

Annual Implementation Report

Operational Programme I

Fostering a competitive and sustainable economy to meet our challenges

2014MT16M1OP001

Managing Authority, OP I

Planning and Priorities Coordination Division

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1. Identification of the Annual Implementation Report

CCI	2014MT16M1OP001
Title	Fostering a competitive and sustainable economy to meet our challenges
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Date of approval of the report by the Monitoring Committee	

2. Overview of the Implementation of the Operational Programme (Article 50(2) and 111(3)(a) of Regulation (EU) No 1303/2013)

Following the formal adoption of Operational Programme I (OPI) in December 2014, the Operational Programme (OP) was launched in March 2015 with the first calls being announced immediately after. In the same month, the Monitoring Committee was set-up in line with article 47 and 110 of (EU) 1303/2013, with the objective to monitor the implementation of the programme in conformity with the partnership principle requiring active and close involvement of the local authorities, the economic and social partners and the many bodies representing civil society, throughout the whole cohesion policy cycle. During its first meeting, the Monitoring Committee approved the eligibility and selection criteria for the Selection of Operations under the 2014-2020 programming period, thereby paving the way to the launch of the first call for proposals. Further details will be provided below.

The months that followed were characterised by a lot of preparations related to the launching of calls for proposals including the launch of the e-Application form, the finalisation of the necessary documentation, the finalisation and the implementation of the e-Cohesion requirements, coordination with the different stakeholders on the setting-up of the system related to implementation of the OP, following the fulfilment of the ex-ante conditionalities, as well as the implementation of other obligations in the partnership agreement and in the OP.

The pre-announcement for Call I was launched in March 2015, with the Announcement for Call for Proposals (Call I) for projects to be undertaken by Ministries, Government Departments, Central Government Authorities and Public Sector Companies that will contribute to the Priority Axes (PAs) and Investment Priorities (IPs) as listed below issued in May 2015. The open PAs and open IPs are:

- I. OP I (ERDF) PA 3, IP 3d
- II. OP I (ERDF) PA 4, IP 4a
- III. OP I (ERDF) PA 5, IP 6c
- IV. OP I (CF) PA 11, IP 7i

The closing date for this call was 11th September 2015, but in August 2015 the Managing Authority extended the deadline for Project Proposal submissions under PA 5 to the 2nd October 2015. The extension was deemed to be appropriate following feedback received from the State Aid Monitoring Board.

For each call the Managing Authority has provided detailed information and guidance which takes into consideration four dimensions, that is: general overview of the call (eligibility/selection criteria); information on how to apply and submit the electronic application form; recommendations on how to plan a project proposal; and finally information on how to implement a project proposal, should the project be selected, avoiding obvious pitfalls during implementation. Throughout the calls, the Managing Authority also provided constant assistance to the applicants with one-to-one meetings, clarifications and technical Information Communication Technology (ICT) support.

By the deadline of the 11th September applicable for PA 3, 4 and 11, the Managing Authority received 4 project proposals under the European Regional Development Fund (ERDF) PAs and respective open IPs and 2 project proposals under the Cohesion Fund (CF) PA and relative open IP. Another 14 project proposals under ERDF were received under PA 5 within the 2nd October deadline. Thus a total of 20 project proposals were received under Call I (ERDF and CF).

In November 2015, following a pre-announcement in June 2015, the Managing Authority launched another call (Call II) for project proposals to be undertaken by Ministries, Government Departments, Central Government Authorities and the Public Sector Companies under the following PAs and IPs as per below:

- I. OP I (ERDF) PA 2, IP 2c
- II. OP I (ERDF) PA 8, IP 9a, IP 9b
- III. OP I (ERDF) PA 9, IP 10a
- IV. The closing date for this call is set for the 8th April 2016.

In both calls, the Managing Authority did not impose any financial budgetary thresholds, but merely made reference to the budgetary allocation per PA and IP as indicated in the OP.

Following the closure of Call I, the Managing Authority commenced the preparatory work for the evaluation of the proposals received, which entailed the setting up of the Project Selection Committee, Project Selection Appeals Board and the relevant structures/documentation (Terms of Reference, Rating, ranking sheets etc) necessary for the assessment of the project proposals received.

By December 2015, no project proposal had as yet been approved under the 2014-2020 Programme.

Implementation of E-Cohesion Requirements

By the end of 2015, the requirements stipulated in Article 122 (3) of the Common Provisions Regulations (CPRs) 1303/2013 were being implemented. The electronic data exchange is one centralised system that will be used by the Managing Authority, Certifying Authority, Audit Authority as well Intermediate Bodies. Moreover, the electronic data exchange covers all types of beneficiaries including beneficiaries of mainstream projects as well as those for aid schemes. Currently, the necessary data is in place for a number of requirements including reporting on progress, declaration of expenditure and exchange of information related to management, verifications and audits. It may also be noted that the 'only once' encoding principle has been addressed by providing all relevant bodies with the necessary access not just at the level of the operation but throughout the Programme for the data submitted by the beneficiaries. In addition, the system's structure allows for the elimination of paper flow of documents.

