 1.211 project, the electronic portfolio for trainees and trainers in postgraduate medical started to be developed and the related training will be implemented in 2015. 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 e-Portfolio Software was created as an innovative educational tool for the postgraduate training of the medical doctors who are undergoing their medical specialisation. This will also support the promotion and establishment of a clear and formalised framework which encourages flexible pathways within and between institutions so that students can realise their full potential thus supporting the OP targets. The outcome of the project being implemented is that the quality of education of post graduate/specialization level within the Medical professional field will be improved.

Apart from the qualitative leap within the education system, the objective of reaching quantitative targets and increasing student participation is also one of the operational objectives of PA 1. In order to achieve a sustainable future in line with the objectives of the EU 2020 Strategy, scholarships in various areas including areas related to research and innovation continued to be offered under ESF 1.225 during the year under review. The project recognises that for Malta to compete and meet the challenges posed by the high value added and knowledge-based market the availability of highly skilled and flexible workforce is required. Considering that some savings were registered in the year under review, following substantiated request from the Ministry of Education, in 2014, further funds were allocated to the 'Master It!' project bringing the total of the project to €4.9Million. In order to commit such funds, the Ministry for Education issued two calls (Calls 3 and 4) in 2014. The scholarships were awarded in a number of areas including environment, ICT and life sciences thus contributing mainly towards the achievements that were registered under *output indicators 1 and 2* and the related result indicators since a number of participants had obtained their Masters during the year under review. Moreover, although no further scholarships were awarded under ESF 1.25 'STEPS' project, as the project had already been fully committed in 2013, this project still contributed towards the result indicators related to persons obtaining a qualification in further or higher education and training in both general areas of study and S&T or ICT. In fact in 2014, seventy-six (76) students had concluded their studies under ESF 1.25 of which 20 were actually at EQF level 8. Overall both projects are contributing towards the operational objectives of this PA, that is, to increase student participation in general fields of study and S&T/ICT at a further of higher level of education. Ultimately

⁹⁷ <http://education.gov.mt/esl/Documents/School%20Leaving%20in%20Malta.pdf>

both projects have significantly played an important role in the economic and social development of Malta. In addition, the tracer study which is being financed under ESF 1.225 has been initiated in 2014 and is expected to be concluded in 2015. The aim of this study is to evaluate how the Maltese economy is benefitting from these types of scholarships and the skills attained by the awardees in relation to their employability. Through the tracer study lacunas of skills mismatches will be identified and the results of the tracer study are planned to be used for the drafting of similar projects under the 14-20 programming period.

Tied to the increase in participation at tertiary level, which is both a CSR recommendation (i.e. to increase the percentage (26% in 2013) of the population aged 30-34 year to 33%⁹⁸ having completed tertiary education) and one of the operational objectives of PA 1, under ESF 1.125 measures were implemented to provide flexible training arrangements such as on-line learning which will also ensure the long-term sustainability of the project. Furthermore, this project is contributing to the focus area related to *Research and Innovation*, through the setting up of an intellectual property framework and the provision of training in technology transfer and innovation management which will translate into a better collaboration between businesses and the University.

In addition, under ESF 1.125, the training programme related to Intellectual Property (IP) and Knowledge Transfer continued to be implemented in 2014. In particular, seminars for the ecosystem (researchers, students, business representatives, entrepreneurs and potential investors) were delivered in order to support an effective institutional rapport between education and industry. The external seminars included amongst others 'Managing IP in the Life Sciences', 'Start Up Seed Investment Workshop', and 'Can Lawyers Facilitate Innovation'. Internal seminars such as 'Intellectual Property Rights', 'Obligations and Benefits Managing' and 'Intellectual Property in Engineering and Manufacturing' were also organised. These seminars are contributing towards focus area – *Addressing Skills Mismatches* – since as specifically indicated in the OPII (pg 59), '*an effective institutional rapport between education and industry is important in order to ensure that the investments in the education yield positive results in terms of economic growth*'. In addition, as already mentioned above the ITP modules (EQF level 7) continued to be delivered in 2014.

Further level rated courses also continued to be implemented under PA 1, thus addressing the operational objective related to the student participation in general fields of study and S&T/ICT at a further of higher level of education. In fact, ESF 1.33 and ESF 1.130 which are both implemented by MCAST continued to offer scholarships in ICT and the financial services respectively thus addressing the focus areas of *ICT* and *Skills Mismatches*. During the year under review sixteen (16) students completed the courses related to ICT scholarships under ESF 1.33 and five (5) students concluded their scholarship in financial services under ESF 1.130. Both areas are of strategic importance to the local economy and thus the skills obtained will ultimately improve the employment prospective of the students. In fact four (4), of which one (1) is female, of the students undergoing training in the financial services have already obtained employment.

⁹⁸ http://ec.europa.eu/europe2020/europe-2020-in-your-country/malta/progress-towards-2020-targets/index_en.htm

By the end of 2014, the committed amount for ERDF interventions under PA1 reached 6%. In 2014, the ERDF type investments were being implanted under ESF 1.130 with the tender for equipment in the areas of Arts and Design, Marine Engineering and other issued in 2014. Moreover, further investment is envisaged under the same project in 2015 namely in the areas of Applied Science; Electrical and Electronics Engineering; Information and Communication Technology and Mechanical Engineering. These areas rely heavily on hands-on sessions to convey concepts and principles. Thus, it is not possible to provide students with the adequate practical tuition if the necessary equipment is not available.

Gender equality was a horizontal theme across all PA 1 projects. With particular reference to the target of the Unions Strategy to increase the share of the 30-34 years old having completed tertiary or equivalent education, similar to previous years, under ESF 1.225, a financial allowance was provided to participants who have children and are undergoing their studies at tertiary level. The aim is to further support the participants in their studies and actually contribute towards the afore-mentioned indicator.

Moreover, whilst PA 1 address mainly education and is not particularly targeting inclusion, nevertheless disadvantaged groups (including persons with disabilities and migrants) participated in training. In fact, under ESF 1.125 fourteen (14) migrants participated in seminars/courses which were organised by the University of Malta namely: (1) the external seminars, such as '*Funding for Technology Start-Ups*' that aimed to provide the ecosystem with knowledge on Intellectual Property (IP) and Knowledge Transfer (KT); and (2) the Intensive training programme (ITP) modules in Technology Entrepreneurship at NQF level 7.

Innovative actions were also implemented under PA 1 in 2014. A detailed analysis in relation to Article 10 has been included in Chapter.

3.1.4 Significant problems encountered and measures taken to overcome them

The below main points provide a summary of the significant problems encountered during the implementation of PA 1 projects in 2014. None of the problems being reported here resulted in serious problems pursuant to Article 62(1)(d)(i) of Regulation (EC) No 1083/2006.

i. Procurement and Contracting issues

Given the timeframes involved and that activities are now time bound one of the major challenges was to ensure a timely contracting process. In fact, similar to previous years, weekly meetings with the Department of Contracts continued to be held in order to identify the tenders that required priority vetting and also to address other issues related to procurement in a timely manner. In fact, the main tenders under ESF 1.130 and ESF 1.228 were given priority and this is reflected in the timely award

of tenders under this contract. Nevertheless, further tenders related to recently approved activities, still need to be issued in 2015. Moreover, the ESF 1.130 project faced problems during the procurement process as the tender related to multimedia/marine equipment did not attract any bidders and had to be re-issued in 2015.

ii. Absorption of funds

The full absorption of funds under Priority Axis 1 was one of the main challenges during the year under review. Despite the fact, that PA 1 was over committed in 2013, a number of savings were registered during the contracting process. The MA continues to monitor the situation and to mitigate against possible further savings; additional activities were considered and approved. In fact, by end 2014, PA 1 is still overcommitted.

iii. Closure of projects

Closure of projects and reconciliation of indicators and Annex XIII was also one of the main challenges during 2014. As explained above, most of the projects under PA 1 have concluded their activities. Nevertheless, although in principle these projects were being considered as completed, these were not actually closed as the administrative side of the projects, which is also time consuming, was still ongoing in 2014. As a result during 2014, the focus was on both the closure of projects and the implementation of ongoing and additional activities.

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 targets investment in human capital with the aim of ensuring that the working age population and enterprises become flexible to respond to the needs of the economy, whilst at the same time reducing unemployment levels. This is mainly achieved through training, up-skilling and re-skilling of the actively employed (including older workers), the unemployed, the inactive and undertakings.

In line with the EU 2020 targets on employment and education, specifically the target to have more 20-64 year olds in employment and more 30-34 year olds completing a tertiary level of education. PA 2 offers continuous lifelong learning programmes, traineeships and scholarships aimed to help Malta reach its 70% employment target. During the year under review this was mainly achieved through the

Enhancing Employability through Training project⁹⁹ with basic skills courses aimed towards the unemployed and the inactive. This project also contributed towards the national tertiary education target of increasing the share of 30-34 year olds having completed tertiary education or its equivalent to 33% by 2020 through scholarships in the form of the Training Subsidy Scheme Academic. In 2014, three (3) persons have successfully gained certification in this regard while the remaining cohort is expected to finish their studies in 2015. On the other hand ESF 2.186, implemented by the Malta Film Commission, started boosting the creative industry in Malta by targeting people working in the film industry. This project equipped participants with basic skills in this sector, in turn making them more employable and facilitating access to employment in this area.

During the year under review the TAF continued to contribute towards Malta's CSR linked to education and training through continuous training and education and innovative activities with the ultimate aim to reach this PA's operational objective to increase the participation in rate in lifelong learning.

In summary as at end 2014 under PA 2 there were fourteen (14) mainstream projects and one (1) Aid Scheme (TAF aid scheme under Article 107 of the Treaty on the Functioning of the European Union) approved. Of these fourteen projects, three (3)¹⁰⁰ projects are closed, while another four (4)¹⁰¹ projects are at closure in terms of administratively closing the project implementation as at end 2014. No new calls were issued under this PA during the year under review. The remaining seven (7)¹⁰² projects and the TAF continued to actively contribute towards the full commitment and achievement of this priority axis' targets (both of a physical and financial character). The €30,995,000 in public funds allocated under this PA was fully allocated by the end of 2014, with a small over-commitment (€1.4M) to ensure full absorption of funds by the end of the Operational Programme in view of potential project savings during the implementation in the final months of the programme.

⁹⁹ ESF2.201

¹⁰⁰ ESF2.7; ESF2.84; ESF2.12

¹⁰¹ ESF2.11; ESF2.72; ESF2.78; ESF2.137

¹⁰² ESF2.4; ESF2.85; ESF2.139; ESF2.141; ESF2.186; ESF2.201; ESF2.204

Information on the physical and financial progress of the Priority Axis

a) Analysis of Indicators

Table 25 - Priority Axis 2 Indicators (Output and Result Indicators)

				Priority Axis 2 – Investing in employability and adaptability of the workforce									
				2007	2008	2009	2010	2011	2012	2013	2014	Total	
Output	A	Indicator 1: Number of persons trained/ supported ¹⁰³	Achievement	0	0	4,809	14,084	15,885	6,893	2,446	7,749	51,866	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
		Indicator 2: Number of actions supporting educational structures, systems, campaigns and research ¹⁰⁴	Achievement	0	0	0	0	0	3	4	2	9	
			Target	n/a	n/a	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	n/a	n/a
	B	Indicator 3: Number of undertakings supported ¹⁰⁵	Achievement	0	0	114	853	938	857	12	0	2,744	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
Results	A	Indicator 1: % of	Achievement	0%	0%	33%	31%	33%	33%	32%	28%	28%	

¹⁰³ Figures for ESF2.4 were revised following inputting of TSS/TSSA participants; Figures for ESF2.72, ESF2.85 and ESF2.201 were reported incorrectly in previous years

¹⁰⁴ ESF2.72 action reported in 2011 incorrectly

¹⁰⁵ ESF2.65 – changes due to de-commitments and delayed reporting from IB

B	participants in employment or further study 6 month after receiving assistance ¹⁰⁶	Target	n/a	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	n/a	n/a
	Indicator 2: % of participants gaining a qualification/certification ¹⁰⁷	Achievement	0%	0%	77%	83%	86%	89%	86%	83%	83%	
		Target	n/a	n/a	n/a	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	n/a	n/a	n/a
	Indicator 3: % of participants gaining a qualification/certification ¹⁰⁸	Achievement	0%	0%	91%	94%	96%	91%	98%	98%	98%	98% ¹⁰⁹
		Target	n/a	n/a	n/a	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	n/a	n/a	n/a

¹⁰⁶ Figures for ESF2.4 were revised following inputting of TSS/TSSA participants

¹⁰⁷ ESF2.11; ESF2.72 erroneous figures reported in previous years; ESF2.201 underachievement erroneously recorded in 2013

¹⁰⁸ ESF2.65 – changes due to de-commitments and delayed reporting from IB

¹⁰⁹ The chances of an employed individual completing his/her job-related training is very high given that this is of benefit to him/her andn his/her employer

As is being reported above, all of the target indicators (both output and result) under PA2 have been reached and surpassed. One should also note that although the target for the target for the output indicator *Number of persons trained/supported* is set quite high, the OP allows for repeat participants to be recorded under this indicator.

On the other hand no results were registered during 2014 in relation to the Aid Scheme given that the scheme was closed during the year under review. This output indicator is expected to increase once again in 2015 with the launch of a scheme in Q4 of 2014 as will be reported below. In regard to mainstream projects when compared to 2013, the number of persons trained in 2014 increased under this PA as project activities mainly under ESF 2.201, ESF 2.85 and ESF 2.186 continued to contribute to the programme results. It is also worth noting that the only PA2 project which completed all of its training activities in 2014 was ESF 2.137. In this regard the percentage of participants gaining a qualification/certification decreased slightly when compared to 2013. Projects like ESF 2.4, ESF 2.85, ESF 2.204 and ESF 2.201 completed only part of their training activities during the year under review. Even so, these projects are currently implementing training activities which will spill over to 2015. In this regard the percentage of participants gaining a qualification/ certification decreased slightly when compared to 2013.

b) Data on Participants

The table below depicts the physical progress under Axis 2¹¹⁰ in 2014, in accordance with the Commission Regulation 1828/2006 Annex XXIII.

¹¹⁰ Data on ESF 2.141 is still being collated. Information given on this project is pending verification

Table 26 - Data on Participants Priority Axis 2

TOTALS PA 2 2014		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+Unemployed+Inactive)	9081	5400	7720	4507
	Employed	2601	1353	2151	1080
	Self Employed	335	123	288	104
	Unemployed	5635	3508	4877	2990
	Long Term Unemployed	1458	459	1320	421
	Inactive	845	539	692	437
	Inactive in Education and Training	57	37	46	36
Age	Young People (15-24 years)	1159	557	1119	520
	Older Workers (55-64 years)	2607	1804	2112	1451
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	174	60	106	46
	Disabled	176	46	162	42
	Other Disadvantaged People	97	14	91	13
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	7080	4519	5954	3737
	Upper Secondary education (ISCED 3)	1106	441	930	375
	Post-secondary non-tertiary education (ISCED 3)	461	215	429	193
	Tertiary Education (ISCED 5 & 6)	434	225	407	202

During 2014, the number of participants in training more than doubled over the previous year with an increase of 249% on 2013 (from 2,498 to 9,081 this year) mainly through the training carried out under ESF 2.201 and ESF 2.204 with over 7,000 participants in total between these two projects. Other mainstream projects such as ESF 2.186 and ESF 2.85 continued with their training during the year under review albeit on a smaller scale.

It is worth noting that the percentage of women attending training in 2014 increased in relation to the total number of participants undergoing training over the previous year, with an increase of 505%¹¹¹ over 2013. Overall the percentage of women attending training in 2014 over the entire population of participants under PA 2 stands at 62%¹¹² which is more than half of the trained population under this Axis. The highest number of women in training during 2014 were registered as unemployed and having a low level of education (ISCED 1 & 2). Such training continues to contribute towards a higher skilled labour force with a higher percentage of women trained, thereby increasing the potential of the female working-age population in Malta.

With respect to older workers - participants who undertook training aged 55 to 64 years of age, during 2014, 2,607 participants were registered under this Axis with 1,804 – 69% of these participants being women. These figures also show that older workers formed 29% of the total cohort of participants trained under PA 2 in 2014, more than one fourth of this population. These figures support Malta's aim towards increasing the attractiveness of the lifelong learning course offer in Malta where we are seeing older workers going into training – an increase of 2,195 participants of older workers from the 225 participants (older workers) registered in the previous year.

c) Financial Progress

Table 27 - Financial Progress Priority Axis 2

Priority Axis	A Total Contribution	Financial Progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority Axis 2 Investing in Employability and Adaptability of the Workforce	€30,995,000	€32,398,980	€25,935,260	€22,204,002	105%	84%	72%

Similar to the situation under PA1, PA2 continued to register an increase in the commitments, contracted and paid amounts with the amounts committed exceeding the amounts allocated under the PA, resulting in an over-commitment of €1,403,980, mainly attributable to the approval of the

¹¹¹ 5,400 women in 2014 – 893 women in 2013 / 893 x 100 = 505%

¹¹² 5,400 women in 2014 / 8,708 participants x 100 = 62%

extension of the Aid scheme under ESF2.65 which increased the commitment by €1,111,224 when compared to 2013, and approval to increase the activities and the budget following justified requests by the beneficiaries under ESF2.186 (budget increased of €427,000.00), and ESF2.139 (budget increased of €19,243.28). During the year under review, contracted amounts increased by over €1M over 2013, mainly as a result of a €972,282.49 contracted under project ESF2.139¹¹³. Payments increased by 41%¹¹⁴. The major contributor towards this increase was ESF2.139 with €2,952,364.26 paid during the year under review, together with ESF2.65, ESF2.4, ESF2.201 and ESF2.186 with €2,012,752.82, €586,376.17, €346,227.24 and €103,721.19 paid in 2014 respectively.

3.1.3 Qualitative analysis

Training has an overarching impact and contributes to the growth of any sector in which/for the benefit of which it is conducted. This Priority Axis aims to invest in human capital to ensure that working age population and enterprises become flexible to respond to the needs of the economy, whilst reducing unemployment levels. The two operational objectives under PA 2 are to increase the participation rate in lifelong learning and to support the adaptability of undertakings through skills improvement and upgrading of workers.

The training conducted under PA 2 projects during 2014 continued to address Malta's national priorities in order raise the skill levels of its workforce and increase investment in human capital, knowledge and innovation. This PA also includes innovative project and for the first time under this PA (and under the programme), training in the film industry targeting the country's national priority to boost the local creative industry was being provided; while the IB through the TAF scheme continued to ensure economic competitiveness by supporting the private sector through subsidies for training cost (the call was launched in 2014 with the implementation and payments expected in 2015). The above mentioned operational objectives are further sub-divided into three focus areas of intervention, namely; continuous training and education, supporting the private sector and innovative activities. The following is a detailed analysis of how PA 2 projects contributed towards this Axis' Focus Areas of Intervention during 2014.

During the year under review, the Intermediate Body¹¹⁵ continued to support the private sector through skills improvement and upgrading of workers skills by focusing on the closure of operations that were approved up to 2012, whereby administrative verification and reimbursement of claims for approved operations (training interventions carried out by enterprises in the previous years) have been effected on almost all the remaining pending claims. These concerned training programmes implemented by the private sector with the exception of problematic claims that were still under review by the different competent authorities.

¹¹³ Other projects that contributed to the contracted amount under PA 2 were - ESF2.137 - €75,970.22; ESF2.204 - €341,404.22; ESF2.85 - €176,101.61; ESF2.186 - €235,210.85; ESF2.201 - €499,168.91 and ESF2.141 - €100,488.02

¹¹⁴ Paid as at 31st December 2013 stood at €16,617,701 and €22,204,002 as at 31st December 2014

¹¹⁵ IB for TAF is the ETC

As already indicated above, in November 2014, ETC also launched an extension to this Programme - TAF2, whereby an additional funding of about €1.1 million was allocated for training that will be completed by the end of June 2015. The aim of this extension is to continue to support the private sector through continuous training for the employed. This brought the total allocated budget of the Training Aid Framework to almost €10 million.

From the launch of the project till end December 2014, 2,774 TAF Grant Agreements remained valid with a current expenditure of approximately €7.4 million towards 637 different beneficiaries. The remaining funds, approximately €2.5 million, will be allocated to TAF2. Till end December 2014, 788 TAF2 applications were submitted; the IB continued to receive applications till the beginning of January 2015.

TAF2 has been re-designed and simplified to speed up disbursement. ETC's main objective during the re-design of TAF2 was to simplify various processes. In the past, the procurement of training and the submission of three quotations proved to be an onerous obligation for most of the TAF applicants. Therefore, ETC commissioned a study utilizing historical TAF data, to be able to establish capped rates in order to establish the training cost to be supported through the programme. In 2014, the implementation of this simplification for TAF2 enabled ETC to waive the obligation for applicants to provide three quotes. This helped in reducing the voluminous documentation submitted by the applicants both at application and reimbursement stage. ETC also incorporated the flat rate concept in relation to staff costs, whereby a flat rate based on the basic minimum wage has been determined to reduce the administration process for applicants when claiming wages. Nevertheless, applicants can still opt to claim wages according to the actual basic wage of their employees.

It is not possible to have a skilled and adaptable workforce if individuals do not engage in continuous learning. The importance of lifelong learning has been highlighted in various national documents. The Further and Higher Education Strategy 2020 states that *'as the economy moves into transition from low value added industries towards high value added service sectors, more alignment in the provision of adult learning opportunities would be required to ensure inclusiveness in the labour market'*¹¹⁶. It is within this context that operations under PA 2 are being implemented.