On a positive note, the SFD 2014-2020 ensures: data integrity and confidentiality since each user is assigned functionality rights as well as data rights and the system is equipped to have a complete audit trail, the authentication of the sender through the use of a unique username and password, a system which is accessible 24/7, a secure transfer of data via Hypertext Transfer Protocol Secure (HTTPS), a system which records and stores in a computerised form in line with Article 140 of the CPRs and a system which is equipped with user data right management thus users can only access and view data for which there are authorised for.

In conclusion, it may be highlighted that the two targets set in the OP I namely, the introduction of e-forms at application stage as well as the creation of the SFD 2014-2020 have been achieved.

3. Implementation of the Priority Axis (Article 50(2) of Regulation (EU) No 1303/2013)

3.1 Overview of the implementation

ID	PA	Key information on the implementation of the PA with reference to key developments, significant problems and steps taken to address these problems
	PA 1	<p>No calls or pre-announcements launched by end 2015.</p> <p>The ex-ante conditionality for the setting of a national or regional Smart Specialisation Strategy in line with the National Reform Programme was not yet fulfilled as at end 2015. A status update of the fulfilment of this ex ante conditionality can be found in Section 9 of this report.</p>
	PA 2	<p>One call (Call II) was launched in 2015 under IP 2c. This call will close in April 2016. No further calls were launched under this PA.</p> <p>The ex-ante conditionality related to digital growth was fulfilled prior to the adoption of the OP.</p>
	PA 3	<p>One call (Call I) was launched in 2015 under IP 3d. This call closed in September and the evaluation was still ongoing by December 2015. No further calls were launched under this PA.</p> <p>The ex-ante conditionality related to the promotion of entrepreneurship taking into account the Small Business Act was fulfilled by end 2015. Since no projects have as yet been selected under this PA, the key developments, significant problems and steps taken to address these problems will be reported in future reports.</p>
	PA 4	<p>One call (Call I) was launched in 2015 under IP 4a. This call closed in September and the evaluation was still ongoing by December 2015. Moreover, in December 2015, a pre-announcement of a call was published for IP4c, and the eventual call is expected to be launched in 2016.</p> <p>Both ex ante conditionalities related to this PA were achieved by end 2015. Since no projects have as yet been selected under this PA, the key developments, significant problems and steps taken to address these problems will be reported in future reports.</p>
	PA 5	<p>One call (Call I) was launched in 2015 under IP6c. This call closed in October 2015 and the evaluation was still ongoing by December 2015. No further calls were launched under this PA.</p> <p>Since no projects have as yet been selected under this PA, the key developments, significant problems and steps taken to address these problems will be reported in future reports.</p>
	PA 6	<p>No calls or pre-announcements launched by end 2015.</p> <p>The ex-ante conditionality to set up a national strategy policy framework for poverty reduction aiming at the active inclusion for people excluded from the labour market has been fulfilled by end 2015.</p>

	PA 7	<p>No calls were launched under this PA in 2015 but a preannouncement under IP 7c was published in December 2015.</p> <p>The ex-ante conditionalities related to this PA were not yet fulfilled by end 2015.</p>
	PA 8	<p>One call (Call II) was launched in 2015 under IP 9a and IP 9b. This call will close in April 2016.</p> <p>Both ex ante conditionalities related to this PA were fulfilled by end 2015. Since no projects have as yet been selected under this PA, the key developments, significant problems and steps taken to address these problems will be reported in future reports.</p>
	PA 9	<p>One call (Call II) was launched in 2015 under IP 10a. This call will close in April 2016.</p> <p>All ex ante conditionalities related to this PA were fulfilled by end 2015.</p>
	PA 10	<p>No calls were launched under this PA in 2015 but a preannouncement under IP 6i and IP 6ii was published in December 2015.</p> <p>Both ex ante conditionalities related to this PA were fulfilled by end 2015.</p>
	PA 11	<p>One call (Call I) was launched 2015 under IP 7i (TEN-T). This call closed in September and the evaluation was still ongoing by December 2015. Moreover, in December 2015, a pre-announcement of a call was published for IP 7i (Maritime), and the eventual call is expected to be launched in 2016.</p> <p>The ex-ante conditionalities related to this PA were not yet fulfilled by end 2015. Since no projects have as yet been selected under this PA, the key developments, significant problems and steps taken to address these problems will be reported in future reports.</p>
	PA 12	<p>This PA is the Technical Axis PA and its implementation was limited due to the limited activities that were ongoing in 2015 related to the 2014-2020 OP.</p>

3.2 Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

See **Annex I** for Tables 1, 2 and 3

3.3 Milestones and targets defined in the performance framework (Article 50(2) of Regulation (EU) No 1303/2013)

See **Annex II** for Table 4

3.4 Financial Data (Article 50(2) of Regulation (EU) No 1303/2013)

Table 5: Financial information at PA and programme level

1	2	3	4	5	6	7	8	9	10	11	12
The financial allocation of the PA based on the OP (extracted from Table 18a of the OP)						Cumulative data on the financial progress of the OP					
PA	Fund	Category of region	Basis for the calculation of Union support (Total eligible cost or public eligible cost)	Total funding (EUR)	Co-financing rate (%)	Total eligible cost of operations selected for support (EU)	Proportion of the total allocation covered with selected operations (%) [column 7 / column 5 x 100]	Public eligible cost of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries (%) [column 10 / column 5 x 100]	Number of operations selected
							Calculation			Calculation	
PA 1	ERDF	Transition	Public eligible	72,066,375.00	80	0	0	0	0	0	0
PA 2	ERDF	Transition	Public eligible	38,435,400.00	80	0	0	0	0	0	0
PA 3	ERDF	Transition	Public eligible	53,316,375.00	80	0	0	0	0	0	0
PA 4	ERDF	Transition	Public eligible	57,653,100.00	80	0	0	0	0	0	0
PA 5	ERDF	Transition	Public eligible	72,066,373.00	80	0	0	0	0	0	0
PA 6	ERDF	Transition	Public eligible	24,022,125.00	80	0	0	0	0	0	0
PA 7	ERDF	Transition	Public eligible	35,504,700.00	80	0	0	0	0	0	0
PA 8	ERDF	Transition	Public eligible	58,998,338.00	80	0	0	0	0	0	0
PA 9	ERDF	Transition	Public eligible	33,360,975.00	80	0	0	0	0	0	0
PA 10	CF		Public eligible	166,508,672.00	85	0	0	0	0	0	0
PA 11	CF		Public eligible	89,658,516.00	85	0	0	0	0	0	0
PA 12	ERDF	Transition	Public eligible	15,998,737.00	80	0	0	0	0	0	0

Table 6: The use made of cross-financing

1	2	3	4	5	6
Use of cross-financing	PA	The amount of EU support envisaged to be used for cross financing based on selected operations (EUR)	Share of the total EU financial allocation to the PA (%) (3/total financial allocation to PA*100)	Eligible expenditure used under cross financing declared by the beneficiary to the managing authority (EUR)	Share of the total financial allocation to the PA (%) (5/total financial allocation to PA*100)
Cross-financing: Costs eligible for support under the ESF but supported from the ERDF	6	1,000,000.00	4.16	0	0

4. Synthesis of the Evaluation (Article 50(2) of Regulation (EU) No 1303/2013)

4.1 Ex-Ante Assessment – OP I 2014-2020 activities undertaken under the programme

In line with Article 55 of Regulation (EU) 1303/2013, Malta drafted an ex-ante evaluation to improve the quality of the design of each OP. The ex-ante evaluation for OPI was undertaken in parallel with the preparation of OPI 2014-2020 - Fostering a Competitive and Sustainable Economy to Meet Our Challenges that is co-financed through the ERDF and CF.

The ex-ante evaluation concluded that there is a strong internal coherence between the programme objectives within the same PA, and also coherence, mostly in terms of interdependencies, between the programme objectives across PAs. The assessment also considered the relationship of the programme with: (i) EU strategies and policies, namely the EU2020 flagship initiatives; (ii) national policies, namely those required to address the ex-ante conditionalities; and (iii) other EU instruments. It was noted that OPI has strong convergence points within the six EU2020 flagship initiatives, being Innovation Union, A Digital Agenda for Europe, Resource Efficient Europe, An industrial policy for the globalisation era, an agenda for new skills and jobs, and European platform against poverty. It also assessed how the OP took into consideration the influence of other national policies and strategies, being: Digital growth strategic policy framework; Energy (co-generation and RES) actions; Waste management plans; Self-employment, entrepreneurship and business creation; Research and Innovation strategy; Small Business Act; Energy efficiency strategy; Poverty strategy; National Policy Framework for tertiary education, lifelong learning, and VET; Water pricing policy; and Health strategic policy framework. The assessment has concluded that all relevant strategies and policies have been considered by the OP.

Moreover, all the PAs were found to be consistent with the thematic objectives outlined within the CPR and in the ERDF/CF fund-specific Regulation, the priorities and corresponding objectives of the programmes with the CSF, the Partnership Agreement and the relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and where appropriate at national level, the National Reform Programme. Moreover, the evaluators' observations indicate that each of the relevant common challenges and needs are being directly addressed by at least one PA, and often by more than one PA. Further to this, this assessment showed that the planned measures to promote equal opportunities between men and women and to prevent discrimination in particular as regard to accessibility for persons with disability are adequate. It also concluded that consideration is being given to the integration of the sustainable development principle in the selection of operations. It also noted that specific measures have also been included in the OP aimed at addressing environmental protection requirements, resource efficiency, climate change mitigation and adaptation, and biodiversity.

The relevance and clarity of the proposed programme indicators, the appropriateness of the indicator values as well as the sustainability of the performance framework milestones were also assessed. In this regard, a logical framework was used to demonstrate the links between the different actions, planned outputs and the intended results to help build a shared vision of the programme objectives and type of interventions to achieve them within the partnership. The consistency of the financial allocations was also one of the areas which was appraised by the evaluators. The evaluators assessed whether: (i) financial allocations are concentrated on the most important goals, and (ii) the rules of thematic concentration as defined in Article 4 of the ERDF Regulation have been met. In view of this, the appraisal established that the ERDF funding meets all the requirements of thematic concentration established in the ERDF Regulation, and address the national issues dealing with the consistency of the OP objectives.

4.2 Strategic Environmental Assessment 2014-2020

The Strategic Environmental Assessment (SEA) 2014-2014 was carried out in accordance with the SEA Regulations (Legal Notice 497 of 2010), which transpose the European Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment. Firstly, the evaluators undertook a screening process which is required to determine whether the proposed plan/programme is likely to have significant environmental effects and whether a SEA is required. The screening determined that OPI qualified for a SEA.