In light of PA 2's operational objective to increase the participation rate in lifelong learning through continuous training and education, the national Public Employment Service – ETC continued its implementation of the Training Subsidy Scheme during the year under review. As opposed to the Training Subsidy Scheme previously offered through ESF 2.4 in the preceding years, through ESF 2.201, ETC extended the eligible groups to include persons aged 40 to 55 years and those over 55 years of age irrespective of their employment status and working within the private sector, employed persons earning less than €10,000 gross wage per year and persons working in vulnerable sectors/jobs. In 2014, eighteen (18) grants were awarded under this scheme. ESF 2.201 also saw the

¹¹⁶ Further & Higher Education Strategy 2020 Chapter 2 p.12
https://www.nche.gov.mt/MediaCenter/PDFs/1_F&H%20Strategy%202020%20NCHE%20Recommendations.pdf

implementation of the Training Subsidy Scheme Academic during 2014, which scheme was specifically aimed towards scholarships in the digital media, gaming and financial services given the high labour skills shortage identified by ETC. In 2014, sixteen (16) grants were awarded under this scheme.

Through the EET project, ETC also launched four traineeships for cleaning attendants, handymen (where trainees were exposed to plastering, plumbing and electrician's assistant courses), administrative personnel and sales attendants. The aim of these traineeships is to provide jobseekers with initial vocational training (pre-employment training) that will help them to obtain the knowledge, skills and competence required to find and retain employment, thereby addressing the national priority of consolidating a highly skilled workforce. On the other hand the scheme is also indirectly supporting the adaptability of undertakings through skills improvements and upgrading of workers as these traineeships create a pool of qualified and competent employees.

The total number of persons who participated in these traineeships during 2014 is 21 for a total budget of €30,531. Given the committed budget for traineeships under this project, ETC has committed to run more traineeships in 2015. However unlike the previous calls the traineeship callings will not be pre-determined while ensuring that the callings are based on the current needs of the labour market. Feedback received from employers has identified the following areas: Front Office, Office Procedures, Process Manufacturing, Sales Techniques, Catering Environments, General Maintenance and Warehouse Operations. Indeed if one had to compare the above with the vacancies that the Public Employment Service received in 2013 and 2014, one would note a similar pattern in the type of jobs requested by the local labour market.

The MCAST continued to offer short courses through ESF 2.85 thereby increasing the participation rate in lifelong learning. The training was offered in Food & Beverage, ICT, Infrastructure, Maritime, Pharmaceuticals, Plastics, Printing, and the Manufacturing Industries with the specific aim to upgrade and re-skill workers already working in these industries. The overarching aim of this project is to make its participants more flexible in today's changing market. In addition to the aspect of lifelong learning, ESF 2.85 also contributed towards the Community Strategic Guidelines to improve the adaptability of workers through the upgrading and re-skilling aspect. During 2014 this project registered five hundred and fifty-five (555) participants in a total of 41 courses¹¹⁷, out of which 6 courses were repeated due to the large number of applications received.

Similar to ESF 2.85, ESF 2.141 aims to contribute towards increasing the participation rate in life-long learning by providing the opportunity for employees in the tourism sector to upgrade their skills through continuous training and education. In order to achieve this aim, during 2014 ESF 2.141 completed the research exercise it committed to within the tourism sector in Gozo, where it took a profile of its target group and assessed the skills of its participants in order to get a clear direction on the training it needs to provide to the tourism sector in Gozo. This profiling exercise contributed to PA

¹¹⁷ 23 courses started and finished in 2014. Eighteen (18) courses were still ongoing by end 2014.

2s indicator on *Number of actions supporting educational structures, systems, campaigns and research*.

ESF 2.204 was also another PA 2 project which targeted continuous training and education, albeit in a specific sector – ICT. The national priority addressed through this project is the strengthening of the S&T economic sectors. During 2014 this project offered two course modules – ‘Introduction to the Internet’ and ‘Internet at Work’, with more than 550 course instances targeting 5,500 individuals.

In line with the above initiatives under this Axis to increase participation in lifelong learning, ESF 2.139 also aimed towards this operational objective but with a difference. Targeting the focus area of intervention on innovation, MCAST as the applicant beneficiary for this project, continued its reformulation of numerous training programmes towards a more blended learning approach in line with its commitment to introduce flexible learning options that are new to the lifelong learning offer in Malta.

In fact the National e-Learning Strategy states that *e-Learning will support the transformation of teaching and learning in Malta by improving opportunities for learning and career progression for all Maltese people, by upholding the evolution of the country’s education system and encouraging the development of new skills, while releasing Malta’s potential as a global player in the world’s knowledge economy.*¹¹⁸ This is coupled by the fact that *Informal and Non-formal education and training as well as the recognition of prior learning (RPL) will eventually form part of the national qualifications framework for lifelong learning.*¹¹⁹

In the interim work on the Accreditation of Prior Learning (APL) and e-Accreditation of Prior Experiential Learning (eAPEL) also continued during 2014. Flexible paths to certification are also an indispensable component of a more attractive lifelong learning offer. The e-APEL Component consists of two principal parts: a user interface system that is utilised by users to input information and another part that conducts a matching exercise between the user’s experiences with the available modules. Both parts are developed and are being customised to MCAST’s requirements. As at end of year, work on the specifications as well as on content development is still ongoing in 5 areas namely: Art & Design, Information and Communication Technology, Mechanical Engineering, Electrical and Electronics Engineering – including Green Energy and Community Service. Further preparations for transcribing and media production are ongoing.

Currently there are:

- 20 modules with specification provided by MCAST in the line with content development phase;
- 24 modules based on the MCAST teaching materials in the parallel with the specification development;
- 34 modules in the integration phase and are partly integrated into the MCAST test LMS;

¹¹⁸ Smart Learning – Malta’s National e-Learning Strategy 2008-2010 p.9 (Emphasis added) retrieved from <http://schoolnet.gov.mt/rabata/smartlearningPDF.pdf>

¹¹⁹ *Ibid* Annex 7 p. 158

- 31 modules in the parallel media production phase (either in recording of video and/or audio, or in editing);
- 49 modules in the parallel transcribing stage and the subsequent quality assurance process steps.

In line with these activities, during 2014 MCAST contracted and started the installation of surveillance and security systems in order to create a safe professional environment that will be accessible after normal working hours. This is also a very important and innovative measure that enhances the accessibility and flexibility dimension of the courses that will be re-designed with a blended learning approach. Through this measure individuals who are in employment will still be able to conduct their practical sessions without impinging on their professional commitments.

On another note, a thriving creative industry is also an essential component of any knowledge-based economy. Therefore it is essential to provide training courses that will allow Malta to make a qualitative leap in the cultural sphere while eradicating the concept that cultural endeavours are largely pastimes rather than contributing economic activities. Another innovative measure implemented during 2014 under PA 2 was ESF 2.186 which started offering basic training to the local Film. This training is very innovative for Malta as it is being offered for the first time and aims to increase the adaptability and employability of individuals ages 16 years and over (with first preference given to 40-55 year olds), and contributing to the restructuring of the economy within the cultural and creative industry in line with one of objectives of PA 2.

3.2.2 Significant problems encountered and measures taken to overcome them

The following points summarise the main problems arising from the implementation of projects during 2014 under PA 2. None of the problems being reported here resulted in serious problems pursuant to Article 62(1)(d)(i) of Regulation (EC) No 1083/2006.

i. Fragmentation in the payment and the verification process

One of the main problems still being encountered under this Priority Axis is the fragmentation in the verification process. Projects such as ESF 2.4, ESF 2.201 and ESF 2.85 are highly fragmented in terms of components, contracts and disbursements leading to substantial verifications needed in order to check the expenditure incurred. This fragmentation requires the input of a large number of human resources at numerous stages reflecting the slow disbursement and verification of expenditure. In this regard, the Managing Authority continued to apply sampling methodologies in line with the recommendations of COCOF note 08/0020/04/EN on management verifications and continuous monitoring in order to identify potential ways to speed up the checks on payments made.

By way of an example, ESF 2.201 is hugely fragmented, it incorporates 104 courses offered as short courses with 462 planned course instances, 11 different traineeship programmes, 200 work exposure placements and 2 training subsidy schemes with a number of benefitting recipients. Moreover the average disbursement per invoice is just €1,079 per invoice for the course component¹²⁰, €565 per invoice for the traineeship component¹²¹, €571 per invoice for Training Subsidy Scheme component¹²² and €2,392 per invoice for Training Subsidy Scheme Academic component¹²³. In order to mitigate against the delay in the payment process, the Beneficiary has doubled the manpower responsible to process payments with ongoing checks. At the level of the Managing Authority, sampling was introduced in December 2014 in order to mitigate the delays in verification. The project disbursed €346,227 out of €575,577 in 2014, with €371,203¹²⁴ being verified over 331 invoices for 2014.

ii. Procurement

Three projects faced procurement problems during 2014. ESF 2.201 launched five (5) calls for part-time trainers following the unsuccessful procurement process adopted in the previous year. This resulted in 288¹²⁵ applications in 15 areas leading to 191 contracts. Even so, no trainers were recruited under two areas namely Travel Agents and Freight & Shipping. Given the time constraints and that this project is reaching its projected end date, it was decided that the Beneficiary should focus its efforts on the areas it managed to contract trainers.

Under ESF 2.186 four tenders were repeatedly launched during 2013 and 2014 but remained uncontracted due to the specific nature of the training requested. Discussions between all stakeholders involved were held and it was agreed that the Malta Film Commission will re-launch these tenders in the first months of 2015 via a negotiated procedure.

ESF 2.204 also experienced difficulties with the engagement of trainers. Although applications were submitted under the call launched, the training being given under this project is mostly carried out in the morning. This created difficulties when it came to the trainers availabilities as most trainers were only available in the evenings and on weekends. The Beneficiary is committed to launch another call during 2015 with more specific Terms of Reference in order to ensure that the trainers it engages would not have the same availability problems.

Albeit not directly related to the procurement carried out during 2014, ESF 2.139 also experienced problems when it came to implementing one of its main activities. Given the delay in contracting the first blended-learning tender under this project, MCAST notified the MA that it had become impossible to deliver the reformulated courses during the lifetime of the project. As a mitigation measure, it was

¹²⁰ €216,919 paid in 2014 on 201 invoices

¹²¹ €23,718 paid in 2014 on 42 invoices

¹²² €10,287 paid in 2014 on 18 invoices

¹²³ €35,890 paid in 2014 on 15 invoices

¹²⁴ The verified amount is higher than the paid amount due to a small number of payments which were paid in 2013 but verified in 2014

¹²⁵ Unique individuals that applied for; various modules within courses/courses

agreed that the savings registered on training will be shifted towards the reformulation of more courses while MCAST has committed to report on training related results post-project.

iii. Project closure

As at end 2014 four (4)¹²⁶ projects under PA 2 were in the final stages of administratively closing. With the exception of ESF 2.137, the other three (3) projects, namely ESF 2.11, ESF 2.72 and ESF 2.78 finalised their respective project activities during 2013. Even so, work on all four projects was still underway during 2014 to process the final payments under ESF 2.137, verifying all data submitted and compiling their respective Closure Reports. It is envisaged that all four projects will complete their final stages of closure in the first months of 2015.

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

3.3.1 Achievement of targets and analysis of the progress

Whilst the entire OP is aimed at creating additional and better jobs, Priority Axis 3 is geared towards targeting those shortfalls in the labour market environment which obstruct or hinder vulnerable persons in contributing to the economy, particularly through gainful employment. The Operational Objectives of this Axis is to increase women's participation in employment together with working towards the integration, retention and progression of disadvantaged groups in the labour market, whilst addressing labour market distortions. On the line with these objectives, projects financed under this Axis particularly through its Focus Area of Intervention: '*Promoting an inclusive society*' invest in specific measures aiming at the integration, retention and progression of disadvantaged groups, thus narrowing the gaps between marginalised groups and the labour market. This Axis also focuses on those interventions which tackle gender inequalities and other types of discrimination in general and thus encourages the participation of females in the labour market. These projects cover the focus area of intervention: '*Female participation in the labour market*'. On the other hand, projects which tackle the quality of the workforce fall under the focus area of intervention: '*Addressing labour market distortions and ensuring that work pays*'.

The parameters of this Axis, permits it to address the challenges which were brought from the extreme difficult times which individuals have been facing since the onset of the economic crises. Whilst Malta has to a certain extent buffered the adverse effects of the economic crisis, it has still experienced fluctuating unemployment rates, a cut in its economic growth and an increase in citizens at the risk of social exclusion. The key to improve the economy has been to continuously invest in its human resources. Set against this back-drop, this Axis provides measures which assist low-income individuals and vulnerable families' pathways to better economic prospects, an improved access to assistance with the aim of achieving healthy development and a better standard of living. Assisting

¹²⁶ ESF2.11; ESF2.72; ESF2.78; ESF2.137

these groups follows the Europe 2020 target of inclusive growth. In a nutshell the particularity of this Axis lies in the individuals and groups targeted - whilst it is in line with sectors and policies both at EU and national level, the 'heart' of this Axis remains the positive improvements which it provides to people in need.

Given that there were no fresh calls for proposals under this PA, as at the end of 2014, there were twenty-three (23) 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 of the above focus area of intervention under the Axis. By December 2014, out of twenty-three (23) projects, a total of fourteen (14)¹²⁷ projects were either closed or had completed their implementation on the ground.

The year under review saw both a consolidation of projects whose actions have been implemented in the past 2 years as well as the commencement of two landmark projects: one addressing youths not in employment, education or training (NEETs); and secondly, a project is combating poverty and social inclusion in general. With regards to young people, the youth unemployment rate is lower than the EU average, nevertheless it has been noted that youths make a substantial part of the total unemployed registered and thus the Youth Guarantee Plan for Malta is the basis on which this problem is being tackled. In the past years, the share of persons at risk of poverty and social inclusion has increased by four percentage points between 2008 and 2013, and severe material deprivation more than doubled¹²⁸. Whilst it is still below the EU average, this increase is of concern. This led to the launch of the Framework for Poverty Reduction and for Social Inclusion as well as other reforms in order to improve the efficiency and effectiveness of the social protection system for the prevention and reduction of poverty.

Further to these two (2) projects, seven (7) projects were in full swing carrying out their respective proposed activities. In some instances the majority of procurement in relation to their respective training and support actions has been effectively completed, meaning that services have been actually set up on the ground. As a result, activities carried out under PA 3 ranged from the updating of curricula for vulnerable groups, research on initiatives to aid professionals and employers who deal with persons with challenging behaviour, training and studies supporting young vulnerable women, training of inmates and the setting up of a mentoring for females in order to integrate females in higher and decision-making positions.

The committed amount under this PA up to the end of 2014 totalled €36,506,840 or 99% of the total PA allocation. The 3% decrease in commitments over the 2013 allocation is due to the savings garnered under 7 projects¹²⁹. The amount contracted at the end of 2014 reached €30,967,294 under this Axis representing 84% of the overall allocation. Axis 3 registered the second highest level of

¹²⁷ The projects which are closed are ESF 3.42, ESF 3.43, ESF 3.56 and ESF 3.71; whilst 10 projects concluded their activities in 2012 but still had payments to be processed and certified in 2013 and 2014 (ESF 3.47, ESF 3.48, ESF 3.49, ESF 3.52, ESF 3.54, ESF 3.60, ESF 3.61, ESF 3.62 and ESF 3.66). The two projects which were withdrawn during 2013 were ESF 3.107 and ESF 3.112. The newly approved projects are ESF 3.231 and ESF 3.234.

¹²⁸ Eurostat

¹²⁹ ESF 3.105, ESF 3.108, ESF 3.110, ESF 3.113, ESF 3.193, ESF 3.196 and ESF 3.234

expenditure in comparison with the other PAs, with a total of €27,287,226 paid by year end, representing 88% of the contracted amount and 76% over the overall OP allocation.

3.3.2 Information on the physical and financial progress

a) Analysis of Indicators

Table 28 - Priority Axis 3 Indicators (Output and Result Indicators)

				2007	2008	2009	2010	2011	2012	2013	2014	Total		
Output	A	Indicator 1: Number of actions supporting a lifecycle approach to work	Achievement	0	0	0	0	1	2	0	1	4		
			Target	n/a	n/a	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	n/a	n/a	
		Indicator 2: Number of women trained/supported	Achievement	0	0	23	275	374	267	15	10	964		
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a	
		Indicator 3: Number of families benefiting from childcare	Achievement	0	0	0	0	0	0	0	0	0		
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a	
	B	Indicator 4: Number of vulnerable persons trained/supported	Achievement	0	0	494	3,486	4,316	1,638	88	1,583	11,605		
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a	
		Indicator 5: Number of persons trained in capacity building courses	Achievement	0	0	22	258	30	97	359	73	839		
			Target	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	600	
			Baseline	n/a	0	n/a	n/a	n/a	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	1	3	1	18			
		Target	n/a	n/a	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	n/a	n/a		
Indicator 7: Number of civil society projects		Achievement	0	0	2	0	1	1	0	0	4			
		Target	n/a	n/a	n/a	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	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%	39%	38%	37%	42%	
				Target	n/a	n/a	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	n/a	n/a

B	Indicator 2: % of participants gaining a qualification/certification	Achievement	0%	0%	0%	75%	61%	49%	48%	47%	47%
		Target	n/a	n/a	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	n/a	n/a
	Indicator 3: % of vulnerable persons in employment or further study 6 months after receiving assistance	Achievement	0%	0%	0%	14%	42%	75%	81%	70%	70%
		Target	n/a	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	n/a
	Indicator 4: % of participants in capacity building gaining a qualification/certification	Achievement	0%	0%	0%	81%	83%	69%	36%	40%	41%
		Target	n/a	n/a	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	n/a	n/a

Overall progress achieved during 2014 was satisfactory; the project activities as described further on have in effect fed into their respective indicators. In keeping with the trend of the past years the output indicators 1, 2, 4, 5, and 6 registered an increase. Considerable achievements continue to be registered in the indicator targeting vulnerable groups (Output indicator 4). Given that most of these participants have only recently finalised their training and support, it is expected that achievements in the linked result indicator will be recorded in 2015 and more towards the end of the programme.

In terms of the Result Indicators, result indicator 4 has also increased by 4% and although the OPII target has not been reached yet, it must be noted that some professionals who started their training in 2013 will effectively complete in 2015, whereby it is expected that this target shall be reached. As forecasted in the previous years, the result indicator of the percentage of vulnerable persons in employment or further study 6 months after receiving assistance exceeded successfully the OP target. It is also expected to increase further by the end of the programme, proving positively that interventions targeting the Focus Area on Social Inclusion continue to be a success.

The over-achievement which is being registered within the output indicators is in part the result of lower cost associated to the services needed to achieve planned result, lower than originally forecasted. As expected, the increased EAP allocation has also impacted on the relevant indicator¹³⁰.

On the other hand, a further one-thousand five hundred and seventy-eight (1,578) vulnerable persons have been assisted. These are mainly composed of youths who were assisted through ESF 3.231 Youth Guarantee as well as participants who took part in the EAP scheme. The engagement of disabled participants in training activities have also contributed positively towards this indicator and in general played an important role in the Government's efforts towards the inclusion of these disadvantaged participants in the labour market

¹³⁰ Over achievements throughout the years were registered under ESF 3.62, ESF 3.61, ESF 3.64, ESF 3.60, ESF 3.66 and ESF 3.49

Whilst only seventy-three (73) professionals working in the social and vocational sector have commenced training during 2014, contributing to the output indicator *number of persons trained in capacity building courses* and surpassing the OPII target, it must be noted that this is bound to increase in 2015. In fact, under ESF 3.234, whose activities are planned for the 2nd quarter 2015 is expected to train approximately 300 professionals. Additionally, trainers who undertook capacity building training under ESF 3.102 will complete their courses in June 2015. As a result it is forecasted that the result indicator *persons trained in capacity building courses* will report an achievement in 2015.

Over-achievement is also been recorded with regards the output indicator *number of studies, actions, campaigns, research activities carried out*. Activities contributing towards this indicator continue to be fundamental for the Maltese socio-economic context, mostly because of the dynamic nature of this field which keeps affecting the demand side in terms of required training and assistance. In addition, interventions targeting this indicator assist greatly in taking stock of what is on the ground and of proposing way forward through the lessons learnt. This has considerably paved the way for the generation of new ideas for programming together with ensuring that there are no overlaps in implementation of policies.

Although much work and efforts have been made towards achieving all indicators and despite reaching the final year of the OP, there are 4 indicators which will not be reached by the end of the programme.

During 2014, the progress on the indicator related to the support and training of females is negligible. This indicator is only directly addressed by four (4) projects¹³¹ and the limited progress registered in 2014 was through the training offered in Gozo under ESF 3.108. As indicated earlier in this chapter, various efforts were made in the past year in order to prioritise projects proposals that address increased female participation. However, it is evident that reaching the target is a challenge especially taking into consideration that only one (1) project targeting forty (40) participants remains to register its achievements by the end of the programme. Hence it is unlikely that the programme indicator will be achieved¹³². Notwithstanding this, taking into consideration that this target group is being target throughout the OP and in based on the assessment of continuous government actions to address female employment, as was highlighted under PA 2, the programme impact indicator and the OP's objective was still achieved. This has been evidenced in the increase of Malta's female employment rate between the start of the programming period to date thus the objective of the Axis in bringing women closer to the labour market and training opportunities have been achieved albeit indirectly.

Similarly, the indicator supporting a lifecycle approach to work generated little interest from project proponents mostly because government priorities shifted towards assisting those disadvantaged persons who were adversely affected from the economic crises. In fact, during implementation of the

¹³¹ ESF 3.48; ESF 3.54; ESF 3.107 and ESF 3.108

¹³² ESF 3.196 Gender Balance in Decision-Making

Programme, only three (3) projects contributed to this indicator¹³³. As indicated earlier though, it must be highlighted though that females have been assisted across the whole Axis.

As reported in previous years, no project was selected with regards to the output indicator *number of families supporting/benefiting from childcare*, and therefore no achievement has been registered to date. Nevertheless, Government has undertaken an initiative which supports this concept and is funded through national funds.

The MA also continues to experience challenges in involving stakeholders from Civil Society to partake fully from the funds available under this Axis. To date, only four (4) projects are being implemented primarily by NGOs. However, NGOs given their level of expertise in their respective fields tend to be involved as partners; in fact NGOs are involved as partners in ten (10) further projects under this Axis alone, including the Aid Scheme.¹³⁴

b) Data on Participants

The table below depicts the physical progress under Axis 3 in 2014, in accordance with the Commission Regulation 1812/2006 Annex XXIII.

Table 29 - Data on Participants Priority Axis 3

TOTALS PA 3 2014		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+Unemployed+Inactive)	1,666	801	1,208	596
	Employed	138	83	115	78
	Self Employed	1	0	0	0
	Unemployed	249	106	58	24
	Long Term Unemployed	78	37	15	8
	Inactive	1,279	612	1,035	494
	Inactive in Education and Training	81	47	81	47
Age	Young People (15-24 years)	1,099	484	916	410
	Older Workers (55-64 years)	132	87	84	57

¹³³ ESF 3.47, ESF 3.59, ESF 3.108

¹³⁴ Social partners assisted in the dissemination of information on the Scheme and are also represented on ETC board

Vulnerable Groups	Minorities				
	Migrants	21	9	0	0
	Disabled	215	85	31	17
	Other Disadvantaged People	374	174	335	170
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	1,324	597	1,069	500
	Upper Secondary education (ISCED 3)	183	100	27	19
	Post-secondary non-tertiary education (ISCED 3)	72	46	37	27
	Tertiary Education (ISCED 5 & 6)	87	58	75	50

On a general note, the number of participants in training has once again experienced an increase during 2014. In fact the number of participants increased considerably during the year under review - from 418 participants in the previous year to 1666 participants, 48% of which are women. The increase in participants is particularly due to the commencement of the activities under ESF 3.231 and ESF 3.234 together with the continuous input of the EAP Scheme. Noteworthy participants who partook of training and support measures under PA 3 during 2014 were the inactive, whilst the educational attainment of 483 individuals is that of Primary or Lower secondary education. This together with the 610 vulnerable participants highlight that the persons benefitting most from the initiatives funded through this Axis are those which are mostly in need and are in different ways at the margins of society. In terms of age-groups, 66% of those assisted fall under the Youth category whilst 8% are considered as older workers.

c) Financial Progress

Table 30 - Financial Progress Priority Axis 3

Priority Axis	A Total Contribution	Financial Progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority Axis 3 <i>Promoting an Equal and Inclusive Labour Market</i>	€36,900,000	€36,506,840	€30,967,294	€27,287,226	99%	84%	74%

On a general note due to the progress registered in the case of projects approved in 2013¹³⁵, the level of contracting during the year under review has registered a positive increase of 22% when compared to the previous year¹³⁶. This has also brought about the narrowing of the gap between the committed amount and the contracting and together with other contracting linked to the additional funds allocated in the previous years, has brought about the narrowing of the gap between the committed and contracting amounts.

In terms of financial information the PA stands at 99% committed¹³⁷. As already highlighted the increase in contracting in 2014 reached 84% of the allocated amount. Substantial procurement actions were recorded primarily under two (2) projects which finalised the evaluation process of a DoC tender as well recruitment and Departmental tenders whose contract were successfully signed¹³⁸. In fact, a major contributing factor to the increase in contracting is the successful award and contracting of tenders worth €1.8 million under ESF 3.231¹³⁹. The rest of the projects under implementation also contributed albeit on a smaller scale. The flow of contracting is expected to continue during the first six (6) months of 2015 during which projects will be starting to consolidate their activities in preparation for closure.

Noteworthy advancement has also been registered in terms of payments. As at the end of 2014, payments amounted to €27,287,226 representing 78% of the committed amount and 74% of the total PA allocation. Therefore the same momentum has been kept to that of 2013, whereby payments had almost doubled over the previous year¹⁴⁰. This increase in disbursement also proves that the MA's and stakeholders efforts to coordinate better and facilitate challenges in the payment processes are now bearing fruits. With regards to the EAP, total disbursement linked to the scheme amounted to €4.3m in 2014. In 2014, management verification by the MA increased, reaching €1,956,718¹⁴¹ out of which €1,778,413 was proposed for certification and € 1,751,561 were effectively certified by the CA within the same year (2014). This brings the total certified amount under this Priority Axis up to €25,734,813.

3.3.3 Qualitative Analysis

As highlighted in this section's introduction, the Operational Objectives of this Axis aim at inducing females to enter the labour market as well as ensuring that the persons who are at the fringes of society and are finding difficulty to enter into education or the labour market, can be effectively

¹³⁵ ESF 3.193, ESF 3.196, ESF 3.231 and ESF 3.234

¹³⁶ The total contracted amount as at end of 2014 was €30,967,294 whilst the contracted amount as at the end of 2013 was €25,402,671 thus representing a 22% increase

¹³⁷ The budget allocated to the Aid Scheme has been increased from €8.2million to €12.2 million; Call IX was launched and evaluated in 2012. The projects approved under this Call were ESF 3.193 and ESF 3.196, for a total public eligible cost of €717,086

¹³⁸ ESF 3.231 Youth Guarantee and ESF 3.234 'LEAP! – Building the future together: Promoting Social Mobility'

¹³⁹ These focus on the prevention, support, training and integration of NEETs in the labour market, under the project ESF 3.231 'Youth Guarantee'

¹⁴⁰ The total amount paid up to December 2012 was that of €9,949,209

¹⁴¹ This includes the amount on which the MA was waiting for clarifications from Beneficiaries

supported to overcome the challenges in this regard. Subsequently each and every one of the projects financed under this Axis contributes towards reaching these objectives.

Similarly to previous years, a good number of projects have commenced, continued or finalised their respective initiatives in the year under review. Further achievements have been registered in both the mainstream projects as well as the Aid Scheme, all contributing toward the inclusion of vulnerable groups through training or employment initiatives.

The increase the low female participation in the labour market has been marginal. Government remains however committed to foster a better balance between the workplace and labour forms through family-friendly work environment since it is believed that this is conducive of social inclusion and employment opportunities for all¹⁴². As a result of this commitment, there were various efforts in policy, both to offer solutions for the reconciliation of work and family life, thus even if indirectly, the Operational Objective related to women's integration is still being achieved. The main reason for the very low female unemployment remains family obligations related to care of dependants. The culture of long working hours and the limited availability of flexible and reduced hours opportunities deter women from participating in the labour market and limit men in sharing the burden. Through an ESF funded project, the government already carried out an extensive awareness campaign on different working arrangements in order to promote equality as well as to assist on the achievement of work/life balance for both men and women, thus fulfilling the Council Recommendation on the 2014 NRP¹⁴³. The strategy to promote alternative working arrangements persisted and during 2014, the Government continued to offer free child-care services to ensure that women have all the opportunities available to return to work. Additionally cash incentives were also proposed to inactive mothers who seek employment, with the aim that in the long-term, these would be weaned off the social benefits linked to their economic standing. These initiatives which are being funded through national funds are complemented through project financed under this PA.

It is against this backdrop that ESF 3.196 supported mentoring initiatives for females who aspire of gaining higher positions and better employment, in line with the NRP's to create '*incentives to attract more inactive women in the labour force*'. The first phase of the project was to carry out an audit on gender-balanced representation in Malta and Gozo with regards the 'boardrooms' in the private and public sector together with the gender aspect in political decision-making positions in the country. Consequently during 2014, a Literature Review and Research Tools have been established to pave the way for the analysis of the data and conclusion of the necessary reporting. In order to cover the quantitative aspect of the research, it was decided to bring on board the National Statistics Office whereby these, with the aid of the Research Tools, created the final quantitative datasets and methodological reports Based on the comprehensive results emanating from this research, a way forward in the form of action planned based on policy recommendations, delineating what and how gender-balanced representation in decision making can be achieved in Malta.

¹⁴² National Reform Programme 2013, p.72

¹⁴³ ESF3.59 'Nista': The Benefits of Sharing Life's Responsibilities Campaign' closed in 2013

In parallel with the research activities, NCPE also launched its Mentoring Programme through an intensive promotional campaign in order to find both mentors and mentees. Moreover, and in order to widen as much as possible the mentoring opportunities available, the programme was promoted through different printed media to tertiary level students, NGOs, student organisations and other project partners. Radio advertising was also an additional means to reach the public, since it is considered that heightened awareness of the capability of women holding high level posts goes hand in hand with the training activities of the project. Twenty-two (22) interested mentors and eighteen (18) female mentees were then invited to two (2) Information Sessions. During this information session, more detailed information and clarifications on the training programme were provided to both mentors and mentees. Actual one-to-one mentoring will commence in 2015, after which progress and achievements can be recorded once the project is finalised.

Work has also commenced on the Directory of Professional Women. After collaboration with MITA together with a private contractor responsible for the development of the software, NCPE initiated publicity and outreach measures to generate interest from professional females to be included in the Directory. In fact, up until the end of June 2014, there were approximately 530 women who have registered their interest in joining the Directory, whose completion is expected for mid-2015.

Specific measures aimed at young vulnerable women continued to be implemented through ESF 3.108, a project which assists young women who due to low education attainment or even teenage pregnancies, limited their chances to find gainful employment. A total of thirty-three (33) students have attended a course on Beauty Care and Crafts, empowering them with enough knowledge on the subject to induce them in following accredited courses at MCAST. The project also offered tailor - made training in relation to ICT, taking into consideration the difficulties which these participants faced during their experience in mainstream education. In fact, skills on Study and Communication and Mathematical Techniques were inserted to complement the actual ICT modules. As a result, ten (10) young women out of the thirteen (13) who attended managed to successfully obtain individual module Level 3 certificates and increase considerably their chance to find a job or pursue further studies. The heightening of awareness on sexual health, personal and professional relationships as well as on issues concerning boundaries and relationships were finalised in 2014. Up until 2014 a total of nine hundred twenty eight (928) students and three hundred seventeen (317) parents have participated in discussions in relation to topics linked to adolescent behaviour and emotional development. Supported also through different professionals in the social field, students were also given a series of brochure which included 'tips' from the speakers themselves. Parents were also given handbooks outlining a set of guidelines to follow in order to enhance their parental skills as well as to equip them with the necessary skills to face challenges which their children may face throughout adolescence. As a conclusion for the mentioned project activities, a National Research Study for policy makers to develop a preventive policy for teenage pregnancy was carried out. This research shed light on the real experience of teenage pregnancy in Malta and how such an experience affects the teenage and their family both psychologically and socially. In-depth interviews provided first hand stories of these teenagers, consequently assist policy makers to build realistic

policies to improve the quality of life of teenage parents and their children as well as to build a sustainability measure to the project.

Meanwhile, it is highly recognised that only employment is the answer for the assurance of adequate living standards and provides the base for people to achieve personal goals and aspirations. Considered as the cornerstone for the OPII's objectives for vulnerable individuals a number of projects are geared solely and specifically for social inclusion, addressing contemporarily the NRP's objective for the '*Promotion of social inclusion in particular through the reduction of poverty*'. In order to address Target 5 of the NRP 'Poverty', Malta is primarily focusing on those people who are materially deprived and are at risk of poverty, such as children, the elderly and jobless households. In this regard, this Priority Axis through its interventions falling under its Operational Objective B has a major role to play. This is being done through the various actions explained below, varying from training and support services to supporting adolescents with emotional behaviour and giving a chance to youths to get a fair start in life

The LEAP project focused on the launching of the networking activities during 2014 in order to establish a new framework in social services for Malta. Six (6) Regional Development Agents commensurate to the six (6) regions of Malta were appointed through to project to set up regional networks in the different regions of Malta and Gozo. Supported on the ground by community workers, these co-ordinate with the relevant actors and entities present in the regions in identifying the necessary support required for individuals undergoing difficult situations that require social protection. Four (4) Family Resource Centres¹⁴⁴ out of the envisaged six (6) were also set up in order to provide a hub where vulnerable persons have better access to social and employment services. An integral part of the project is to enhance social mobility. In this regard, a traineeship scheme was launched for project beneficiaries to provide placements at host organisations which include voluntary organisations, parishes and Government entities. A total of five hundred and twenty three (523) individuals on social benefits, unemployed or inactive have submitted interest to participate. Out of these, two hundred sixty eight (268) beneficiaries were placed in NGOs and other eligible entities. Apart from gaining valuable working experience, the participants undergoing training are being supported by social mentors who are facilitating their re-integration in society by follow up visits, personalised guidance and advice on how to prepare for the entry into employment.

The integration of disabled individuals into the labour market is also an important focus of the PA 3 operational objective, since this vulnerable group requires specific interventions in order to facilitate their integration within the labour market and is a main aim under the NRP target of *Poverty*. As a result of the extension of project activities in the previous year, the training and support given under ESF 3.113 continued to be an integral initiative through which those disabled who are finding difficulty in contributing positively in the place of work or cannot pursue any training have been assisted with the aim of enhancing their skills and chances of embarking in remunerated work. The employment of persons with disabilities have always presented additional challenges to Government and despite

¹⁴⁴ The Family Resource centres in operation are Zurrieq, Qawra, Kottonera and Valletta

having in place legislation to improve its statistics in this regard, it has to date not been enforced in a successful manner. A refresh of the legislation has been carried out in 2014 whereby 2% of persons employed by companies (employing more than 20 employees) must be persons with disabilities. In addition, future policy plans focus around the National Policy on the Rights of Persons with Disabilities launched towards the end of the year. Against this background and in order to support these targeted measure, ESF 3.113 is testing an innovative structure in order to assist as much as possible the integration of this cohort. Following the launch of the Sheltered Employment Training, participants suffering from disabilities receive hands-on approach training in one or more of the following categories: Back-office, Catering, Assembly, Gardening and Housekeeping. During the year under review, a total of eighty (80) persons started training out of which fifty six (56) were still active in training by the end of 2014. A second aspect of the project is that of the provision of support worker services to individuals and young persons with intellectual challenges who are already in employment or in training and who need basic skills training and sustenance to retain employment. In fact, by the end of December 2014, a total of fifty seven (57) participants were provided with direct professional assistance aiding them to remain integrated within the labour market or a training institution. This form of assistance is expected to go beyond the life-time of the project, and whilst actual achievements will be recorded towards the end of 2015, this type of intervention has already made an impact within the sector, especially considering that a specific government school has been earmarked to house equipment which will further enhance the training to be provided.

During 2014 various activities were also carried out in view of the skilling of professionals who are in contact with individuals who due to their challenging behaviour, intellectual disabilities, mental health or learning difficulties are finding barriers to embark in training activities or employment, fulfilling the objectives of the NRP to provide such training.¹⁴⁵ Following the completion of an NQF Level 6 course for social professionals in 2013, KNPD through ESF 3.105 pursued the consolidation of *'Policy and guidelines on working with disabled persons with challenging behaviour'* which aims at understanding the needs of disabled persons who have challenging behaviour. Such understanding gave the stimulus to KNPD officials and other professionals to improve their practices and allow for appropriate positive behaviour programming. Part of the project was also to disseminate these practices to all those who are in contact with persons with challenging behaviour, including families, employers, educators and society in general. Consequently, TV spots and radio clips were developed and aired and these awareness raising audio visual clips are also being used by KNPD during their mainstream Disability Awareness Training Sessions.

The issue of how mental health is affecting the workforce has also been of a growing concern in recent years especially when evidenced in the several audits amongst enterprises carried out by Richmond Foundation to fulfil the objectives of ESF 3.193 'Healthy Mind for Healthy Business'. Further to an analysis on the current mental health policies in place during the working environment, it transpired that many employers, although aware of mental health issues, do not have sufficient resources to develop an internal mental health policy. Taking into account the vulnerability of persons

¹⁴⁵ National Reform Programme 2013, p.205

who are affected with mental health disorders; it was perceived that front-liners should also possess sufficient skills to ensure that affected individuals are given the maximum support. Lack of awareness on how to tackle mental health problems was also identified which led to the development of an awareness raising campaign based on the findings of the research. Different communication and media channels were used so as to target the public as widely as possible. On the other hand specific interventions were also devised for the employers. In fact, at the end of the awareness campaign, a Manual of Procedures was developed with the aim of guiding a mental health policy at the workplace and importantly to establish the necessary strategies to implement it. Enterprises also participated in two courses on how to keep a healthy workplace. In collaboration with its partners, Richmond Foundation trained a total of sixty seven (67) participants, including individuals coming from a human resources, health and safety, trade and employers unions and a business background. Through this approach as well as through the guidelines provided within the Manual of Procedure, the attendees were then able to pass the relevant information to other staff and assist in creating a healthier environment at the workplace.

In line with the Council's Recommendation on Malta's 2014 national reform programme to step up efforts towards the reduction of early school leaving as well as to improve the attainment of basic skills, much has been done under this Axis in relevance to the integration of youths into the labour market. Malta recognises that youths will in the near future be the main contributors towards its economic growth and thus interventions have been carried out firstly with regards their education and secondly towards their skills so as to facilitate their access into employment. As a result it is natural that there were significant investments in the past year, towards operations which target youths from the start of their possible career or in further education.

Specifically devised for young people, the implementation of the Youth Guarantee project (ESF 3.231) focused on the inclusion of inactive, non-registered youths that are not in education, employment or training which ensures a balance between preventive measures as well as remedial action.

The Youth Guarantee Training for NEETS has during 2014, provided training on motivational and behavioural skills, guidance on employment, communication skills, writing a CV with the intention of preparing these youths for the labour market. A total of hundred and fifty-nine (159) NEETS of 16 to 25 years of age, underwent a specialised support process and were then encouraged to either further their studies within one of Malta's educational institutions or to embark on a work placement.

The first step to train this target group was that of profiling each individual participating to the Youth Guarantee. Professional psychologists have been conducting specific tests aimed at drawing the main characteristics of each participant's profile. The profiles were then passed on to the Youth Workers to provide them with a background of the individual before the beginning of the familiarization process. Youth Workers have been acting as mentors to accompany the beneficiaries throughout the training path and re-instatement in work or education. The first block of support is called Youth-Worker familiarization and responds to the need to establish a personal relation between the mentor and the trainee. At the beginning of the path, the mentors have been holding three (3) hours of one-

to-one meeting sessions with each participant as part of the familiarisation process. The purpose of the interview is to build a relationship with each individual beneficiary also with the help of the profile provided by the psychologists. During the development of the training path which lasted eighteen (18) weeks, an ongoing assessment has been carried out thanks to weekly sessions of two (2) hours that the mentors have with each participant separately. At the end of the process the Youth Workers provided a report for each participant which also serves as the basis of a profiled career path.

The project also has a preventive element to it. In fact, the Alternative Learning Programme targeted those students who opted not to sit for SEC examinations in 2014 aged between 15 and 24.¹⁴⁶ ICT related training was provided to eighty nine (89) students under this programme out of which eighty-six (86) successfully completed the activities (total applicants 144). Training modules included; Programming apps and coding, 3D printing, Digital gaming development, Social media and cloud technology, website design, Robotics and Soft skills.

Keeping in line with the objective of this project, measures were also implemented aimed at youths, who sat for the school leaving examinations but did not manage to pass successfully. Under this component five hundred and fifty one (551) students were offered revision classes in English, Maltese, Mathematics and Physics at SEC level which permitted them to be well prepared for a re-sit in September 2014. Out of the two hundred and twenty three (223) students who actually attended these revision classes, 53.9% of them got a grade 4 or 5 in their re-sit session while the general percentage rate of students obtaining a 4 or a 5 in the same re-sit session was 43.2%¹⁴⁷.

Further training during the summer months was provided in the subjects, for whom the students failed the June assessment in a course at MCAST, thus directly preventing school drop-outs. The training covered a maximum of three (3) units per student, with classes of ten (10) students per group so that they can get individualised support. Sixty two (62) students applied out of which forty two (42) attended the remedial classes. Thirty six (36) youths passed on to the next level and six (6) failed.

The results achieved through a re-sit assessment was created at MCAST in September for the relevant subjects; 25% of students attending summer training obtained a qualification at level 2 EQF. 25% of the students enrolled to training for qualification at a higher level than that obtained either at MCAST or at any other institution.