Prior to the drafting of the Evaluation Report, the evaluators concluded the scoping stage which aimed to provide an overview on the scope and level of detail of information which must be included in the Environment Report. The Scoping Report is one of the most important stages in the process of a SEA as it identifies the issues for consideration in the Environmental Report. Although no longer a legal requirement, it is considered good practice to clearly document the scoping process. Consultation on the draft Scoping Report was undertaken with a number of identified stakeholders, including the SEA Focal Point, the Malta Environment and Planning Authority, the Malta Resources Authority, the Department of Agriculture, the Department of Fisheries, and the Environmental Health Directorate. It is important to note that within the scope of OPI the following environmental parameters were identified: (i) Air quality; (ii) Climatic factors and climate change; (iii) Energy-efficiency and renewable energy resources; (iv) Biodiversity including the marine environment; (v) Freshwater; (vi) Waste; (vii) Land use; (viii) Soils; (ix) Landscape; (x) Cultural heritage; (xi) Population and human health; and (xii) Material assets. The SEA baseline will focus on the parameters listed under Schedule 1(f) of the SEA Regulations, 2010 - Information to be included in the Environmental Report.

The SEA process provides the start of the 'green thread', having identified:

- potential environmental impacts that could result from the implementation of eleven PAs of the OP;
- various mitigation strategies and measures that could be used to minimise or negate the impacts of these actions; and
- a number of future areas or activities for which further environmental assessments may be required before and during the implementation of the OP.

The Evaluation Report detailed the anticipated environmental impacts of the programme and any proposed amendments to the plan to mitigate its effects. As indicated above, the evaluators used SEA objectives and indicators in order to assess the OPs impacts. The SEA objectives are separate from the OP objectives, although the two influence each other and overlap. The assessment of significance was then based on the probability of the impact occurring, on the scale of the impact, its duration, reversibility, whether it has transboundary effects, and the certainty of impact prediction. An assessment of alternatives was also carried out by the evaluators.

Moreover, the OP includes a number of PAs that will result in direct environmental benefits, including Axes 4, 5, 6, 7, 10, and 11. Positive impacts are related to the overall strategies of moving to a low carbon economy, improving urban areas and including green infrastructure, investment in alternatives to road transport, as well as improving aspects of the existing network to improve efficiency, investing in water and waste management infrastructure, renewable energies and energy efficient buildings. It must be ensured however that, during implementation of the OP, the projects that contribute directly to these objectives should be implemented and the targets closely monitored.

4.3 Monitoring and Evaluation Strategy for ERDF and CF 2014-2020

During the reporting year, the Managing Authority drafted the Monitoring and Evaluation Strategy for ERDF and CF 2014-2020 in line with Article 56(1) of Regulation 1303/2013, based on the Regulatory requirements, good practices and lesson learnt during the 2007-2013 programming period. This Monitoring and Evaluation Strategy covers OPI 'Fostering a Competitive and Sustainable Economy to meet our Challenges', which is being funded through the ERDF and CF, and also the SME Initiative Stimulating Private Sector Investment for Economic Growth which is also funded through the ERDF. In pursuant to Article 110(2)(c), the Monitoring and Evaluation Strategy was presented to the Monitoring Committee which was held in November 2015.

The Strategy explains the:

- monitoring, evaluation and reporting requirements set in the Regulation, mainly Articles 47, 49-57, 110, 111 and 114;
- monitoring and evaluation functions which includes: (i) A combination of top-down and bottom-up evaluation methods; (ii) Incorporation of key evaluation issues and horizontal themes into the proposed research activities; (iii) An enhancement of the current monitoring system; (iv) Ad hoc evaluations triggered by under-performance against the OP or Performance Framework targets;
- experience, good practices and lessons learnt throughout the 2007-2013 programming period, including evaluations carried out and the monitoring mechanism in place, as well as the way forward for the 2014-2020 programming period;
- monitoring mechanism and requirements, including the indicators system, data sources, management and analysis, results-based management system, etc.; and
- evaluation system, including planned evaluations for the 2014-2020 programming period and draft evaluation questions which will be further narrowed down while drafting the Terms of Reference. It also includes how the quality of the evaluations will be ensured, data collection methods and quality, etc.;
- management of the Monitoring and Evaluation Strategy, including capacity, training, and the demand and supply side of evaluations;
- financial allocation including timeline and the budget allocated for evaluation, monitoring and other requirements such as dissemination of findings, capacity building, etc.

Prior to its presentation to the Monitoring Committee, the Managing Authority presented the Strategy to DG REGIO and held several discussions with DG Regio Evaluation Unit in order to ensure mutual understanding of the requirements needed and the proposed approach by the Managing Authority. Moreover, a number of meetings were held with the Ministries and other entities falling within a number of thematic areas to ensure that data is available and can be used for the evaluations. This was particularly important in drafting the evaluation questions in relation to the impact studies which will be carried out towards the end of the programming period. The Managing Authority is currently fine-tuning the Strategy with regard to the impact evaluation questions in order to be in a position to present it for the necessary feedback.