The EAP Aid Scheme (ESF 3.64) continues to be crucial both in terms of the integration of vulnerable disadvantaged individuals within the labour force as well as in reaching the PA 3 financial and physical indicator targets. In relation to the call launched in October 2013, during 2014, three hundred and twenty-two (322) grants agreements were signed between ETC and EAP Beneficiaries, the value of which amounted to more than €2 million. During 2014, ETC conducted various announced and unannounced monitoring visits at the beneficiaries' premises to confirm adherence to the regulations. The activity within the EAP scheme during 2014 was not restricted to the implementation of the

¹⁴⁶ These examinations permit the student to obtain a school leaving certificate and thus be able to further educational prospects

¹⁴⁷ Source MEDE

additional funds only. As mentioned in the previous chapter, EAP – together with the TAF scheme, contributed heavily towards the achievement of the N+3/2 targets of the OP, with €4.4m being certified under the EAP scheme during the year under review. For the first time, ETC issued part payments amounting to more than €700k to Gozitan businesses through the EAP for Gozo (2013 extension), for the still ongoing grants whose participant's employment was still active as at June 2014. This reflects concerted efforts by the IB to enhance the processing of payments and the corresponding management verifications. Remaining funds will be paid by the third quarter of 2015.

Cumulatively, the number of vulnerable persons receiving EAP assistance stood at two thousand five hundred and eleven (2,511). This figure does not include the participants that were employed under the EAP (Gozo Extension), out of which two thousand and one hundred eighty two (2,182) were still in employment after six (6) months as underlined in Chapter 2, the EAP is also effectively contributing towards the Gozitan economy, through the commitment of €4,120,500 in 2013. Concrete achievements in terms of participants' retention will be reported in AIR 2015. The sustainability of the EAP is reflected in the retention rate in employment of participants, whereby 86.9% of the persons whose grant period expired by June 2014 (two thousand five hundred and eleven (2,511) were still in employment six (6) months after the subsidy period. Out of the retained participants, one thousand one hundred and sixty nine (1,169) were under 25 years of age and had completed their education but not acquired their first job in their field of studies. On the other hand, two hundred and ninety five (295) are considered older workers whilst two hundred and sixty four (264) were long-term unemployed. The retention in employment of the total population was measured also as at end December 2014 (not just six (6) months after receiving assistance), and it resulted that 81.6% of the participants were still in employment (this excludes EAP Gozo).

As explained in detail in the previous sections, all the initiatives financed under the auspices of PA 3 target in essence disadvantaged and vulnerable groups, including actions related to gender, migrants, transnational and innovative activities. Detailed review of OPII contribution to Article 10 is included in Chapter 2.

3.3.4 Significant problems encountered and measures taken to overcome them

i. Fragmentation of project components, commitments and payments

Projects and initiatives funded under this Axis which have considerable fragmentation in components, contracts and payments, continue to pose challenges for the MA in terms of verification processes. Whilst the MA actively guides beneficiaries to consolidate activities and commitments as much as possible, the nature of the projects financed under PA 3 makes it difficult to consolidate. It has to be highlighted that interventions under this Axis are linked with vulnerable groups, who often require

different services and assistance in order to guarantee their active participation in the training provided.

As in previous years, the MA remained committed to identify new simplification and sampling mechanisms which would present the necessary assurances whilst also facilitating and hastening the verification exercises.

ii. Difficulties found in procurement processes and the supply of professionals in the social field.

Given that many projects required the input of a considerable number of social professionals, considering the limited supply of such social workers has made recruitment difficult. The result was that in a number of instances multiple calls were issued by project beneficiaries in order to recruit the necessary capacity. Contemporarily, project beneficiaries have also explored the different qualifications which these professionals can possess leading to the tweaking of requirements for the post in a way that it can appeal to various prospective candidates whilst ensuring that the skills are the right skills.

iii. Challenges pertaining to specific cohorts

As clearly pointed out earlier in this Chapter, the essence of this Axis is the variety of cohorts this Axis addresses, namely those who are vulnerable and disadvantaged. Since the majority to the project participants are not really geared up for training and employment, these require constant motivation and support so that these can take advantage of the training activities made available through the projects. In particular, motivating youths to participate in ESF 3.231¹⁴⁸ has been a challenge which requires one-to-one mentoring through youth workers together with a commencement of reform in policy linked to those youths who are already at a young age reliant on social benefits¹⁴⁹.

Furthermore in some cases, project beneficiaries found it difficult to keep up with the Annex XXIII obligations given the sensitivity of the groups targeted and the restrictions of Data Protection. Where possible, the MA continued to identify new means through which data can be easily obtained.

This has propelled the MA to initiate active discussions with the Data Protection Commissioner in order to develop a Standard Operating Procedure covering these instances.

¹⁴⁸ 'Youth Guarantee' targets NEETs as well as young people who are at risk of becoming school drop-outs and early school leavers

¹⁴⁹ Individuals who are aged between 16 – 25 years and who are on social benefits have been obliged since November 2014 to attend the Youth Guarantee support and training in order keep receiving the benefits

3.4 Priority Axis 4 – Strengthening of institutional and administrative capacity

3.4.1 Achievement of targets and analysis of the progress

Priority Axis 4 (PA 4) continued to support investment in strengthening the institutional capacity and efficiency of public administration and social partners in accordance to the Lisbon Strategy which calls for better regulation, policy design and delivery to create the conditions for economic growth and job creation. In 2014, projects under this PA continued to target the Lifelong Learning Strategy deriving from the Action Plan on Adult Learning and the Plan for Implementation of the European Agenda for Adult Learning, highlighting the need to increase participation in adult learning of all kinds whether to acquire new work skills, for active citizenship, or for personal development and fulfilment. By providing capacity building to the public sector and to social partners through training, this objective continued to be achieved through formal learning, particularly through seminars, workshops as well as scholarships. A further analysis of how PA 4 projects address the EU 2020 targets is provided under Section 3.4.3 of this Chapter.

In line with Government's target to continuously invest in its institutional and administrative capacity across a number of areas, some of the nine (9) new projects¹⁵⁰ approved during the year under review focus on Government's priorities in addressing country-specific recommendations brought forward by the European Commission in recent years. Whilst still keeping capacity building as their focal point, in line with the OP's operational objective *to strengthen the efficiency and effectiveness of the public sector*, the new projects address areas such as Healthcare, Justice Reform, Water Management and e-Services¹⁵¹. On the other hand one (1) of the projects *contributes towards the development of effective partnerships in a wide range of policy areas* in line with the second operational objective under this PA.

Section 3.4.3 will further analyse the contribution of projects towards the Focus Areas of Intervention as the main potential areas of intervention under PA 4. It should be noted that despite the additional commitment of the budget allocation under this Axis during the year under review, one (1) Focus Area, namely *Strengthening the quality of employment services* remained untargeted. This Focus Area is specifically targeting the capacity building of the national employment agency, namely the ETC. With an aim to instigate and motivate its staff to continue improving their professional knowledge and skills so as to keep on enhancing their human capital, ETC has confirmed that CPD and training to its staff was provided through other means which were made available. Amongst the opportunities offered, ETC staff also benefitted from ESF 4.100 which is an ESF funded project

¹⁵⁰ Projects approved in 2014: ESF 4.239 'Optimising the Institutional Capacity for Integrated Water Resources Management' amounting to €52,475; ESF 4.241 'Training in Security Driving for the Armed Forces of Malta' amounting to €128,563; ESF 4.242 'Capacity Building in Care for the Elderly and Persons with Disability' €325,939; ESF 4.243 'Strengthening competences to service the public efficiently through e-Government' amounting to €277,934; ESF 4.245 'Innovation Leaders: Improving Knowledge on EU Directives' amounting to €124,269; ESF 4.246 'Justice Reform Information Campaign' amounting to €100,000; ESF 4.247 'Non-technical coaching for staff at A&E Department, MDH' amounting to €508,000; ESF 4.248 'Strengthening Local Governance' amounting to €287,742; and ESF 4.249 'Enhancing Human Capital in the Regulation of Social Care' amounting to €343,106.

¹⁵¹ Further details on the approved projects is given under Section 3.4.3 – Qualitative Analysis

administered by CDRT. Hence the knowledge and skills in administrative and technical skills areas targeted under this focus area have still been obtained ensuring the provision of a better service to ETC's main clients, namely the unemployed and other clients who make use of the corporation's main services.

A total of eleven (11) projects amounting to €2.3M were submitted under the call for project proposals that closed in June 2014. Out of these, nine (9) were selected for funding for a total public eligible value of €2,168,162, representing 13% of the total budget allocated under this Axis¹⁵². Interest under this call was shown from a number of Government Departments which had not previously benefitted from ESF funding, including the Water Policy Unit within the Ministry for Energy and Health, the Department for Social Welfare Standards within the Ministry for Family and Social Solidarity, the Directorate General Strategy and Support within the Ministry for Justice, Culture and Local Government as well as a Social Partner, namely the Malta Business Bureau (MBB).

On a general note, the total amount committed under Axis 4 amounted to €17,180,882 following the selection of projects submitted under the last call. Despite the marginal under-commitment under this PA it should be noted that a number of Beneficiaries have already identified further activities for which they would require additional funds, ensuring that the allocation of this PA would be fully absorbed by end of the programming period.

¹⁵² Total allocation under PA4 is €17,199,118

3.4.2 Information on the physical and financial progress

a) Analysis of Indicators

Table 31 - Priority Axis 4 Indicators (Output and Result Indicators)

Priority Axis 4 – Strengthening of institutional and administrative capacity													
			2007	2008	2009	2010	2011	2012	2013	2014	Total		
Output	A	Number of persons participating in training ¹⁵³	Achievement	0	0	3	225	2,288	8,518	7,103	2,506	20,643	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9,000
			Baseline	n/a	n/a	n/a	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	4	2	5	13	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
	B	Number of projects supporting partnership	Achievement	0	0	2	0	0	0	0	3	5	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
Results	A	% of participants gaining a qualification/certification ¹⁵⁴	Achievement	0%	0%	0%	22%	61%	88%	93%	92%	92%	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a
	B	% increase in the technical capacity (secretariat) at MCESD to support	Achievement	0%	0%	0%	50%	0%	0%	0%	0%	50%	

¹⁵³ Output indicator was erroneously reported in previous years. This has been corrected.

¹⁵⁴ Result indicator from previous years has been corrected in line with the update on Output Indicator.

		Council (and sub-committees) in reaching informed opinions in policy issues	Target	n/a	n/a	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	n/a	n/a

During the year under review, PA 4 continued to register remarkable achievements in terms of indicators. Although not as significant as the previous year, achievement in the indicator *Number of persons participating in training* was mainly addressed through 13 projects¹⁵⁵ out of the 24 projects¹⁵⁶ under implementation¹⁵⁷. With over 1,800 participants gaining a qualification/certification, the respective result indicator continued to prove the success obtained by most of the projects reaching 92%, exceeding remarkably the target of 80% of participants trained.

In 2014, the output indicator *Number of projects supporting partnership* registered the achievement of one (3) project following the implementation on the ground of ESF 4.216 by the Kunsill Malti għall-Ispirt (KMS) and ESF 4.220 by NCPE and ESF4.221 by Union Haddiema Magħqudin (UHM). Despite the fact that the target of this indicator was underachieved, it should be noted that a number of projects under PA 4 involved a number of partners and encouraged networking within the context of their activities. The output indicator *Number of Studies/Actions/Campaigns/Research Activities carried out*, although increased by five (5) from the previous year, still did not reach the OP's target. However it should be noted that some of the new projects target this indicator with the possibility of reaching the target by the end of 2015. In fact the current target stands at thirty one (31) with the possibility of increasing since some of the new project already identified potential activities that could contribute towards this indicator.

b) Data on Participants

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

Table 32 - Data on Participants Priority Axis 4

TOTALS PA 4 2014		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants (Employed+Unemployed+Inactive)	2,598	1,416	2,159	1,190
	Employed	2,592	1,414	2,153	1,188
	Self Employed	0	0	0	0
	Unemployed	1	1	1	1
	Long Term Unemployed	0	0	0	0

¹⁵⁵ ESF 4.97; ESF 4.100, ESF 4.159; ES 4.163; ESF 4.164; ESF 4.174; ESF 4.180; ESF 4.181; ESF 4.189; ESF 4.218; ESF 4.221; ESF 4.236; and ESF 4.241

¹⁵⁶ 9 of which were approved in October 2014

¹⁵⁷ The total number of projects under this Axis is 29, 5 of which have completed their activities

	Inactive	5	1	5	1
	Inactive in Education and Training	5	1	5	1
Age	Young People (15-24 years)	196	122	172	110
	Older Workers (55-64 years)	267	129	209	90
Vulnerable Groups	Minorities	0	0	0	0
	Migrants	0	0	0	0
	Disabled	8	2	8	2
	Other Disadvantaged People	6	5	6	5
Education Attainment	Primary or Lower secondary education (ISCED 1 & 2)	268	144	189	82
	Upper Secondary education (ISCED 3)	355	208	320	194
	Post-secondary non-tertiary education (ISCED 4)	444	247	390	228
	Tertiary Education (ISCED 5 & 6)	1,531	817	1,260	686

The progress recorded under Axis 4 in 2014 is reflected through the number of participants benefitting from training opportunities which although not as significant as the previous year¹⁵⁸ still registered a total of 2598 individuals out of which 54% were women.

Motivating and incentivising public officials to embark on lifelong learning opportunities also ensure the sustainability of public finances particularly in response to active ageing as one of the NRP targets. Throughout the years, and not less in 2014, an average of 10% of Priority Axis 4 participants were older workers (aged between 55-64 years).

Although not directly contributing to the Annex XXIII data, it should be noted that a number of vulnerable persons have been assisted through ESF 4.97 – Employment Support Programme. In addition to training this project also includes short-term counselling to government officers experiencing psycho-social/disability problems, such as mental/emotional health difficulties; disability; addictive behaviours and sexual harassment amongst others. As at end 2014, a total of 471 employees have accessed the service.

¹⁵⁸ In 2013 7,094 participants were registered

c) Financial Progress

Table 33 - Financial Progress Priority Axis 4

Priority Axis	A Total Contribution	Financial Progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority Axis 4 <i>Strengthening of Institutional and Administrative capacity</i>	17,199,117	17,180,882	10,822,078	8,485,334	99.9%	62.9%	49.3%

The amounts committed reached the PA's allocation in 2014, with a slight under-commitment following the approval of new projects in 2014 as described above. The marginal under-committed amount on this PA is likely to be committed as a number of projects have already shown interest in requesting additional funds for new activities. Despite the general trend of small budget allocations (not exceeding €1M on average) of PA 4 projects and the fragmentation in financial components, contracted and paid amounts have remarkably increased. Contracted amounts increased by €3.6M over 2013¹⁵⁹ in view of a number of projects which started their contracting during 2014. Furthermore payments also recorded a percentage increase of 50.5% over the previous year¹⁶⁰.

3.4.3 Qualitative Analysis

Priority Axis 4, in accordance to Government's commitment to render service more productive and cost effective, addresses capacity building of public administration. In an effort to meet ongoing and new challenges of governance, PA 4 projects address the needs for change in the field of Public Sector and administrative capacity which evolve around efficiency, quality improvement to modernise service delivery mechanism and improvement in quality standards. This is reflected in the Operational Objectives of PA 4, namely (A) *to strengthen the efficiency and effectiveness of the public service* and (B) *to contribute towards the development of effective partnerships in a wide range of policy areas*. The projects approved in 2014 brought the total number of projects under Priority Axis 4 to twenty (29), twenty five of which (25) address Operational Objective A whilst the rest (4) aim to strengthen

¹⁵⁹ As at end of 2013 €7,186,386 were contracted

¹⁶⁰ Paid as at end 2013 was €7,186,386

partnership between socio-economic experts addressing Operational Objective B. As with the other PAs, the Operational Objectives of PA 4 are addressed through a number of Focus Areas which are seen as the main potential areas of intervention, namely *Supporting Public Sector Reform* addressed by 22 projects; *Lifelong Learning for the Public Sector*, addressed by twenty four (24) projects; and *Promoting a more effective social and civil dialogue in Malta* addressed by six (6) projects¹⁶¹. The following analysis will firstly focus on the newly approved projects and then give an overview of those projects which have mainly contributed towards the achievements of the PAs objectives during the year under review.

Earlier in this chapter it was noted that out of the nine (9) approved projects in 2014, eight (8) aim to contribute towards the attainment of Operational Objective A, *to strengthen the efficiency and effectiveness of the public sector*. As previously pointed out, the new projects approved in 2014, continued to build on the principles of Priority Axis 4 to enhance public administration in the main. With the aim to ensure that officials within the main water management institutions are better equipped to address the emerging challenges of the Maltese water sector, the Water Policy Unit through its project¹⁶² is committed not only to train its own officials but is involving a number of departments/entities¹⁶³ involved in the process of the National Water Management Plan to improve knowledge and skills on emerging water supply augmentation and demand management technologies. Another two (2) approved projects hail from the social care sector. One (1) of them¹⁶⁴ specifically focuses on capacity building of those working in the care sector particularly with the elderly and with persons with disability. By investing in specialised nursing and caring professionals, the Ministry for the Family and Social Solidarity (MFSS) aims to address skills shortages to offer better quality care reducing the number of outpatients of elderly individuals at Mater Dei Hospital, thus addressing the challenges that demographic changes bring about. Through recommendations from a research study financed through this project the Beneficiary also aims to improve policies in the area of disability care with an aim to strengthen the quality of services offered in this sector. On the other hand, the other project¹⁶⁵ under the remit of the Department for Social Welfare Standards (DSWS) within the same Ministry will focus on providing training in various forms to personnel who are involved in the regulation of social care. As the statutory regulatory body for social care, DSWS will enhance the knowledge and skills of its employees particularly those who did not have enough formal training in regulation and those who are not empowered enough to access other available opportunities to formally further their education through training that specifically addresses the relevant current and forthcoming training needs both in terms of academic content and practical aspects. In accordance to the National Health Systems Strategy¹⁶⁶, the acknowledgement of the importance of all levels of staff in the delivery of health care provides more effective avenues to

¹⁶¹ Information on the Focus Area *Strengthening the quality of employment services* has been provided under Section 3.4.1.

¹⁶² ESF 4.239

¹⁶³ Local partners include: Institute of Water Technology, Water Services Corporation; Eco Gozo Regional Development Directorate, Ministry for Gozo; Ministry for Transport and Infrastructure

¹⁶⁴ ESF 4.242

¹⁶⁵ ESF 4.249

¹⁶⁶ A National Health Systems Strategy for Malta, 2014-2020

address grievances and complaints and the organisation of services that provide convenience and continuity of care to patients. In this regard, health professionals¹⁶⁷ working within the Accident and Emergency Department at Mater Dei Hospital have been targeted by the Ministry for Energy and Health through a project¹⁶⁸ aiming to effectively deliver non-technical training including customer care. By addressing the NRP target on lifelong learning, this project is contributing towards better improvement in the services delivered by the local health sector.

Addressing the focus area of intervention in line with lifelong learning as well as the focus area on public sector reform, the Malta Information Technology Agency (MITA), through its multi-pronged project¹⁶⁹ aims to build the capacity in central Government, local government and voluntary actors to assist citizens in accessing and using eGovernment services. Furthermore through a research study the project aims to analyse the reasons which are negatively impacting the current take-up of eServices by citizens and through a campaign it will raise awareness with the general public on Government's drive toward simplification of public administration through the availability of eServices, and on the convenience that these eServices provide to citizens.

In response to the OP's focus area of intervention *Supporting Public Sector Reform*, supporting a report outlining the strategy for the implementation of the Justice Reform by Directorate General for Justice within the Ministry for Justice, Culture and Local Governance (MJCL), another new approved project¹⁷⁰ aims to keep the general public and the business community informed of the developments related to the implementation of the Reform mainly through a National campaign. This initiative addresses one of the recommendations of the CSRs which makes reference to the Justice reform, specifically emphasising the need to increase efficiency of the judicial system. The optimisation of the local governance framework is also of interest to the same Ministry. In fact the Department of Local Governance (DLG) has embarked on a project¹⁷¹ with the aim to address the NRP's¹⁷² objectives to improve levels of service delivery and quality as a primary goal on the public service agenda and to increase public service efficiency and accountability. Through a number of studies, as well as training, the project aims to strengthen the resources at the five levels; to analyse the operational structure of DLG; as well as provide recommendations to make it more structurally sound and establish systems for better use of available EU funds.

Another innovative project¹⁷³ under this Axis, which also aims to make better use of EU funds, was submitted by the Malta Business Bureau (MBB) as one of the social partners in Malta. Through this project MBB aims to create a learning and exchange network on EU direct funding programmes to improve civil society participation in EU related matters in the future. Through a train-the-trainers approach and training on the process of benefitting from EU direct funding, in line with the OP's Focus

¹⁶⁷ Including doctors, nurses, paramedics and support service employees

¹⁶⁸ ESF 4.247

¹⁶⁹ ESF 4.243

¹⁷⁰ ESF 4.246

¹⁷¹ ESF 4.248

¹⁷² Malta's National Reform Programme under the Europe 2020 Strategy (2012)

¹⁷³ ESF 4.245

Area *Promoting a more effective social and civil dialogue*, the project aims to build the necessary capacity within the private sector in providing feedback in the development of future funding programmes from experience in participation in funded initiatives. This enhances Government's aim in ensuring that Maltese citizens have access to opportunities that enable them to fulfil their potential. By addressing the NRP's measure to *introduce New Possibilities and Modalities of Learning in Higher Education*, Armed Forces of Malta personnel will be trained in specialised security measures, in particular safety driving techniques, with an aim to address the need for knowledgeable drivers in security issues and to ensure that Malta's public service is effective in its delivery as a result of developing its capacity by acquiring the necessary training in protocol in security matters.

Within the framework of the NRP (2013), raising skill levels, promoting lifelong learning and the raising of the labour force activity rates has been identified as one of the key planks on which Malta's economic and fiscal strategy should be based. During the year under review PA 4 projects approved in earlier years addressed the NRP's target on lifelong learning as previously explained. By addressing the Focus Area of Intervention *Lifelong Learning for the Public Sector*, Beneficiaries of PA 4 are supporting Government in its efforts to become more efficient and more accountable by embarking on training related to strengthening techniques and skills related to better management and administration. With a total of 1,096 participants, ESF 4.100 sustained its commitment to address the training needs identified in the Training Needs Analysis through the provision of scholarships, coaching, mentoring, e-learning and blended learning as well as a train-the-trainer approach, in line with Government's aim to enhance and expand training for its employees to reach its lifelong learning objectives.

As highlighted in the OP, the provision of scholarships and internships, which tie in with the principle of mobility and transnational experiences, continued to strengthen and increase the skills level of Public Sector Employees. The year under review in fact saw a total of twenty three (23) participants under ESF 4.100 receiving a qualification following the award of an academic sponsorship in previous years. Furthermore, the awarding of sponsorships for international events, including seminars and workshops under the same project supported hundred and nine (109) participants in gaining knowledge and skills in areas such as financial management and public administration. Another project which promotes mobility and transnational experiences to address the lifelong learning targets is *ESF4.236 - Strengthening the administrative capacity to reap the full benefits of EU membership*. With an aim to garner a more extensive level of EU expertise across Government, building on the experience achieved to date, the Ministry for European Affairs and the Implementation of the Electoral Manifesto (MEAIM) is providing lifelong learning opportunities for officers through a grants scheme; language training; as well as internships.

On the same lines as ESF 4.100 and ESF 4.236, ESF 4.218 – Capacity Building for Transport Malta Employees is offering a variety of training opportunities through grants and short courses investing specifically in Transport Malta's human capital so as to address the competitiveness and challenges in sectors which include Transport Strategy, Traffic Management and Road Safety, Merchant Shipping, Roads and Infrastructure, Land Transport, Information and Communication, Corporate

Services and Ports and Yachting. The economic and social change, the transition to a knowledge-based society, new technology and globalisation are all challenges which have significantly affected the development of the transport sector in Malta. Hence this has had a direct impact on Transport Malta as the regulator of the sector resulting in an increased demand to a new approach to training and education of staff. In the context of these challenges, the project is offering different learning opportunities to update staff's current skills at operational level which means reducing the gap between job profiles and the requirement of a modern transport sector, including handling basic and advanced transport equipment. The Authority aims that training could become a catalyst for the promotion of lifelong learning, which will have an impact in future planning and strategy of Transport Malta and improve its efficiency and effectiveness. The training that is being proposed is targeting 400 public officers within TM and will address skills shortages within the transport sector.

Life-long learning is the guiding principle for provision and participation across the full range of learning contexts. *ESF 4.164 – Time to Consolidate* particularly targets an array of learning contexts with the aim to not only provide training at professional levels but also technical and industrial ones, ensuring that life-long learning opportunities are offered at all levels of the Restoration Directorate's (RD) staff with an aim to strengthen the Directorate's efficiency and effectiveness. In line with Government's target to enhance economic growth, this project created the right conditions for people to make choices, achieve their potential and excel by improving the knowledge-base and potential of the Directorate's staff. During the year under review a total of ninety one (91) participants benefitted from Vocational and Professional Courses which also included training abroad, hence supporting the NRP's measure in *offering more opportunities for participation in Vocational Education*. Training gave the opportunity to RD staff to gain practical experience by working side-by-side with experts in the field through the provision of insights in the theory and practice of tools and their application in restoration. The aim of this training is to broaden the necessary skills to develop intervention projects, halting the degradation process of monuments and buildings of architectural and historical value. Through such training public officials also gained the necessary skills for the communication, management and retrieval of information to promote and create awareness on the national cultural heritage.

The implementation of reforms requires the upgrading of Government employees' skills and the carrying out of studies and research. PA 4 continued to offer the required training opportunities as well as opportunities for studies and research in support of Government's aims to address a number of sectors such as public services, health and financial management during the year under review. In response to Government's efforts towards public sector reforms, *ESF 4.159 – Developing Quality Management in the Public Administration through CAF* aims to develop the capacity of public officials in the application of a quality management tool, namely the Common Assessment Framework. Through training, seminars and conferences held in 2014, the project guides public administration through the use and understanding of self-assessment with an aim to follow the CAF Model through a set of principles of excellence which are underpinned by continuous learning, innovation and improvement as a permanent objective of each organisation. In response to the NRP (2013) target,

the use of the CAF model provides an organisation with a powerful framework to initiate a process of continuous improvement. A total of six (6) public entities¹⁷⁴ have started to implement this approach during 2014 and as a result of this project public officers started to enhance their skills in conducting self-assessment and consequently, to map their route towards improvements within their organisations in areas such as leadership, strategy and planning, partnerships and resources which lead to improving the quality and accessibility of public service delivery.

In line with the need to strengthen the long-term sustainability of public finances Government identified the health sector as one of the areas that needs to be reformed with a particular emphasis on the need to ensure better use of community care facilities to release pressure on the public acute care hospital. A project which has already started addressing this NRP target is ESF 4.174 – Training Health Care Professionals for integrating acute and community care. Following job shadowing at the Northern Health and Social Care Trust (NHSCT) in Northern Ireland in 2013, which equipped nurses and midwives with the necessary knowledge on the subject of integration of services in order to improve their skills in managing transition of patients from institutional to community care, 2014 saw over 1,500 families benefitting from the new service which aims to improve quality care for postnatal mothers and their families. The enhancement of the health services through capacity building and research is also being addressed through ESF 4.175 - Capacity Building for Medical Physics Services in Malta. In line with Government's commitment to reform the health sector following the launch of a number of national strategies, particularly the cancer strategy, this project is investing in the human resources in order to support Government's fight in stemming a brain drain of professionals in the medical field and the significant dependency in the recruitment of high specialized experts in certain areas from foreign institutions. As a result of the Masters Degree and clinical training being financed under this project participants will specialize and improve their skills, boosting research and development in the area of Medical Physics¹⁷⁵.

3.4.4 Significant problems encountered and measures taken to overcome them

The following summarises the main problems arising from the implementation of projects during 2013 under PA 4. It should be noted that none of the problems encountered during the year under review resulted in serious problems pursuant to Article 62(1)(d)(i) of Regulation (EC) No 1083/2006.

i. Absorption of funds

The full absorption of funds under Priority Axis 4 remained the main challenge during the year under review. This resulted in the need to issue of a call for proposals during the year under review, conclude the selection process and kick off the newly approved projects with overwhelming time constraints. Commitments from applicants to implement the projects within a short timeframe were necessary.

¹⁷⁴ The European Union Programmes Agency; Agenzija Appogg; Agenzija Sapport; Sedqa; Foundation for Social Welfare Standards and MEU itself

¹⁷⁵ The first cohort will end their studies in May 2015

Furthermore, a number of projects under implementation started recording savings which however did not have an impact on the programme absorption of funds allocated as a result of the MA decision to over-commitment PA 4.

ii. Procurement and Contracting

As previously mentioned, challenges faced through procurement processes repeated themselves from previous years including non-submission of bids and over- or under-budgeting of bids submitted when compared to available budgets. Such factors have noticeably caused delays both in the issuance and contracting of tenders as well as in payments expected in 2014.

iii. Fragmentation of verification checks

Despite measures taken towards the simplification of verification checks on a number of projects, certain payments still required considerable documentation to be checked which is time-consuming and presented major difficulties also under PA 4. As a mitigating measure the MA adopted sampling methodologies which were applied in line with the recommendations of the COCOF note on management verifications (*COCOF 08/0020/04-EN – Guidance document on management verifications*).

3.5 Priority Axis 5 – Technical Assistance

3.5.1 Achievement of targets and analysis of the progress

In line with Article 46 of Council Regulation (EC) 1083/2006 TA continued to receive requests in order to finance initiatives relating to the reinforcing of administrative capacity, management, monitoring, evaluation, information and control activities of the Programme.

Chapter 5 presents an analysis of the use of Technical Assistance in the year under review.

3.5.2 Information on the physical and financial progress

a) Analysis of Indicators

Table 34 - Priority Axis 5 Indicators (Output and Result Indicators)

Priority Axis 5 - Technical Assistance				2007	2008	2009	2010	2011	2012	2013	2014	Total	
Output	A	Indicator 1: Number of Persons Trained	Achievement	0	86	57	71	31	44	48	59	396 ¹⁷⁶	
			Target	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	350 ¹⁷⁷
			Baseline	n/a	n/a	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	0	0	1
			Target	n/a	n/a	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	n/a	n/a
		Indicator 3: Number of Publicity measures undertaken	Achievement	3	5	4	5	5	3	4	3 ¹⁷⁸	4	32 ¹⁷⁹
			Target	n/a	n/a	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	n/a	n/a
		Indicator 4: Number of studies/research activities carried out	Achievement	0	0	1	0	0	0	0	1	0	2
			Target	n/a	n/a	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	n/a	n/a
Result	A	Indicator 1: Reaching N+3/N+2 targets	Achievement	0%	0%	0%	0%	100%	100%	100%	100%	100% ¹⁸⁰	
			Target	n/a	n/a	n/a	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	n/a	n/a	n/a

During 2014, the following output indicators have continued to witness an overall increase: *Number of Persons Trained and Number of publicity measures undertaken*. An additional 59 officers have had

¹⁷⁶ 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

¹⁷⁷ Does not include repeat trainees

¹⁷⁸ This figures includes: 1 (Annual Event); 1 (call for proposals) and 1 (promotional items and information tools,stickers, including adverts)

¹⁷⁹ 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

¹⁸⁰ Under this indicator the total achievements are not being calculated cumulatively but are reflecting the final reporting year

the opportunity to attend training seminars either locally or abroad. The number of publicity measures also continued to increase with the aim to ensure the widest dissemination possible and included publicity initiatives such as the annual event and call for proposals. The main tender for promotional items was also scheduled to take place in 2014 but unfortunately the bid received was technically non-compliant. The same tender will now be issued in 2015. Under indicator 2: *Number of evaluations carried out* no evaluations were finalised during the year under review. However, the results are undoubtedly foreseen to be positive with the ex-ante evaluation reaching its final implementation stages by beginning 2015 and the other evaluations expected to be completed by end 2015. With regards to the number of studies/research activities a nil achievement was registered during the year under review. However, 2014 saw the commencement of the flat rate study as well as the ex-ante assessment of financial instruments for the 2014-2020 Operational Programme. Both studies are still on-going and therefore no results have been recorded in 2014 but will be recorded in 2015. The OP target is expected to be achieved by the end of the programme.

With regard to the indicator *reaching the N+3 target*, the MA succeeded to fully achieve the target for the year 2014.

b) Data on Participants

In line with Commission Regulation 1828/2006 Annex XXIII, the table below highlights the physical progress under this Axis. As can be seen below, during 2014 fifty-nine additional officers have been trained either locally or abroad with the overall aim of reinforcing the administrative capacity. It is interesting to note that out of the number of officers trained, slightly more than half (55%) were women.

Table 35 - Data on Participants Priority Axis 5

TOTALS PA 5 – 2014		People Entering		People Leaving	
		Total	Women	Total	Women
Status in the Labour Market	Total Number of participants	59	33	59	33
	Employed	59	33	59	33
	Self Employed	1	0	1	0
	Unemployed	0	0	0	0
	Long Term Unemployed	0	0	0	0
	Inactive				
	Inactive in Education and Training	0	0	0	0
Age	Young People (15-24 years)	6	3	6	3
	Older Workers (55-64 years)	3	3	3	3

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)	0	0	0	0
	Upper Secondary education (ISCED 3)	0	0	0	0
	Post-secondary non-tertiary education (ISCED 4)	0	0	0	0
	Tertiary Education (ISCED 5 & 6)	59	33	59	33

c) Financial Progress

Table 36 - Financial Progress Priority Axis 5

Priority Axis	A Total Contribution	Financial Progress					
		B Commitments	C Contracted	D Payments	(B/A) %	(C/A) %	(D/A) %
Priority Axis 5 <i>Investing in the employability and adaptability of the workforce</i>	5,270,589	5,270,589	5,214,741	3,676,256	100%	98.9%	69.8%

3.5.3 Qualitative Analysis

The qualitative analysis related to the Technical Assistance is being included in Chapter 5 of this report.

3.5.4 Significant problems encountered and measures taken to overcome them

This section will be discussed in Chapter 5.

4 – ESF programmes: Coherence and Concentration

Regulation (EC) No 1081/2006 on the European Social Fund, outlines measures to ensure consistency and concentration in the support provided under the Programme. In particular, Article 4(1) stresses that the Member States shall ensure that the actions supported by the ESF are consistent with and contribute to actions undertaken in pursuance of the European Employment Strategy (EES). The Strategy sets a platform for EU countries to share information and discuss and coordinate the national employment policies. In this regard, Malta's ESF Operational Programme (OP) promotes the objectives, priorities and targets identified within the National Reform Programmes and the Community Strategic Guidelines/Integrated Employment Guidelines 2007-2013, as well as essential components of the European Employment Strategy (EES). In fact, project proposals have continued to identify the Community Strategic Guidelines (CSG) and Integrated Employment Guidelines (IEG) that will be addressed through the different project activities, providing details on how the actions under the projects will contribute towards the relevant priorities. Moreover, project proponents have also identified means through which the implementation will indirectly target Country Specific Recommendations put forward by the Council in recent years. These have all been serving as guidelines for the Project Selection Committee to ensure that the pool of project proposals is balanced in terms of the national priorities and current objectives being targeted, as well as the CSRs being proposed. This creates a balance between Malta's requirement in view of its economic situation and the recommendation received by the European Commission. In addition, projects approved after 2013 are being requested to provide information on how the projects will contribute towards the Europe 2020 Strategy.

4.1 Links with the NRP

NRP 2005 – 2008, NRP 2008 – 2010, NRP 2013

Throughout the programming period, all projects submitted for consideration to the Project Selection Committee were asked to indicate how the project proposals contribute towards the comprehensive strategies outlined in the applicable National Reform Programmes. Given that a substantial number of projects have been approved at the beginning of the Programme¹⁸¹, their contribution was towards the themes delineated by the NRP 2005-2008, namely: (i) *Sustainability of Public Finances*, (ii) *Competitiveness*, (iii) *Employment*, (iv) *Education and Training* and (v) *Environment*. Following the presentation of NRP 2008-2010, the following themes were targeted: (i) *Unlocking Business Potential*, (ii) *Investing in Knowledge and Innovation*, (iii) *Energy and Climate Change*, and (iv) *Investing in People and Modernising Labour Markets*. Subsequently, projects continued to contribute to more recent National Reform Programmes while at the same time indirectly contributing to former NRPs, given that the majority of themes revised over the years retained similar principle objectives.

¹⁸¹ Calls 1, 2, 3, 4 and 5

The 2013 NRP served as an attempt to bring local measures in line with the strategic objectives of the Europe 2020 Strategy in terms of enhancing competitiveness, boosting growth and jobs whilst also improving social cohesion. At application stage beneficiaries were urged to link the project activities to the NRP objectives. In view of this, the list of approved projects, have been unanimously targeting Europe's vision with regards to promoting employment, improving the conditions for innovation, research and development, meeting climate change and energy objectives, improving education levels and promoting social inclusion in particular through the reduction of poverty.

Moreover, one should note that the specific objectives of this Operational Programme contribute directly to the above mentioned themes through a comprehensive effort across all Priority Axes. As delineated by the Operational Programme itself, all Axes are feeding towards the investment in Human Capital, Employment, Education and Training, therefore clearly highlighting the importance of these themes mentioned earlier towards ensuring the competitiveness of our nation as will be explained further below.

Furthermore considering the publications of calls in 2014, the MA has also asked projects to indicate their contribution towards the Country Specific Recommendations (CSR) as relevant.

The following Targets have been outlined in NRP 2013:

Target 1 - Employment

Within the Europe 2020 targets, Malta has set its national employment rate target for those aged between 20 and 64 years at 70%¹⁸². In view of the latter, employment has been one of the endeavours across the various versions of the NRP including objectives such as; *attracting women to the labour market, encouraging older workers to continue working, strengthening employment prospects, introducing employment support for persons with disabilities and enhancing employability through training.*

This fits within the overall objective of the Operational Programme which aims to invest in human capital with the emphasis on increasing the national employment rate. During the year under review, employment level in Malta stood at 66.3%¹⁸³, with the projects being implemented under OPII contributing to this. Furthermore it is commendable to note that all Priority Axes have been contributing towards Employment through the provision of training and re-skilling efforts, skills matches in line with the needs of the industry as well as specialised support to those in need.

¹⁸² <http://ec.europa.eu/eurostat/documents/2995521/6823708/3-07052015-AP-EN.pdf/7e507ea0-43c7-452f-8e6a-b479c89d2bd6>

¹⁸³ <http://ec.europa.eu/eurostat/documents/2995521/6823708/3-07052015-AP-EN.pdf/7e507ea0-43c7-452f-8e6a-b479c89d2bd6>

One of the projects currently under implementation within PA 2 which contributes in a direct way towards this priority theme is ESF 2.201 Enhancing Employability through Training (EET). This project aims to reintegrate jobseekers and inactive persons into the labour market whilst providing assistance to employed persons to retain their current jobs or help them shift to better job opportunities. The main activities under this project involve training programmes that meet the needs of the labour market with the aim of reducing labour skills shortages. In addition, this project also addresses indirectly the gap between education/training and the actual needs of the labour market. In addition to the latter, the *Youth Guarantee*¹⁸⁴, being implemented under PA 3, offers future prospects to youths under 25 years of age who are currently not in employment, education or training (NEETS). This project offers training related to basic skills, ICT and other core subjects. The aim of the latter is to equip disadvantaged students with the necessary skills to either access the labour market via job placements, or embark on education within one of the leading local educational institutions. Furthermore, another project¹⁸⁵ under Priority Axis 3, is offering sheltered employment training for persons with disability in order to equip them with the necessary skills with the aim of making them more employable. Therefore, both the *Youth Guarantee* and *Support and Sheltered Employment Training for Disadvantaged Groups* strive to establish a learning strategy through the introduction of work-based learning. These two projects target the CSR 2014 whereby it is pointed out that basic skills attainment is still low in Malta especially in comparison with its peers which inherently increases the risk of low literacy and early school leaving.

Target 2 - Research and Development

As outlined by the Innovative Union Flagship, member states need to work harder in order to remain competitive in the global marketplace and improve the quality of life in Europe. Asian countries are catching up fast on innovation, leaving Europe in a less desirable position. As a result, Malta has set its national target of spending on R&D at 2%¹⁸⁶ of the annual GDP in line with the Europe 2020 Strategy.

PA1 seeks to address this theme by, amongst others, offering the possibility of MQF level 7 courses in Knowledge-Based Entrepreneurship¹⁸⁷. The same priority also offers scholarships¹⁸⁸ at MQF level 7 that will expose more learners to research. Some of the courses include, MSc in Civil Engineering Innovative Structural Materials, MSc in Built Environment: Environmental Design & Engineering and MSc in Biochemical Engineering. These scholarships will expose more learners to entrepreneurial “culture” by fostering new ideas through research and develop better strategies. This will then facilitate these potential graduates to engage into employment and strengthen potential investment in this particular area.

¹⁸⁴ ESF 3.231 *Youth Guarantee*

¹⁸⁵ ESF 3.113 *Support and Sheltered Employment Training for Disadvantaged Groups including RDPs*

¹⁸⁶ https://ec.europa.eu/research/fp7/pdf/country-profiles/malta/country_profile_and_featured_projects.pdf

¹⁸⁷ ESF 1.125 *Creating a Knowledge Transfer Framework and Technology Entrepreneurship Training Programme*

¹⁸⁸ ESF 1.225 *Master It!*

Target 3 – Energy

In the past years, Malta has set ambitious targets of 10%¹⁸⁹ for increase in energy efficiency, use of renewable energy and reduction in greenhouse gas emission thus, highlighting the importance of such a key objective. Moreover, NRP 2013 lists numerous actions including improving energy efficiency in transport and the hospitality industry, the implementation of the national renewable energy plan, reduction of greenhouse gas emissions and the promotion of RES and the substitution of bio fuels amongst others. In line with the latter, the Country Specific Recommendations of 2013 and 2014 highlight the importance of having a diversified energy mix in the economy whilst increasing the share of energy generated through renewable energy sources.

Although Energy is a theme mostly targeted through OP I, ESF projects have still proven to indirectly contribute towards this aspect. One of the projects under PA 1 has identified Energy as one of the priority areas for students who want to pursue studies at Masters level related to alternative energy, climate change, waste management, renewable energy and greenhouse gas emission reductions¹⁹⁰. Moreover, a newly approved project under PA 4¹⁹¹ aims to provide the necessary training opportunities to ensure that officials in the main water management institutions in Malta are better equipped to address the emerging challenges to the Maltese water sector. The training opportunities offered will therefore introduce innovative operations in the sector and analyse the economic and environmental impacts related to the adoption of such technologies.