4.4 Evaluation Steering Group 2014-2020

The first Evaluation Steering Group (ESG) meeting was held on 11th November 2015 during which the Terms of Reference of the ESG were presented. The role of the ESG is to:

- support the Managing Authority in executing the Monitoring and Evaluation Strategies 2014-2020;
- advise on the specific monitoring and evaluation activities to be undertaken during the course of the programme, including quality assuring external evaluations undertaken, etc.;
- provide input to on-going monitoring and evaluation activities, where appropriate, and drawing up on the expertise of the Group;
- assist the Managing Authority in drafting Terms of Reference of evaluation activities, most specifically the evaluation questions;
- assist in identifying and agreeing how some of the gaps in the reporting data can be addressed; and
- advise and assist in the dissemination of the key results from the monitoring and evaluation activities in order to inform stakeholders of the performance of the programme.

The Monitoring and Evaluation Strategy was also presented to the ESG members, who were asked to provide the necessary feedback on the Strategy. The feedback will be taken into consideration in the final version of the strategy.

5. Information on the Implementation of the Youth Employment Initiative, where applicable (Article 19(2) and 19(4) of Regulation (EU) No 1304/2013)

Not applicable

6. Issues affecting the Performance of the Programme and Measures taken (Article 50(2) of Regulation (EU) No 1303/2013)

During the year 2015, the Managing Authority adopted a parallel approach in order to work on the closure of the 2007-2013 programming period, but simultaneously embarked in earnest on the kick-off of the activities related to the implementation of the 2014-2020 OP.

Notwithstanding the considerable progress made on the ground with two calls for proposals launched under OPI in 2015, the parallel approach which had to be adopted in relation to the two programming periods ongoing concurrently, has undeniably led to a strain on human resources within the Managing Authority in terms of numbers, coupled with the challenge of recruiting additional staff. This has automatically resulted in some delays in relation to new obligations concerning the 2014-2020 programming period.

Indeed, the CPR introduces new responsibilities for the authorities involved in the Management and Control System. These presented a challenge for the Managing Authority and other stakeholders involved in the drafting of the system description. The major challenges on which the Managing Authority worked on in 2015 were the following:

The development of an adequate electronic data exchange system, as prescribed under Article 122 (3) of the CPR that must cover all potential beneficiaries and all the necessary information requirements. Major progress was made on the ground and in fact the IT system has been strengthened in its core functionalities and several modules have been developed. This was preceded by the necessary continuous testing periods to ensure the effectiveness of the core functionalities, which proved to be very challenging. In order to mitigate against delays in the implementation of the electronic system, officers working on the 2007-2013 programme were asked to provide their input on the ongoing system development, its functionalities and its shortcomings with a view of mitigating against limitations encountered in the system used for the 2007-2013 programme.

The setting up the relevant framework for the launching of the state aid schemes in support of private enterprise under OPI, so as to address Article 123 (6) of the CPR. In this regard, the Measures and Support Division within the Ministry for European Affairs and Implementation of the Electoral Manifesto (MEAIM) has been identified as the Intermediate body for the 2014-2020 programming period. The Intermediate Body will be responsible for managing the aid measures that will eventually be approved under the programme on behalf of the Managing Authority. The centralisation of functions under a single IB represents a novelty for OPI from previous programming periods. This required major efforts for the setting up of an adequate structure both in terms of human resources and of procedures to be in place by the newly set-up Intermediate Body. The Intermediary Body has identified its staff complement and was in the process of establishing the procedures that are necessary to be in place ahead of the launch for calls for applications.

The drawing up of adequate procedures for the new regulatory requirements, including the management declaration and the annual summary as well as the clearance of accounts that must be reviewed and approved by the Audit Authority as per Article 125(4)(e) and Article 126 (1)(b) of the CPR respectively. Coordination meetings between the Managing Authority, Certifying Authority and the Audit Authority have been held to identify the procedures which need to be in place to fulfil these new obligations.

All the above mentioned obligations required the input and the coordination of all the different stakeholders as well as the strengthening of their capacity given that at the same time they were also fully committed with an effective closure of the 2007-2013 programming period.

Due to the limited capacity available, the progress for the finalisation of the system description for the designation procedure remained slow in 2015 and adequate measures started being taken in 2016 to speed the process up. A better and strengthened coordination amongst all the involved stakeholders in order to finalise the system description will ensure the submission of this document to the Audit Authority for its opinion during the first half of 2016, in order to consolidate and focus the designation of all the relevant authorities. In parallel, the Managing Authority will be continue testing all the functions of the IT system, building on experience gained from the 2007-2013 programming period to improve the new system which is now in place.

7. Citizen's Summary (Article 50(9) of Regulation (EU) No 1303/2013)

See **Annex III** for Citizen's Summary

8. Report on the Implementation of Financial Instruments (Article 46 of Regulation (EU) No 1303/2013)

Apart from the SME Initiative OP, the OP foresees the implementation of Financial Instruments under PA 3 and PA 4. In preparation for the financial instruments foreseen under PA 3, the Managing Authority undertook an ex-ante assessment to analyse the existing market environment for SMEs, including lessons learnt from existing financial instruments in the country. This study led to the drafting of a draft report and a proposed Investment Strategy aimed at addressing existing gaps through the setting up and implementation of financial instruments to be financed through the Programme under PA 3. This proposed Investment Strategy was not yet finalised by end December 2015 but is expected to be concluded by mid-2016, paving the way to the launch of possible further financial instruments funded under the programme.