Target 4 – Education

Amongst other themes, Education has always been highlighted through the NRP with particular emphasis being given to the reduction in rate of early school leavers, encouraging lifelong learning, as well as the promotion of an inclusive and accessible education. In line with the Europe 2020 targets, Malta is attempting to bring down the rate of early school leavers to less than 10%¹⁹², in line with the target set at European level. In view of this, in June 2014 Malta published the *Early School Leaving (ESL) Strategy for Malta*¹⁹³ and set up an Early-School-leaving Monitoring Unit to primarily coordinate policy actions on early school leaving. Furthermore, the aim of this document is to put ESL high on the agenda, to map out challenges and responses and to ensure that the tackling of ESL in Malta is carried out in a concerted effort based on cooperation across the different sectors and levels. In this regard, ESF 1.209 – Skills Acquisitions for Children and Adolescents aims to improve the quality and relevance of educational experience and contributes towards a better integration of children and adolescents at risks and more skilled work force in the field of literacy, numeracy and play work

¹⁸⁹ http://ec.europa.eu/europe2020/europe-2020-in-your-country/malta/progress-towards-2020-targets/index_en.htm

¹⁹⁰ ESF1.225 *Master It!*

¹⁹¹ ESF 4.239 *Optimising the Institutional Capacity for Integrated Water Resources Management*

¹⁹² <http://education.gov.mt/esl/Documents/School%20Leaving%20in%20Malta.pdf>

¹⁹³ <http://education.gov.mt/esl/Documents/School%20Leaving%20in%20Malta.pdf>

related education by addressing failings in Malta's primary and secondary school system through providing early intervention and remedial basic skills programmes to children and young people focusing on core literacy and numeracy competencies through the development and piloting of multisensory programmes.

Furthermore, efforts are constantly directed towards encouraging mature students to complete third level education with a minimum national target of 33%¹⁹⁴. Whilst, Priority Axis 1 specifically targets education and skills through the increase in education participation rates, one can still say that all other Axes contribute towards this target being it such an important baseline for labour market integration. One of the projects¹⁹⁵ under Priority Axis 1 involves the review and redesign of all MQF Level 4 and MQF 5 existing home-grown courses and courses that are currently being delivered by MCAST (and certified through foreign accredited bodies) and the launch of new training, in order to promote skills which are more relevant to the current economic needs. On the other hand, one of the projects¹⁹⁶ under Axis 2 aims at increasing the attractiveness, accessibility and flexibility of the MCAST lifelong learning opportunities thus contributing to the consolidation of the workforce's skill base whilst ensuring a lifelong learning strategy as demanded by the CSR 2014.

PA 3 promotes educational interventions for the vulnerable niche including NEETS, persons with disability, youths and other disadvantaged groups. One of the projects¹⁹⁷ under this priority offered young female adolescents, with emotional challenging behaviour, the opportunity of participating in accredited courses with the aim of instilling a process of reflexivity and take a critical stance towards life's challenges. The project aimed at engaging the beneficiaries in a generative process of their potentials that eventually lead to new lifestyles and better employment opportunities. This also addresses one of the specific recommendations put forward by the Council in 2014 to improve the labour-market participation of women given that the project prepares young females for the labour market.

Furthermore, seven (7)¹⁹⁸ of the projects approved in the year under review within Axis 4 are also currently implementing activities that target education. ESF 4.249 *Enhancing Human Capital in the Regulation of Social Care* aims to invest in providing training to personnel who are involved in the regulation of social care and who feel the need for further formal training. The latter addresses skills shortages in the field of social care whilst targeting the Council recommendation to ensure that the public health system is making sustainable use of available resources. This is addressed both through specialised training as well as job shadowing.

¹⁹⁴ 33% of the people aged between 30 and 34 years - http://ec.europa.eu/europe2020/europe-2020-in-your-country/malta/progress-towards-2020-targets/index_en.htm

¹⁹⁵ ESF 1.130 *Making VET Education More Relevant and Attractive*

¹⁹⁶ ESF 2.139 *Increasing Accessibility, Flexibility and Innovation to MCAST Life-Long learning Course Offer*

¹⁹⁷ ESF 3.108 *Lwien*

¹⁹⁸ Call 14 involves the implementation of a total of 9 projects

Target 5 - Poverty

More than 120 million people in the EU are at risk of poverty or social exclusion. As a result, member states are joining efforts in an attempt to bring at least 20 million people out of poverty and social exclusion by 2020. Within the local context, Malta's target stands at 6,560 individuals¹⁹⁹ who are currently at risk of poverty/ exclusion.

In contribution to this theme which is currently at the heart of the Europe 2020 strategy, NRP 2013 focuses on a number of counteractive measures. These include: (i) combating child poverty through the provision of training to single parents as well as changes in the provision of benefits, (ii) pension reforms targeting the elderly who are at risk of living in poverty, (iii) the introduction of supplementary allowance to pensioners, (iv) incentives and support to persons with a disability to actively participate in the labour market, (v) strengthening support services to jobless households and (vi) training programme for employees earning the minimum wage.

In line with these actions, the Leap Project²⁰⁰ targets vulnerable people through a number of interventions which aim to combat social exclusion and poverty. In the year under review, a number of Family Resource Centres were introduced across Malta, providing regional assistance to families in need. Amongst others, the centres provide; brief courses on positive parenting, social assistance in the form of charity through the community, the services of social workers, counsellors and job advisors. In addition to this, the project also provided the opportunity to vulnerable individuals to participate in a traineeship within NGOs and Government Entities so as to help them integrate within the labour market. Amongst the beneficiaries of this project there were also applicants aged 50+, in line with the Council recommendation to increase the employment rate of older workers. A detailed Analysis of this was presented in Chapter 3.

Similarly, the Youth Guarantee, mentioned earlier, during the year under review, provided training assistance and the possibility of a work placement to NEETs. Although Malta compares well in terms of youth employment, it is recognised that youths form part of the majority of those who are unemployed or at risk of losing their jobs because of lack of skills and job quality. Moreover, through this project it was noticed that the majority of NEETs had a difficult family history and/or are currently suffering from poverty and social exclusion, thus clearly indicating that if not tackled in the immediate, poverty can hinder the young generation from the possibility of upward social mobility.

Teenage mothers²⁰¹ as well as ex convicts²⁰² and persons with disability²⁰³ were also being assisted through other projects in order to help them integrate within the labour market, thus reducing the risk

¹⁹⁹ http://ec.europa.eu/europe2020/europe-2020-in-your-country/malta/progress-towards-2020-targets/index_en.htm

²⁰⁰ ESF 3.234 Leap

²⁰¹ Through ESF 3.108 Lwien

²⁰² Through ESF 3.110 Better Future: Promoting an Equal and Inclusive Labour Market, ESF 3.234 Leap

of poverty of such target groups. Young mothers were invited to participate in accredited courses aimed at offering a career path certification in both soft skills and technical skills in IT, therefore bringing them closer to the labour market. Similarly, inmates were offered the opportunity to attend a number of courses in preparation for their reinstatement in the labour market following their release from the correctional facility. Through supported and sheltered employment, employers were encouraged to recruit persons from disadvantaged categories thus providing the latter with hands-on training and employment opportunity and therefore were directly contributing to the employability of such target group.

In preparation for the upcoming challenges – NRP 2014

In April 2014 a new NRP was launched, and identified the following policy priorities: (i) enhancing competitiveness and encouraging investment, (ii) reducing bureaucracy, (iii) fighting corruption, (iv) addressing employment challenges and skill mismatches, and (iv) strengthening the long-term sustainability of public finances. Although, none of the approved projects in 2014 directly contributes towards these themes, projects currently being implemented still indirectly contribute in part to some of the policy priorities.

As in previous years, the major contributors towards competitiveness have undoubtedly been the Aid Schemes. During 2014, the Training Aid Framework (TAF) scheme continued to ensure economic competitiveness by supporting the private sector through subsidies for training cost. In fact in 2014 TAF 2 was launched and an additional funding of about €1.1 million was allocated for training that will be completed by the end of June 2015. On the other hand the EAP whilst focusing mainly on the promotion of an inclusive labour market also supports the private sector through wage subsidies, contributing to economic growth, whilst also contributing towards the reduction of the unemployment rate. With an additional investment of €2M, the scheme was further extended in 2014 with an aim to provide a new boost to employment in Gozo. Throughout the current programming period, a number of courses within specialised areas including amongst others the financial services (ESF 1.130), aviation (ESF 1.34) and ICT (ESF 1.33) were also implemented ultimately targeting competitiveness.

On the other hand, three of the projects²⁰⁴ implemented under PA 4 target the reduction of bureaucracy within the Public Services. One of the said projects²⁰⁵ aims at developing the skills and competencies of public officers in the application of the Common Assessment Framework (CAF) and central competencies within the Management Efficiency Unit. Another project²⁰⁶, approved during the year under review, focuses on strengthening competences to service the public efficiently through e-Government.

²⁰³ ESF 3.113 Supported and Sheltered Employment Training for Disadvantaged Groups, including RDPs and ESF 3.193 Healthy Mind and Healthy business

²⁰⁴ ESF 4.159, ESF 4.243 and ESF 4.246

²⁰⁵ ESF 4.159

²⁰⁶ ESF 4.243

In view of the fact that employment is at the heart of the OP, the most commonly targeted NRP priority addresses employment challenges and skills mismatches.

In view of targeting skills mismatches, one of the recently approved projects under PA 4²⁰⁷ aims to reduce skills shortages through training in order to offer better quality care. Similarly, through offering a wide range of training courses, a project under PA 2²⁰⁸ focuses on enhancing employability to those who are already employed through job related training. Whilst all projects under PA 3 address employability, the EAP scheme²⁰⁹ contributes to this priority through the integration of disadvantaged persons and disabled persons in the labour market.

Ultimately, two of the approved projects²¹⁰ within the year under review are also contributing to the fourth priority outlined under NRP 2014. In line with the Council recommendations presented in 2014, ESF 4.242 supports the sustainability of public finances, through the health reform, by training employees that are involved in the social care sector. Similarly, PA 3 addresses the long term sustainability of public funds through one of the projects²¹¹ which encourages the awareness of mental health to retain a healthy labour force and thus reduce the dependency on social assistance.

4.2 Links with the CSGs and IEGs

Community Strategic Guidelines on economic, social and territorial cohesion, 2007-2013 have set the basis for projects targeting growth and jobs which are supported by cohesion policy. The following priorities have been delineated:

- (i) improving the attractiveness of Member States, regions and cities by improving accessibility, ensuring adequate quality and level of services, and preserving the environment,
- (ii) encouraging innovation, entrepreneurship and the growth of the knowledge economy by research and innovation capacities, including new information and communication technologies, and
- (iii) 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.

In addition to this, the Integrated Employment Guidelines, highlight three priorities for action for Member States' policies:

²⁰⁷ ESF 4.242

²⁰⁸ ESF 2.201

²⁰⁹ ESF 3.64

²¹⁰ ESF 4.242 and ESF 4.249

²¹¹ ESF 3.193

- (i) attract and retain more people in employment and modernise social protection systems;
- (ii) improve adaptability of workers and enterprises and the flexibility of the labour markets,
- (iii) increase investment in human capital through better education and skills.

On a similar note, the Europe 2020 Integrated guidelines for the economic and employment policies of the Member States, delineate the following four (4) guidelines:

- (i) Guideline 7: Increasing labour market participation and reducing structural unemployment,
- (ii) Guideline 8: Developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning,
- (iii) Guideline 9: Improving the performance of education and training systems at all levels and increasing participation in tertiary education,
- (iv) Guideline 10: Promoting social inclusion and combating poverty.

The above mentioned priorities are targeted through the specific objectives of the OP namely investing in human capital and strengthening labour market structures. Investment in human capital aims at enhancing educational quality and the level of skills of current and future labour force. This not only adds flexibility to the Maltese labour market, but is also synonymous with economic growth and development. On the other hand, the objective of strengthening labour market structures aims to increase the employment rate by lowering the employment barriers for female employees and strengthening the labour market structures in such a way that it becomes more responsive to changing trends and socio-economic development while at the same time promoting effective and efficient public administration. The Table below shows how the different Priority Axes under OP II are contributing towards the priorities of the Community Strategic Guidelines.

Table 37 - Cross Referencing of OP II - Priority Axes and CSGs

CSGs	<i>PA 1: Improving education and skills level</i>	<i>PA2: Investing in employability and adaptability of the workforce</i>	<i>PA3: Supporting an equal and inclusive labour market</i>	<i>PA4: Strengthening institutional and administrative capacity</i>
Attract and retain more people in employment, increase labour supply and modernise social protection systems	✓	✓	✓	✓
Improve adaptability of workers and enterprises		✓	✓	
Increase investment in Human capital through better education and skills	✓	✓	✓	✓
Administrative capacity				✓

Projects approved in 2014²¹², continued to link their activities to the CSGs. The chart below provides an update on how the projects approved under OPII address the CSGs:

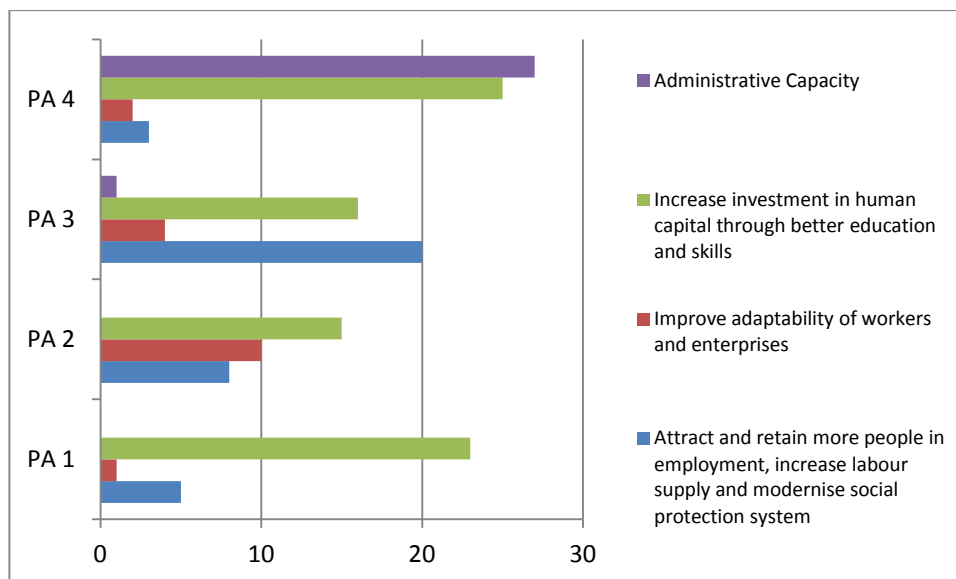


Figure 1: CsGs in 2014

The table above shows that most of the projects are addressing the CSG ‘Increase investment in human capital through better education and skills’, followed by the CSG ‘Attract and retain more people in employment, increase labour supply and modernise social protection system’.

4.3 Links with the European Employment Strategy

The European Social Fund contributes to the economic and social cohesion objective set in Article 2 (1) of Regulation No 1081/2006. It supports policies and priorities aimed to achieve progress towards full employment, improve quality and productivity at work, and promote social inclusion and cohesion, in line with the guidelines and recommendations under the European Employment Strategy (EES). Given that the purpose of the EES is to foster convergence towards lower unemployment and higher employment all four Priority Axes under OP II collectively address national employment priorities through a diverse array of project activities. In fact, OP II is actively engaged in making essential, objective efforts to keep fully in line with the guidelines of the EES so as to constantly improve the working conditions and the employment rates through education and training in Malta.

The European Employment Strategy builds on the Europe 2020’s Agenda for new skills and jobs to reach the Europe 2020 objectives in relation to the improvement of the labour market outcomes in

²¹² Call 14 – ESF 4.239, ESF 4.241, ESF 4.242, ESF 4.243, ESF 4.245, ESF 4.246, ESF 4.247, ESF 4.248, ESF 4.249

Europe. To measure progress in employment, education, risk of poverty and social inclusion to meet the Europe 2020 goals, three (3) headline targets have been agreed for the whole EU. The EES recommends any measure taken towards the achievement of 75% of the 20-64 year-olds to be employed; reducing the rates of early school leaving below 10% and at least 40% of 30-34-year-olds completing third level education; and at least twenty (20) million fewer people in or at risk of poverty and social exclusion. The projects under Operational Programme II are also contributing towards meeting these targets.

In line with the target on employment mentioned above ESF 2.4 as well as ESF 2.201²¹³ addressed this measure by training jobseekers, the inactive, and the employed interested in upgrading their knowledge to reintegrate into or adapt to the labour market either through training or skilling. In view of national education targets, projects such as Design of Learning Outcomes Framework Associated Learning and Assessment Programmes and related Training²¹⁴ address the current and anticipated educational needs. The Learning Outcomes Framework will form the backbone of our compulsory education programmes as it will be the basis of the national curriculum. Through such approach children and young people will be expected to know what they should be able to do during each of the three cycles and what they could potentially achieve by the end of compulsory education. Consequently, this will result in a more tailor-made approach in the way teaching is done. This will result in more employable students once they finish their obligatory education, as explained in detail in Chapter 3. When it comes to eradication of poverty and promotion of social inclusion the LEAP project²¹⁵ which is fully in line with the European Employment Strategy and the NRP objectives aims to combat both targets through a number of interventions directed at vulnerable individuals so as to help them integrate within the labour market. A total of five hundred and twenty three (523) individuals on social benefits, unemployed or inactive have submitted interest to participate. Out of these, two hundred sixty eight (268) beneficiaries were placed in NGOs and other eligible entities. Apart from gaining valuable working experience, the participants undergoing training are being supported by social mentors who are facilitating their re-integration in society by follow up visits, personalised guidance and advice on how to prepare for the entry into employment.

This further strengthens Maltese Government's full cognisance of the targets for a smart and inclusive economy which is set under one of the seven flagship initiatives under the Europe 2020 Strategy that is the European platform against poverty and social exclusion which inspires the EES. The Government considers the achievement of these targets as an important contributor towards more job opportunities, as well as enhancing growth and living standards more generally. As already mentioned, through the Lwien²¹⁶ and LEAP²¹⁷ projects as well as the PA 3 projects in general, is

²¹³ Employability Programme and Enhanced Employability through Training

²¹⁴ ESF 1.228

²¹⁵ ESF 3.234

²¹⁶ ESF 3.108

²¹⁷ ESF 3.234

giving particular attention to the implementation of active inclusion strategies and effective social services.

The European Commission has recognised the progress made by Malta on multiple fronts in addressing its CSRs. Both the CSRs and the Draft Joint Employment Report (JER) of 2015 make reference to Malta's very high early school leaving rate. Basic skill attainment remains low, thereby contributing to low literacy and early school leaving. Two projects which despite being approved prior to the publication of the strategy address this issue are ESF 1.229 'Skills Acquisition for Children and Adolescents' and ESF 2.201 'Enhancing Employability through Training'. The former piloted two basic skills programme focusing on numeracy and literacy in order to improve the education and skills of children and adolescents respectively. On the other hand the latter offers training in basic literacy skills to individuals who do not possess sufficient skills with an aim to make them more employable.

Moreover, the Draft Joint Employment Report (JER) of 2014 which is based on the implementation of the European Employment Strategy Guidelines makes reference to boosting labour market participation. This is being done through ESF 2.139²¹⁸ which addresses the attractiveness, accessibility and flexibility of lifelong learning and thus contributes to the consolidation of the workforce. In addition the JER of 2014 states that the potential of job creation in some key sectors could be further exploited if skills shortages were addressed. In line with this ESF 2.186²¹⁹ directly targets the adaptability and employability of individuals aged 16 years and over with first preference given to 40-55 year olds and contribute to the restructuring of the economy within the cultural and creative industry.

The Government's engagement to consolidate and build upon the success achieved in 2013 shows Malta's commitment to the European Employment Strategy in general. Malta is highly dependent on the quality of its workforce and is using ESF funding to improve training, skills and qualifications. ESF is also a high contributor towards raising the quality of the education and training system and to encourage greater participation in the workforce. During 2014, ESF projects have continued to help thousands of individuals facing a variety of challenges to overcome obstacles, get skills and to get better access to jobs as identified above. Each PA continues to focus on the challenges mentioned above in one way or another.

Consequently, PA 1 continues to fund projects that invest in human capital in order to increase the overall participation rates in education at all levels in line with guideline nine (9) for the employment policies of Member States mentioned earlier on. Hence, maintaining a high skilled workforce as a product of education, starting from early childhood and continuing to post graduate education. In fact, during 2014 an extension was given to one of the projects to include a new Masters course in Knowledge-Based Entrepreneurship in order to increase our knowledge-based economy. Education

²¹⁸ Increasing Accessibility, Flexibility and Innovation to MCAST Life-Long-Learning Course Offer

²¹⁹ Re-Skilling of Workers for the Local Film Industry

continues to be addressed through the ESF 1.228 project '*Design of Learning Outcomes Framework, associated Learning and Assessment programmes and related Training*' that aims to design the Learning Outcomes Framework and Associated Learning and Assessment programmes which together with the NCF, will form the backbone of Malta's compulsory education programmes. The *MASTER It!* scheme²²⁰ continues to provide opportunities to promote further specialisation at higher level of education in order to build a strong base of Masters programmes involving research on innovative and creative hypothesis that ultimately lead to intellectual and economic growth for society.

PA 2 has continued to address skills mismatches in the workforce and to cover the Inclusive Growth concept under the EU 2020 Strategy so as to align itself with these priorities. Training provided under this PA is intended to up-skill in general the workforce and the unemployed primarily through training related to areas such as ICT and the Film Industry which in turn are considered as two important drivers of the Maltese economy. In November 2014, Training Aid Framework 2 was launched with a new call for applications redesigned to pay out fast and intended to promote that investment in the workforce is a key element to the sustainability of any organisation. This directly contributes to the competitiveness as identified earlier. Another project²²¹ offers individuals aged between twenty five (25) and sixty four (64) the first stepping stone into appreciating the world of ICT, providing an insight into how technology can positively impact their lives and contribute to better employment possibilities and productivity. This project has been a major contributor towards creating awareness on up-skilling the employees of enterprises which would in turn help Malta increase its competitive edge.

As one of the greatest challenges for the Maltese economy is that of reconciling the need for increased female participation in the labour market, during the year under review, PA3 has continued to invest in increasing the employment rate of women. Through a Research on gender quotas and related measures, a project under PA3 explores mechanisms on how the Gender-Balance in decision-making is improved. In addition the Sheltered Employment Training which addresses disadvantaged groups was launched in September 2014. This new activity provides employment training for approximately hundred fifty (150) persons with disability with the aim to help them become more employable and re-instate themselves in the labour market. Following the launch of an additional component to the Employment Aid Programme (EAP), the year under review saw the implementation of additional grants aimed to specifically targeting the unemployment levels of Gozo.

Youth employment is a priority for the European Union. Over five (5) million young people (under 25) were unemployed in the EU-28 area in the second quarter of 2014²²². In view of this, the EU places youths amongst its main target groups. Provided that Member States were requested under the European Community Programme for Employment and Social Solidarity which is implemented by the

²²⁰ ESF 1.225

²²¹ ESF 2.204 – NETWORKED; ICT competences for better employability and workforce adaptability

²²² http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics

European Commission, to submit Youth Guarantee Implementation Plans (YGIPs) Malta proposed a training path targeting NEETs. The Youth Guarantee project in Malta is a training path that young NEETs will undertake with the aim of enriching and improving their skills passport, so as to facilitate the uptake of new careers, or further education. The ESF in Malta has continued to provide targeted support for youth employment and has been vital in tackling the current rise in youth unemployment, particularly through projects co-financed under PA 3, which provide training for youth with challenging behaviour or unemployed youth, job exposure and personalised assistance.

Priority Axis 4 projects focus on the effective administrative capacity of public administration and public services which is a fundamental requirement for economic growth and jobs. In line with the revised Lisbon Strategy increasing productivity and quality of work in the public sector is essential to pursue and accelerate reform, raise productivity and growth in the wider economy and to promote social and territorial cohesion and sustainable development.

5 – Technical Assistance

5.1 Explanation of the use made of Technical Assistance

5.1.1 Introduction

During the eight years of implementation of Operational Programme (OP) II, Technical Assistance (TA) has been essential to ensure the smooth efficient administration and implementation of the 2007-2013 Programme by financing the monitoring, evaluation, information and control activities of the Programme together with activities to reinforce the administrative capacity. Approvals for actions and activities granted under TA were in line with Article 46 of Council Regulation No 1083/2006 and were used by the Managing Authority (MA) and all relevant stakeholders involved in the implementation of structural funds.

5.1.2 Implementation of Cohesion Policy

As implementation of the Operational Programme continued in 2014, similar to what occurred in previous years, 2014 saw an introduction of new officers within the MA as well as within other stakeholders. Consequently, the contracted amount under TA relating to staff costs increased during 2014. This increase continued to reinforce the administrative capacity of the public administration in the implementation of the Operational Programme.

As the programme expenditure increases more monitoring and control work is undertaken by the MA in line with Article 60 of the General Regulation and Article 13 of the Implementing Regulation. In this regard and in order to cope with an increased work load and the intensification of management verifications checks, TA funds were committed to finance external expertise in order to support the MA in carrying out its functions and fulfil its obligations in line with the regulations and its own procedures.

Other expertise required in the implementation was also contracted in 2014. This included the services of a lawyer to provide legal assistance to the MA.

Furthermore, TA funds were also utilised to support the process for the selection of operations (Articles 60, 63-68 of Regulation (EC) 1083/2006) and monitoring activities linked to the implementation of the Operational Programme. With regards to the latter this includes the organisation of the monthly bilateral meeting at Ministerial level during which projects are followed closer to clear bottlenecks as well as the organisation of two Monitoring Committee meetings held in May and October 2014. In addition, this also entails the holding of the Inter-Ministerial Co-ordination Committee (IMCC) meeting held in February 2014 intended to ensure coordination amongst all funds and the monitoring of double funding between Cohesion Policy funding schemes as well as

National/other EU funded schemes. The holding of Senior Management meeting held in March 2014 to map out the monitoring requirements for the year ahead also addresses such activities.

Finally in terms of monitoring, during the year under review, TA also continued to fund costs in relation to the Structural Funds Database (SFD), which is the main monitoring tool utilised in the implementation of Cohesion Policy. In this regard, system enhancements on the SFD 2007-2013 continued to optimise the system's performance in order to ensure its efficiency. Furthermore, in accordance with Article 74 of EC 1303/2013, TA is also financing the development of the Management Information System to be used for the 2014-2020 programming period. The system testing was in course during the end of 2014 and the system is scheduled to go live in the first half of 2015.

In 2014, the MA started to actively consider measures to simplify the implementation of Structural Funds in Malta. This follows the provisions in the Common Provision Regulation (CPR) under Article 68 of the Council Regulation 1303/2013. In this regard, TA financed a study on the flat rate financing under ERDF, ESF and CF for the 2014 - 2020 Programming period. Through this study the MA is in the process of establishing a fair, equitable and verifiable calculation method in order to make use of flat rate financing which aims to reduce the administrative burden on approved projects for the 2014-2020 Programming period.

Finally, in relation to the new Programming period, TA also financed the necessary requirements to organise public consultation meetings which took place in 2014 with different government entities, NGOs and other stakeholders both in Malta and in Gozo. TA also supported the production of the necessary consultation document needed to ensure that there is a meaningful consultation process.

5.1.3 Information and Publicity

In line with Regulation (EC) 1828/2006, the MA is responsible and has the obligation to undertake information and publicity measures as will be explained in Chapter 6. The latter includes a detailed analysis of all the measures undertaken in the year under review. All measures carried out by the MA were supported through TA funds.

5.1.4 Evaluation

In line with Articles 47-48 of Regulation (EC) 1083/2006, the MA continued to be responsible for the undertaking of evaluation activities.

TA funds provided the necessary financial resources to implement evaluation activities including the holding of the Evaluation Steering Group (ESG) meeting which was held in September 2014. The ESG ensures an effective coordination of evaluation activities and enables the flow of information amongst all the stakeholders.

During 2014, TA continued to support the Cohort Study and to this effect it reached its implementation peak. In addition, the year 2014 saw the continuation of activities relating to the Thematic Evaluation for OP II. With regards to the Programming period 2014-2020, TA funds supported also the necessary evaluation works related to the programme preparation. In line with Article 55 of Regulation (EC) 1303/2013, the *Ex Ante* Evaluation of the Programming period 2014-2020 continued to be implemented during the course of 2014.

Details of the evaluation activities undertaken during the year under review were elaborated upon in Chapter 2.

5.1.5 Capacity Building

One of the operational objectives of this PA is to optimise the Programme's quality and the efficiency of the interventions through capacity building measures. In the year under review, TA supported the cost of participation of participants to attend overseas training, seminars, conferences and meetings covering a wide range of topics mostly linked to the implementation of the Operational Programme and the new regulatory and implementation framework for the programming period 2014-2020.

Apart from overseas training, TA also supported locally organised capacity building activities, intended to ensure proper guidance to beneficiaries and dissemination of lessons learnt in the implementation of Structural Funds in Malta. In this regard, the MA held training sessions to inform stakeholders on verification findings, including audit findings, training for stakeholders on modified checklists and procedures all intended to improve the management and control systems based on lessons learnt during the previous years of the Programming period.

Other activities that were implemented with the support of TA funds include the seminar held in January 2014 on simplified costs options applicable to the new Programming period. During this activity, stakeholders were invited to explore the further use of simplified cost options (ESF and ERDF) for the period 2014-2020.

Finally, TA supported the participation of a number of officers to attend local conferences focusing on the importance of grant investment under Structural Funds. This was necessary to strengthen the effective implementation of schemes during 2007-2013 Programming period.

5.1.6 Furniture and Equipment

Technology can facilitate the implementation of Structural Funds in Malta. In this regard, TA supported the financing of office equipment of stakeholders to facilitate the officers' ability to carry out their tasks relating to the day-to-day monitoring, implementation and management of the OP in an efficient and effective manner. Hence, TA funds assisted the public administration to become more modern and efficient in their operations and more effective in terms of their outputs.

5.2 Technical Assistance Expenditure

During the year under review, TA expenditure continued to gain momentum. Out of the €5,270,589 funds allocated to TA in the OP, €3,676,255.84 (or 69.8%) were disbursed by 31st December 2014. Out of the €3,676,255.84 processed till the end of 2014, €976,356.48 (or 26.6%) were disbursed during the year under review. Meaning that in 2014, 18.5% of the overall contribution allocated to the OP for TA²²³ was disbursed. This is a positive result, conveying that the simplification procedures/ set-up adopted in 2013 have proved to be beneficial.

²²³ €5,270,589

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 ensure 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 (in view of the final calls for project proposals) and the general public (in terms of achievements made) in line with the obligations emanating from Implementing Commission Regulation (EC) No. 1828/2006, following on the lines of the revised Communication Plan as presented to the Monitoring Committee in 2011²²⁴. 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 the annual information activities. What follows is a detailed assessment of the activities undertaken in 2014.

6.1.1 Analysis of Activities carried out in 2014

Annual Information Activity

In line with Article 7 (2) (b) of Commission Regulation (EC) No. 1828/2006, the MA is responsible for the organisation of one major information activity per year, to present the achievements made within the operational programme.

For the year 2014, the MA decided to participate in a popular activity in the Maltese cultural calendar to promote of Cohesion Policy 2007-2013 achievements. The MA participated in the 'Notte Bianca – Lejl Imdawwal', which is a night-long event, replete with cultural and varied activities, held in the capital city, Valletta. The event took place on Saturday 4th October 2014.

The objective of the Annual Information Activity for 2014 was to continue providing information about interventions being carried out under Cohesion Policy 2007-2013 among the general public, through innovative, simple yet effective measures. The MA's activity was held at the historical building Auberge D'Aragon in Valletta which hosts the Ministry responsible for European Funds. For this occasion, the building was set up with external lighting and exhibition stands were erected inside the building to provide information on the different projects being implemented under Cohesion Policy.

²²⁴ 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



At the Annual Information Activity

The stand was opened at 18:00hrs and was visited by the Parliamentary Secretary for the EU Presidency 2017 and EU Funds. Throughout the night hundreds of persons visited the stand. A number of promotional items were disseminated during the event with information about the '*Investing In Your Future*' website. The web address was encrypted on each of the promotional material to encourage the public to access the website.



At the Annual Information Activity

In January and February 2014, full-page, full-colour advertorials were published on local print newspapers. There was a continuity of advertorials that started being published in October 2013. Each advertorial represented a different theme found on Investing in Your Future Website. These were published on Sunday in order to ensure maximum exposure to the general public.

6.2 Other Publicity Measures Undertaken in 2014

6.2.1 Updates to the Investing in Your Future Website and Promotion

During the reporting year, the 'Investing in Your Future' website, which was launched on 18th December 2012, kept being updated with new projects being added and audio-visual material included to complement projects which were uploaded upon launch. By the end of the reporting period, two hundred (200) projects featured on the website, of which sixty eight (68) are ESF related.

From 1st January 2014 to 31st December 2014, the Investing in Your Future website registered a total of 14,018 sessions, 10,574 of which being Unique Users²²⁵. Figure 1 hereunder provides the complete audience overview for the reporting year:

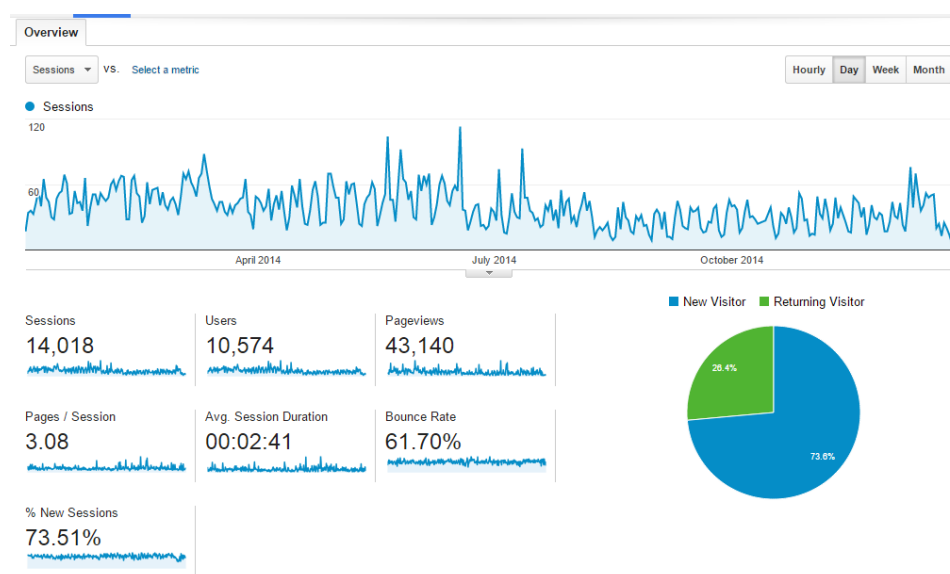


Figure 2: Complete audience overview for www.investinginyourfuture.gov.mt for the year 2014

²²⁵ The number of sessions denotes the number of people who visited the website. Pages/Visit is the average number of pages viewed during a visit to the website (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 represents the percentage of single-page visits (i.e. visits in which the person left the site from the entry page). Source: Google Analytics

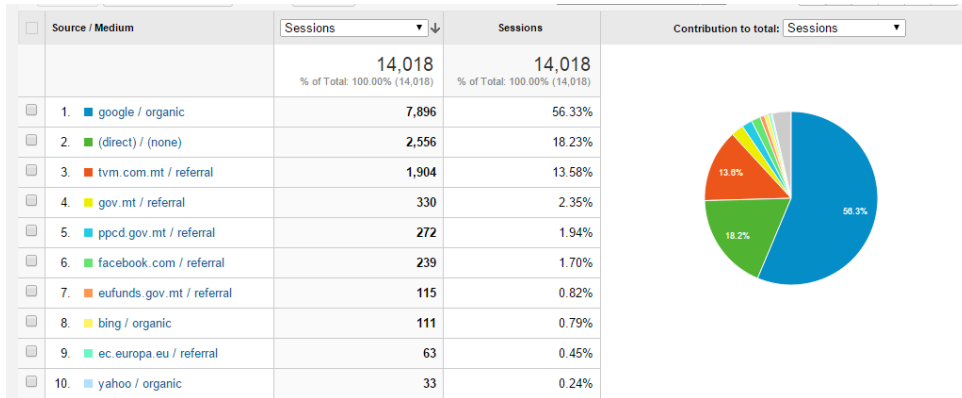


Figure 3: Traffic sources to *www.investinginyourfuture.gov.mt* during 2014

As indicated in the Figure 2 above (Source: Google Analytics), the majority of traffic to the website derives from searches made on the Google search engine or directly through typing the website address in the respective browser’s address bar.

On the basis of the users’ IP address, the majority of users during the reporting year where, as expected, from Malta as presented in Figure 3 below. IP addresses based in the United States, the UK, Italy, and Australia also generated substantial traffic, possibly due to the large number of Maltese families who live in these countries and who maintain an interest in local current affairs.

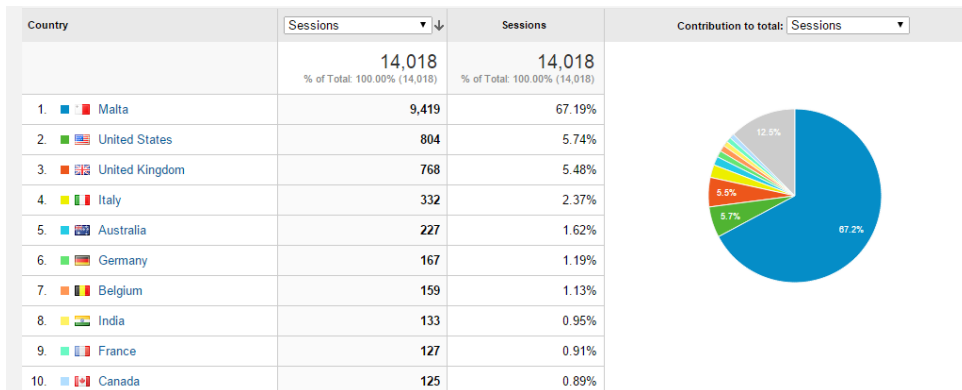


Figure 4: Location of users on *www.investinginyourfuture.gov.mt* during 2014

The website was designed in a way which could easily and equally be accessed from new mobile technology as well as desktop computers. Figure 4 below indicates that preference in accessing the website is via desktop, perhaps due to the copious amount of information found on the website which may be more easily read on a larger rather than smaller screen. Visits from tablet and mobiles are still considerable, and earlier in 2013, the Managing Authority had made this option easier by including the website’s QR code which can be read by QR-code reader enabled mobile devices, on a number of promotional items which are disseminated at events and among stakeholders.

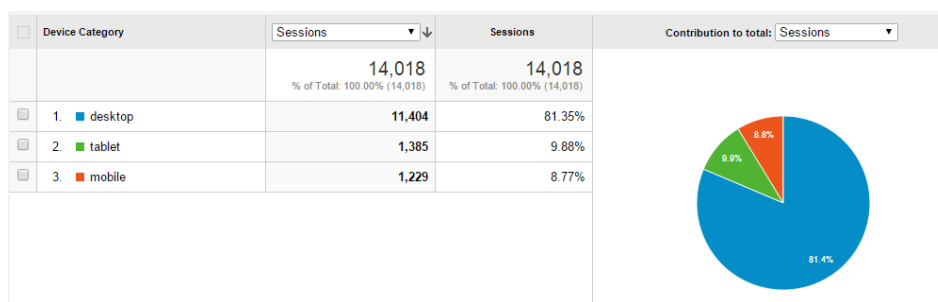


Figure 5: Devices used for accessing www.investinginyourfuture.gov.mt during 2014

Complementary to the website are the Investing in Your Future Facebook and Twitter accounts. Calls for projects are publicised through Press Releases issued by the Government's Department of Information.

6.2.2 Calls for Projects and Information Sessions for Project Promoters

One (1) call for Project Proposals was issued during 2014. No pre-announcements were issued during this year. An information session was held for the call in order to guide the potential beneficiaries in preparing their submissions accordingly. Summarily, the call is presented in the table below:

Call no.	Priority Axis	Issued on	Information Session held on
14	Priority Axis 4 - Strengthening of institutional and administrative capacity	PR: 09 May 2014 Ad: 11 May 2014	19 May 2014

The call was published as a Press Release as well as adverts on all newspapers of the designated date. Additionally, it was also advertised on the eufunds.gov.mt official website. A total of 19 persons attended the information session (funded through national funds).

6.2.3 Information and Publicity Networks

Article 10 of EC1828/2006 states that Managing Authorities shall designate contact persons to participate in community networks to ensure exchange of good practice and experience, as well as engage in a discussion on results of the various communication activities across Member States.

The MA was invited to attend the 37th, 38th and 39th INIO Network meetings. The meetings were organised by DG Employment, European Commission. During the network meetings, Member States' communication officers had the opportunity to discuss and clarify any queries or difficulties in relation

to ESF information and communication activities. The network served as an opportunity to share good practices on communicating ESF.

The 37th INIO Meeting was held in Rome, Italy on 20-21 March 2014. Workshops held were in relation to Communication at the beginning of a new programming period, that is, the Communications Strategy, OP launch activities, and cross-fund collaboration; working with and for beneficiaries; and websites and list of operations. Other topics such as infographics were also highlighted.

The 38th INIO network meeting took place in June 2014 in Budapest, Hungary. The Workshops relating to launch activities were held where Member States discussed the planning and organisation of launch activities for the new programming period. A number of other topics were also presented such as communicating the adoption of the Partnership Agreements, communicating YEI and Youth Guarantee targets as well as the online toolkits for beneficiaries.

The 39th INIO network meeting took place in October 2014 in Prague, Czech Republic. The main topics, amongst others, discussed during the network included: The Commission Cohesion Policy Open Data Portal, good practice and the working relationship between public bodies and communication agencies.

6.2.4 Website and Social Network Page

It is to be noted that the PPCD website www.ppcd.gov.mt was phased out in 2014. A new website, encompassing all EU funds, and providing a 'one-stop-shop' approach to information for the public was set up by the Ministry. The new website, www.eufunds.gov.mt officially started being used on 24th March 2014. All material previously available on the PPCD website was migrated to the new website, including information required in line with Article 7(2)(d) of Commission Regulation 1828/2006.

During 2014, the Operational Programmes section on the eufunds.gov.mt portal registered a total of 4,930 sessions, with hundred and fifty two (152) being the total number of daily unique visitors. Figure 5 hereunder provides the complete audience overview for the reporting year:

Category	Metrics	Value (Current)	Value (Previous)	Trend
Traffic				
	Total Number of Page Views	4,930	3,700	33.24 %
	Average Number of Page Views per Day	14	10	40.00 %
	Total Number of Daily Unique Visitors	152	44	245.45 %
	Average Number of Unique Visitors per Day	0	0	-
	Total Number of Referrers	477	431	10.67 %
	Average Number of Referrers per Day	1	1	0.00 %
Inventory				
	Total Number of Sites	17	13	30.77 %

Figure 6: Complete audience overview for the Operational Programmes section on www.eufunds.gov.mt for the year 2014

During 2014, the PPCD website and subsequently eufunds.gov.mt continued being updated with news about the calls for project proposals listed above as well as other information related to the Programme Implementation (AIR, MC presentations, etc)²²⁶. Furthermore, in line with (EC) 1828/2006 Art. 7(2)(d), the MA continued to regularly update the list of Beneficiaries with new information as necessary. A direct link to the Investing in Your Future website was also included on the eufunds website in order to facilitate access to more in-depth information on the various themes targeted through Cohesion Policy and the projects being implemented.