In order to access the need for financial instruments under PA 4 in 2016, the Managing Authority will launch another thematic assessment aiming to identify market gaps and the potential need to set up a financial instrument related to renewable energy and energy efficiency interventions within the private sector. This study is also expected to be conducive to a decision potentially leading to the setting up of a new financial instrument under this OP dedicated towards the generation of alternate energy and energy efficiency measures for enterprises. This is expected to be concluded by end of 2016 or first half of 2017.

9. Ex-Ante Conditionalities

See **Annex IV** for Table 7

10. Progress in Preparation and Implementation of Major Projects and Joint Action Plans (Article 101(h) and 111(3) of Regulation (EU) No 1303/2013)

10.1 Major Projects

Table 8: Major Projects

Project	CCI	Status of MP 1. Completed 2. Approved 3. Submitted 4. Planned for notification /submission to Commission	Total Investments	Total Eligible Costs	Planned /notification/ submission date (if applicable) (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	PA/IPs	Current state of realisation – financial progress	Current state of realisation / physical progress Main implementation stage of the project: 1. Completed / in operation 2. Advanced construction 3. Construction 4. Procurement 5. Design	Main outputs	Date of signature of 1 st works contracts	Observations if necessary
Waste to Energy Facility	N/A	Planned for notification /submission to Commission	N/A	N/A	2018, Q2	2019, Q4	2022, Q4	PA 10	€ 0	Design	Tonnes of Waste processed in waste to energy plan per annum	2018, Q4	The initial study is ongoing. The outcome of the study will determine the way forward in terms of the implementation of this initiative.

Annex I: Table 1

Result indicators for the ERDF and the Cohesion Fund (by priority axis and specific objective); applies also to Technical Assistance priority axis

Annual Value

Priority Axis	Investment Priority	Specific Objective	ID	Indicator	Measurement Unit	Fund	Category of region (Where relevant)	Baseline Value	Baseline Year	Target Value (2023)			2014			2015			2016			Observations (where necessary)	
										m	w	t	m	w	t	m	w	t	m	w	t		
Priority Axis 1	IP 1 a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	SO 1 - Stimulating participation in R&D&I through the development of the necessary public infrastructure in line with Smart Specialisation Strategy	PSR	Number of applications for patents	Number	ERDF	Transition	3.00	2013			10.00			0			0					
			PSR2	Number of partnerships/cooperations with enterprises/other research institutions	Number	ERDF	Transition	9.00	2013					20.00			0			0			
Priority Axis 1	IP 1 b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	SO 2 - Strengthening the competitiveness of the private sector through R&D&I in line with the Smart Specialisation Strategy	PSR1	Annual private R&D expenditure	Euro	ERDF	Transition	31,500,000.00	2011			70,500,000.00			0			0					
Priority Axis 2	IP 2 b - Developing ICT products and services, e-commerce and enhancing demand for ICT	SO 1 - Strengthen the digital economy by increasing the use of e-commerce supported by e-services	PSR2a	Enterprises using internet conducting sales via e-commerce	Percentage	ERDF	Transition	19.30	2013			24.00			0			0					
			PSR2b	Turnover from e-commerce	Euro	ERDF	Transition	1,008,000,000.00	2011			1,058,000,000.00			0			0					
		PSR2d	Users using e-government services	Percentage	ERDF	Transition	59.00	2013					65.00			0			0				
Priority Axis 3	IP 3 a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	SO 1 - Creation of employment opportunities through the provision of infrastructure, financial incentives as well as support services	PSR3	Employment in SMEs as a share of totally gainfully occupied as at 2023	Percentage	ERDF	Transition	62.00	2013			67.00			0			0					
			PSR3d	Annual average birth of enterprises (average 2010/2011/2012)	Number	ERDF	Transition	1,796.00	2012			1,810.00			0			0					
	IP 3 d - Supporting the capacity of SMEs to grow in regional, national and international markets, to engage in innovation processes	SO 2 - Nurture the growth potential of SMEs at a regional, national and international level through provision of infrastructure, access to finance as well as supporting services	PSR3b	Private sector investment	Euro	ERDF	Transition	25,092,938.00	2013			43,912,641.00			0			0					
			PSR3c	Value added of SMEs	Euro	ERDF	Transition	2,415,000,000.00	2013			2,898,000,000.00			0			0					
Priority Axis 4	IP 4 a - Promoting the production and distribution of energy derived from renewable sources	SO 1 - Promoting the use of RES through financial incentives and undertakings not carrying out an economic activity	SR7a	PV connected capacity	MWp	ERDF	Transition	18.00	2013			25.00			0			0					
	IP 4 b - Promoting energy efficiency and renewable energy use in enterprises	SO 2 - Promoting the use of RES and EE within the commercial and industrial sectors through financial incentives and financial instruments	SR7a	PV connected capacity	MWp	ERDF	Transition	9.00	2013			95.00			0			0					
	IP 4 c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in housing sector	SO 3 - The use of RES and EE within public property as well as EE in housing through financial incentives.	SR7a	PV connected capacity	MWp	ERDF	Transition	1.00	2013			23.00			0			0					
Priority Axis 5	IP 6 c - Conserving, protecting, promoting and developing natural and cultural heritage	SO 1 - Improve the Maltese competitiveness standing within the tourism sector through the promotion, protection and preservation of natural/cultural/historical assets in the public domain intended to improve the Maltese cultural tourism experience whilst maintaining increased tourist flows	PSR5a	Tourists visiting Malta for history, culture and natural heritage	Percentage	ERDF	Transition	42.00	2012			46.00			0			0					
			PSR5b	Overall rating of the Maltese Experience	Percentage	ERDF	Transition	62.80	2013			66.00			0			0					

Annex I: Table 1

Result indicators for the ERDF and the Cohesion Fund (by priority axis and specific objective); applies also to Technical Assistance priority axis

Annual Value

Priority Axis	Intervention Priority	Specific Objective	Result Indicator Code	Indicator Description	Unit	CF	Transition	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Priority Axis 10	IP 6 i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	SO 1 - Increase recycling of waste and reduces the volume of waste going to landfill through investment in waste management related infrastructure including the rehabilitation of closed landfills for other non-waste related uses as education campaigns	PSR10	Recycled household waster	Percentage	CF	Transition	23.00		2011			50.00			0			0				
			PR10a	Volume of waste landfilled as at 2023	Percentage	CF	Transition	100.00		2013				61.00			0			0			
	IP 6 ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond the requirements	SO 2 - Investment to improve the sustainability of water resources through the consolidation of investment in ground water, rain, water harvesting and desalination leading towards better water quality and enhanced water conservation and efficiency, including campaigns aimed at awareness	PR10c	Gap between the mean annual water supply and demand	Metres cubed	CF	Transition	16,000,000.00		2013				12,000,000.00			0			0			
			PR10d	Basic chloride and nitrate parameters in municipal water supplied to the population	mg/l	CF	Transition	500.00		2013				250.00			0			0			
Priority Axis 11	IP 7 i - Supporting a multimodal Single European Transport Area by Investing in the TEN-T	SO 1 - Investment in (TEN-T) both land transport and maritime with a view of reduce journey time, including the facilitation of movement of goods. This investment priority will also include investment in customs improvement to improve efficiency and safety in cross broader improvements	PR11	Journey time in minutes (per 10 minute journey)	Minutes	CF	Transition	10.00		2013			8.00			0			0				
			PR11a	Physical control at customs	Percentage	CF	Transition	12.00		2013				9.00			0			0			

Annex I: Table 2

Common and programme specific output indicators for the ERDF and the Cohesion Fund (by priority axis, investment priority, broken down by category of region for the ERDF; applies also to Technical assistance priority axes)																					
(1)																					
PA	Specific Objective	Investment Priority	ID	Indicator	Measurement Unit	Fund	Category of region (Where relevant)	Target Value (2023)			2014			2015			2016			Observations (where necessary)	
								m	w	t	m	w	t	m	w	t	m	w	t		
PA 1	SO 1 - Stimulating participation in R&D&I through the development of the necessary public infrastructure in line with Smart Specialisation Strategy	IP 1 a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	CO25	Research, Innovation: Number of researchers working in improved research infrastructure facilities	Full time equivalents	ERDF	Transition			100.00			0			0					
			PS01	Number of research facilities	Number	ERDF	Transition			3.00			0			0					
	SO 2 - Strengthening the competitiveness of the private sector through R&D&I in line with the Smart Specialisation Strategy	IP 1 b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			45.00			0			0					
PS01			Private investment matching public support in innovation and R&D projects	Euro	ERDF	Transition			39000000.00			0			0						
PA 2	SO 1 - Strengthen the digital economy by increasing the use of e-commerce supported by e-services	IP 2 b - Developing ICT products and services, e-commerce and enhancing demand for ICT	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			50.00			0			0					
			CO02	Productive Investment: Number of enterprises receiving grants	Enterprises	ERDF	Transition			50.00			0			0					
	SO 2 - Consolidating and further developing the provision of e-government services for G2C, G2B and G2G	IP 2 c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	PS12a	New e-services applications in the area of health, environment, customs and interdepartmental services	Number	ERDF	Transition			3.00			0			0					
PA 3	SO 1 - Creation of employment opportunities through the provision of infrastructure, financial incentives as well as support services	IP 3 a - Promoting entrepreneurship in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including business incubators	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			160.00			0			0					
			CO02	Productive Investment: Number of enterprises receiving grants	Enterprises	ERDF	Transition			60.00			0			0					
			CO04	Productive Investment: Number of enterprises receiving non-financial support	Enterprises	ERDF	Transition			100.00			0			0					
			CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	ERDF	Transition			70.00			0			0					
			PSO3	Private investment matching public funds	Euro	ERDF	Transition			22000000.00			0			0					
			SO 2 - Nurture the growth potential of SMESs at a regional, national and international level through provision of infrastructure, access to finance as well as supporting services	IP 3 d - Supporting the capacity of SMEs to grow in regional, national and international markets and to engage innovation processes	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			350.00			0			0			
	CO02	Productive investment: Number of enterprises receiving grants			Enterprises	ERDF	Transition			220.00			0			0					
	CO03	Productive investment: Number of enterprises receiving financial support other than grants			Enterprises	ERDF	Transition			50.00			0			0					
	CO04	Productive Investment: Number of enterprises receiving non-financial support			Enterprises	ERDF	Transition			80.00			0			0					
	CO08	Productive investment: Employment increase in supported enterprises			Equivalents	ERDF	Transition			100.00			0			0					
	PSO3d	Private investment matching public funds			Euro	ERDF	Transition			40000000.00			0			0					
	PA 4	SO 1 - Promoting the use of RES through financial incentives and undertakings not carrying out an economic activity	IP 4 a - Promoting the production and distribution of energy derived from renewable sources	CO30	Renewables: additional capacity of renewable energy production	MW	ERDF	Transition			24000.00			0			0				
CO34				GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2 eq	ERDF	Transition			23000.00			0			0					
SO 2 - Promoting the use of RES and EE within the commercial and industrial sectors through financial incentives and financial instruments		IP 4 b - Promoting energy efficiency and renewable energy use in enterprises	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			200.00			0			0					
			CO02	Productive investment: Number of enterprises receiving grants	Enterprises	ERDF	Transition			150.00			0			0					
			CO03	Productive investment: Number of enterprises receiving financial support	Enterprises	ERDF	Transition			50.00			0			0					
			CO30	Renewables: Additional capacity of renewable energy production	MW	ERDF	Transition			37500.00			0			0					
			CO34	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2 eq	ERDF	Transition			33000.00			0			0					
			PSO40	Number of enterprise improving their energy classification	Number	ERDF	Transition			50.00			0			0					
SO 3 - The use of RES and EE within public property as well as EE in housing through financial incentives.		IP 4 c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure including in public buildings and in the housing sector	CO30	Renewables: additional capacity of renewable energy production	MW	ERDF	Transition			22500.00			0			0					
			CO32	Energy efficiency: Decrease of annual primary energy consumption of public buildings	kWh/year	ERDF	Transition			170000.00			0			0					
			CO34	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2 eq	ERDF	Transition			1100.00			0			0					
PA 5		SO 1 - Improve the Maltese competitiveness standing within the tourism sector through the promotion, protection and preservation of natural/cultural/historical assets in the public domain intended to improve the Maltese cultural tourism experience whilst maintaining increased tourist flows	IP 6 c - Conserving, protecting, promoting and developing natural and cultural heritage	CO09	Sustainable tourism: Tourism increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	ERDF	Transition			12000.00			0			0				
	PSR5a			Rehabilitated/Preserved land	Square metres	ERDF	Transition			5000.00			0			0					
	SO 1 - Improve the urban environment in the Southern Harbour in line with the integrated urban development strategy through the preservation and promotion of cultural/historical assets in the public domain intended to improve	IP 6 c - Conserving, protecting, promoting and developing natural and cultural heritage	CO09	Sustainable tourism: Tourism increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	ERDF	Transition			5000.00			0			0					