The Investing in Your Future page on a popular social networking site was also continuously updated by way of complementing the official website.

6.2.5 Other Initiatives

Europe Day

In line with (EC) 1828/2006 Art. 7(2)(c), the EU flag was flown outside the MA's premises during the week of the 9th May 2014 (Europe Day).

EURES European Job Days Fair

On 17th and 18th January 2014, the MA participated in the EURES European Job Days Fair at a local hotel. The European Job Days are organised annually in Malta as in the rest of the EU states. During this activity, members of the MA provided information to the visiting public on the achievements made in Malta through Cohesion Policy 2007-2013, with particular focus on operations co-financed through ESF. Promotional items to publicize the projects website were also distributed during this event.

²²⁶ The new eufunds website – like the previous PPCD website - also acts as a depository for documentation related to both open calls, such as application forms and guidance notes required for the submission of project proposals, as well as closed calls which are used primarily as a point of reference. Both open and closed calls are available on the website for transparency purposes.



At the EURES European Job Days Fair

6.3 Information and Publicity by Intermediate Bodies in 2014

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 Schemes²²⁷ which are the Training Aid Framework²²⁸ (TAF) and the Employment Aid Programme²²⁹ (EAP).

Training Aid Framework (TAF)

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 2014, the list of TAF beneficiaries

²²⁷ Funds for IB publicity are provided by the IB concerned and are not financed through Programme funds

²²⁸ ESF 2.65

²²⁹ ESF 3.64

continued to be updated and regularly made available online on both the ETC and MA's websites respectively in line with EC Regulations²³⁰.

TAF2

A call for the submission of TAF2 applications opened on the 24th November 2014. Two adverts were published for a total of 26 times in local newspapers. Further to this, one article featured once in a local newspaper and a press conference was held to launch the TAF2 call for applications. This call was also promoted on the ETC website whereby the applicants could access the relevant documentation TAF2 Guidance Notes and FAQs amongst others. A general help line was also set up to assist applicants with their queries.

An information stand was set up during the ETC Job Fair (27 – 29 Nov 2014) to further promote the TAF2 launch and assist with any queries. An estimated 500+ persons visited the stand. Three information sessions (one in Gozo) were also held and 139 persons attended. Furthermore a total of 1,000 leaflets were printed and most were distributed during the Job Fair and Information Sessions.

Employment Aid Programme (EAP)

The Employment Aid Programme (EAP) is also a demand driven scheme and no calls were published during 2014 however on 11th January 2014 an information session was held in Gozo reminding the beneficiaries about their obligations during the grant period, around one hundred fifty (150) beneficiaries attended for this information session. Other 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.

In 2014, the list of EAP beneficiaries continued to be updated and regularly (*once every month*) made available online on both the ETC and MA's websites²³¹ respectively in line with EC Regulations²³¹.

6.4 Information and Publicity by Beneficiaries in 2014

OPII Beneficiaries have continued to implement a mixture of publicity activities throughout 2014 to promote their respective projects. The chart below gives an overview of the publicity measures implemented²³².

²³⁰ <http://etc.gov.mt/Category/5/72/Forms.aspx?1=1#af>

²³¹ <http://etc.gov.mt/Category/5/72/Forms.aspx?1=1#af>

²³² It is important to note that projects may exercise more than one publicity measure at the same time

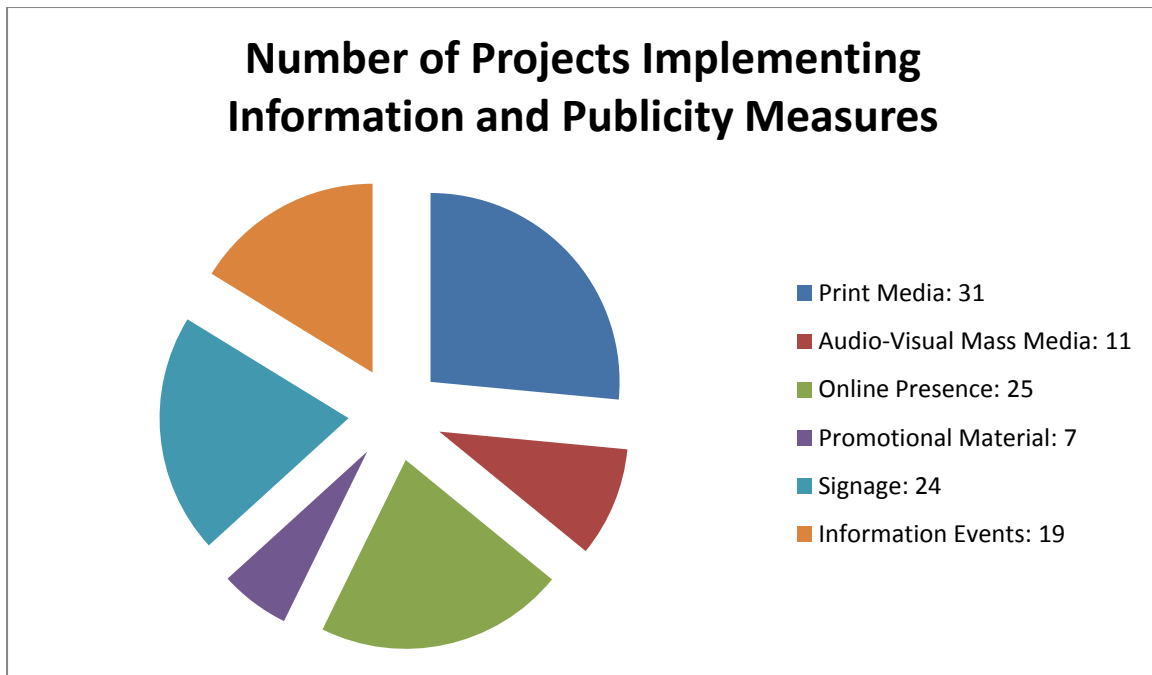


Figure 7: Number of projects implementing information and publicity measures

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-pages²³³, 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 can be further broken down as follows:

- **Print Media:** This is the most widely used publicity tool for ESF-funded projects. Under this category, beneficiaries published mostly adverts in local newspapers and magazines. Some issued press releases on the Government Gazette while some produced booklets/brochures/flyers/leaflets to promote the project and its activities.
- **Audio-visual mass media:** This communication tool is one of the least used. Seven projects did produce TV spots and six produced radio spots; however, the amount of programmes or interviews is almost negligible.
- **Online presence:** This tool is gaining in popularity and is the second most widely used. Having a webpage on the beneficiary's website is quite popular and a social network presence, which mainly includes a Facebook page or group – is becoming more common.

²³³ 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

- Promotional material: This is the least used tool, with only seven beneficiaries making use of promotional items, including folders, pens, notepads, USB drives etc.
- Signage: During the year under review six (6) projects made use of billboards, one (1) made use of plaques, three (3) made use of stickers and fifteen (15) made use of posters. Other type of publicity mostly consisted of roll-up stands and pop-up banners.
- Information Events: Nineteen beneficiaries organised information events. These range from event launches to expos, awareness campaigns, training sessions, information sessions, graduation ceremonies, study, visits and participation in fairs, seminars, and conferences.

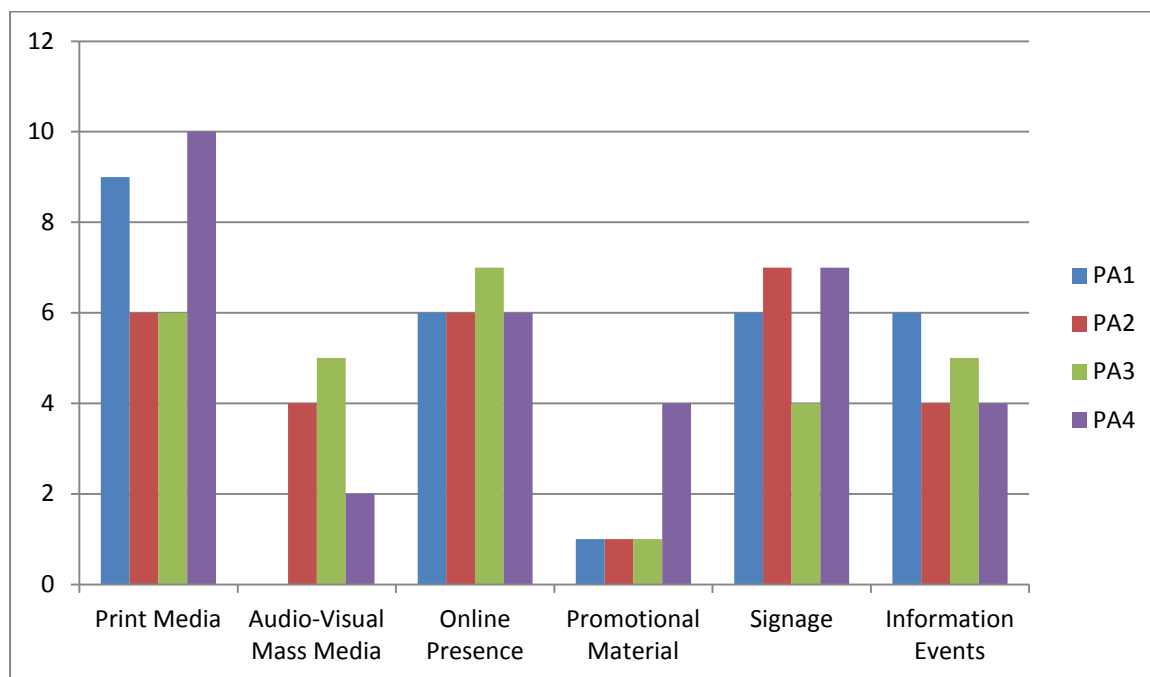


Figure 8: Publicity used by PA

As can be noted from the bar-chart above, PA 4 registered the highest publicity measures overall. During the year under review, PA 4 reported an increase in its publicity and information measures: the main reason being that more projects are now well underway. A number of new projects started during 2014 but most of them are still in their infancy and practically registered no publicity measures. With ten (10) projects making use of print media, PA4 was the PA that made the highest use of said media. ESF 4.221 distributed 26,500 copies of booklets and brochures together with a press release.

Although different publicity and communication measures were used across PA 1, PA 2, PA 3 in total each PA registered the use of twenty eight (28) measures. Due to the intrinsic nature of the initiatives funded under PA 1 which aim to improve Malta's educational skills and invest in human capital, there is the need to create awareness of activities being supported through ESF and to generate interest to activities financed under PA 1. This PA made the most use of print media and information events. For

example, ESF 1.225 published twenty two (22) newspaper adverts and five (5) newspaper articles. It is worth noting that the same project issued two (2) calls for scholarships under Master It! for courses at Masters Level and each call was accompanied by an information event.

Notwithstanding that most of the projects funded under PA 2 were in their final stages of implementation, this PA registered the same amount of measures as PA 1 and PA 3. In particular, audio-visual mass media and signage were mostly implemented. ESF2.186 aired nine TV spots in February 2014. Furthermore, said project also made use of a billboard in two locations and distributed five hundred (500) posters.

PA 3 ranked fairly well in the use of audio-visual mass media and online presence. In July of the year under review, ESF 3.105 featured twenty eight (28) TV spots and hundred (100) radio spots. On the other hand, ESF3.196 made use of a number of online tools such as the Government Intranet, Facebook and through various other websites.

6.5 Conclusion

At this stage of the programming period, the importance of promoting results achieved through the various projects and schemes implemented is acknowledged and given much importance. During 2014 most of the projects were reaching their closure stage hence publicity was limited, however it is foreseen that during 2015, the Communication activities will increase in order to promote the closure of the current programming period and set the way forward for 2014+ programming period. Moreover, one needs to take into consideration the fact that the new programming period, covering the 2014-2020 financial framework is about to kick in, and therefore best practice examples and success stories from the 2007-2013 period are ripe for use as inspiration for new projects and sustained awareness and endorsement of Cohesion Policy 2007-2013 among the citizens.

For this reason, the MA will proceed with its communication efforts, giving the necessary promotion to actions under the OP, both through the use of traditional means of communication, as well as new and innovative media in order to capture the attention of the public. Support and cooperation by the Intermediate Bodies, Project Beneficiaries as well as other stakeholders will remain crucial in ensuring that the right target audiences are reached and the message put forward is a clear and positive one.

7 – Concluding Remarks

The EU's Cohesion Policy in Malta continues to be an important investment instrument. The Operational Programme continues to contribute towards Malta's development and generates growth and employment by funding projects in important economic sectors. The importance of the policy is reflected in the % contribution of Cohesion Policy to government investment budget. In 2014 Cohesion Policy investment in Malta represented 51% of Government Capital Investment of which 27% (of the 51%) is expenditure supported through Operational Programme II. As a result of this investment the ESF in Malta has supported 14,774 individuals, bringing them closer to the labour market.

The year under review presented a number of challenges. The MA, together with other stakeholders, continued to identify mitigating measures to minimise delays in the implementation of operations under the Operational Programme in order to achieve the OP objectives. This together with continuous monitoring continued to facilitate the implementation of the programme. Call for projects under PA 4 was published by the MA in an effort to fully commit the Operational Programme.

Looking ahead, 2015 will pose the biggest challenge to the MA and the stakeholders in terms of the need to ensure that the funds allocated to the OP are fully absorbed. To this end, the MA will focus its efforts to ensure that all projects are implemented and fully disbursed during 2015.

Moreover, following the formal approval of the new OP for 2014-2020 by the Commission in 2014, during 2015 the MA will also be launching its first calls for proposals under the new Programme.

Annex 1 – Cumulative Expenditure Table²³⁴

Priority Axes	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	€42,603,863	€35,898,113	€32,009,367	102.9%	86.7%	77.3%
Priority Axis 2 <i>(Investing in the Employability and Adaptability of the Workforce)</i>	€30,995,000	€32,398,980	€25,935,260	€22,204,002	104.5%	83.7%	71.6%
Priority Axis 3 <i>(Promoting an Equal and Inclusive Labour Market)</i>	€36,900,000	€36,506,840	€30,967,294	€27,287,226	98.9%	83.9%	73.9%
Priority Axis 4 <i>(Strengthening of Institutional and Administrative Capacity)</i>	€17,199,118	€17,180,882	€10,822,078	€8,485,334	99.9%	62.9%	49.3%
Priority Axis 5 <i>(Technical Assistance)</i>	€5,270,589	€5,270,589	€5,214,741	€3,676,256	100%	98.9%	69.8%
Grand Total	€131,764,707	€133,961,154	€108,837,486	€93,662,185	101.7%	82.6%	71.1%

²³⁴ Figures quoted represent progress as at end 2014 and are expressed in total public eligible cost

Annex 2 – List of Projects & Aid Schemes as at end December 2014

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)	ESF 1.211
20	Master It!	ESF 1.225
21	Making Quality Visible (MQV)	ESF 1.227
22	Design of Learning Outcomes Framework Associated Learning and Assessment Programmes and related Training	ESF 1.228
23	Skills Acquisitions for Children and Adolescents	ESF 1.229

24	Developing Leaders for Change and Innovation in Tourism	ESF 2.11
25	Second Step	ESF 2.12
26	Employability Programme	ESF 2.4
27	Training Courses to enhance Employability and Adaptability of the Workforce	ESF 2.7
28	EPITOME - Empowerment Programme for IT use: Outreach for Micro Entrepreneurship	ESF 2.72
29	Retaining and Attracting People within Tourism through Diversity Management	ESF 2.78
30	Promoting Life-Long Learning amongst Civil Society Organizations' Voluntary Staff	ESF 2.84
31	Linking Industrial Needs and VET to Optimise Human Capital	ESF 2.85
32	Train to Succeed	ESF 2.137
33	Increasing Accessibility, Flexibility and Innovation to MCAST Life-Long Learning Course Offer	ESF 2.139
34	Skills Upgrading for the Tourism Sector in Gozo	ESF 2.141
35	Re-Skilling of Workers for the Local Film Industry	ESF 2.186
36	Enhancing Employability through Training (EET)	ESF 2.201
37	NETWORKED: ICT competences for better employability and workforce adaptability	ESF 2.204
38	An Independent living training service for disabled people in Malta	ESF 3.42
39	Dignity for Domestic Violence Survivors	ESF 3.43
40	Unlocking the female potential	ESF 3.47
41	Lifelong Learning for enhanced employability for parents (LLEEP)	ESF 3.48
42	Training of Inclusion Coordinators for Secondary Education	ESF 3.49
43	Care creates changes in people's lives	ESF 3.52
44	REACH - Opportunities close to home	ESF 3.54
45	Specialised research on OHS and the development of OHS accreditation	ESF 3.56
46	Nista': The benefits of sharing life's responsibilities campaign	ESF 3.59
47	Youth Employment Programme	ESF 3.60
48	E4L: Embark for Life - Labour market integration of socially excluded youth	ESF 3.61
49	ME2	ESF 3.62
50	Iċ-Ċavetta - Maltese Literacy Toolkit for employment and education inclusion	ESF 3.66

51	Impact Assessment of Mental Health on Employment for Policy Development	ESF 3.71
52	Inclusion for Employment	ESF 3.102
53	Promoting the Social Inclusion of Disabled persons with Challenging Behaviour	ESF 3.105
54	LWIEN	ESF 3.108
55	Better Future: Promoting an Equal & Inclusive Labour Market	ESF 3.110
56	Employment Support for Persons with Disabilities	ESF 3.113
57	Health Mind for Healthy Business	ESF 3.193
58	Gender Balance in Decision-Making	ESF 3.196
59	Youth Guarantee	ESF 3.231
60	LEAP! Building the future together: promoting social mobility	ESF 3.234
61	Capacity Building for Equipping and Representing Micro Businesses Employers	ESF 4.86
62	Developing the Maltese Public Sector's Capacity to Implement Better Regulation	ESF 4.87
63	Closer to Europe	ESF 4.94
64	Employee Support Programme (ESP) for Public Employees	ESF 4.97
65	Strengthening IMU's and other related functions through Specialist Training Programmes	ESF 4.98
66	Developing Core Skills in the Public Service	ESF 4.100
67	Capacity Building for MCST	ESF 4.152
68	Development Quality Management in the Public Administration through CAF	ESF 4.159
69	Training of Consumer and Competition Officials and Awareness Campaign	ESF 4.163
70	Time to Consolidate	ESF 4.164
71	Training Health Care Professionals for Integrating Acute and Community Care	ESF 4.174
72	Capacity Building for Medical Physics Services in Malta	ESF 4.175
73	Enhancing Data Protection Compliance in the Public Service	ESF 4.180
74	Improving Public Governance and Management at Local Level	ESF 4.181
75	Continuous Training and Development for the Public Sector in Gozo	ESF 4.189
76	SUCCESS - Capacity Building Programme for Public Service Sports Administrator	ESF 4.216
77	Capacity Building for Transport Malta Employees	ESF 4.218
78	Developing a Culture of Rights through Capacity Building	ESF 4.220

79	Voice of Workers	ESF 4.221
80	Strengthening the Administrative Capacity to reap the full benefits of EU Membership	ESF 4.236
81	Optimising the Institutional Capacity for Integrated Water Resources	ESF 4.239
82	Training in Security Driving for the Armed Forces of Malta Personnel	ESF 4.241
83	Capacity Building in Care for the Elderly and Persons with Disability	ESF 4.242
84	Strengthening competencies to service the public efficiently through e-Government	ESF 4.243
85	Innovation Leaders: Improving Knowledge on EU	ESF 4.245
86	Justice Reform Information Campaign	ESF 4.246
87	Non-technical coaching for staff at A&E Department, MDH	ESF 4.247
88	Strengthening Local Governance	ESF 4.248
89	Enhancing human capital in the regulation of Social Care	ESF 4.249

Aid Schemes

1	Training Aid Framework (TAF)	ESF 2.65
2	Employment Aid Programme (EAP)	ESF 3.64

Annex 3 – Adjustments made by Fund Number and Fund Date²³⁵

Project Code	Adjustment SoE by Fund Number	Adjustment SoE by Fund Date	Community Amount ²³⁶
ESF 001	84	17/12/2014	€129.63
ESF 1.25	84	17/12/2014	€354.18
ESF 1.25	81	02/12/2014	€62,718.43
ESF 1.25	76	03/10/2014	€10,919.34
ESF 1225	81	02/12/2014	€340.00
ESF 2.4	76	03/10/2014	€2,489.65
ESF 2.4	84	17/12/2014	€14,389.37
ESF 2.65	84	17/12/2014	€1,466.25
ESF 2.78	73	22/07/2014	€12,171.69
ESF 3.62	81	02/12/2014	€394.44
ESF 3.64	76	03/10/2014	€3.71
ESF 3.64	84	17/12/2014	€14,720.76
ESF 4163	84	17/12/2014	€335.75

²³⁵ Irregularities detected after Certification

²³⁶ Community Amounts are all negative amounts