Since it is the first year of implementation, no progress is being reported.

Annex I: Table 2

		Common and programme specific output indicators for the ERDF and the Cohesion Fund (by priority axis, investment priority, broken down by category of region for the ERDF; applies also to Technical assistance priority axes)													
		(1)													
PA 6	assets in the public domain intended to improve employment opportunities in social deprived areas	IP 9 b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	PS1a	Area of constructed heritage upgraded or renovated in urban areas	Square metres	ERDF	Transition				6000.00		0		0
	SO 2 - Regeneration of public open spaces housing within deprived neighbourhoods to lift people out of risk of poverty. In addition, this investment priority will be supported through infrastructure in education/community centres which will be complemented by ESF types of measures		CO37	Urban development: Population living in areas within integrated urban development strategies	Persons	ERDF	Transition				120000.00		0		0
			CO39	Urban development: Public or commercial building built or renovated in urban areas	Square metres	ERDF	Transition				6000.00		0		0
			CO40	Urban development: Rehabilitated housing in urban areas	Housing units	ERDF	Transition				50.00		0		0
PA 7	SO 1 - Infrastructural investment in collective public transport to increase patronage through: multi-modal transport including sea landing spaces, investment in green public transport, information systems, greening of public spaces in urban areas as well as campaigns earmarked to influence behavioural patterns will be supported. These actions contribute towards better air quality	IP 7 c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport system, including inland waterways and maritime transports, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	CO34	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2 eq	ERDF	Transition				11000.00		0		0
			PSR7d	Number of persons reached by campaigns	Persons	ERDF	Transition				100000.00		0		0
			PSR7e	Modal shift projects promoting collective transport methods	Number	ERDF	Transition				2.00		0		0
PA 8	SO 1 - Investment in public health infrastructure as well as other small scale infrastructural investments aimed to alleviate the pressures from the main hospital as well as measures to promote a healthy lifestyle	IP 9 a - Investing in health and social infrastructure which contributes in national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	CO36	Health: Population covered by improved health services	Persons	ERDF	Transition				151000.00		0		0
			PS8a	Persons benefitting from new/upgraded infrastructure (including equipment/service)	Persons	ERDF	Transition				208800.00		0		0
	PS8b		Population covered by improved social services	Persons	ERDF	Transition				151000.00		0		0	
	PS8c		Number of people in sheltered employment	Persons	ERDF	Transition				200.00		0		0	
	SO 3 - Integration of deprived families through the upgrading of public social housing	IP 9 b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	CO40	Urban Development: Rehabilitated housing in urban areas	Housing units	ERDF	Transition				100.00		0		0
PA 9	SO 1 - Investment in public infrastructure aimed to provide educational and training facilities for academic and vocational educational and training (VET) to reduce early school leavers as well to improve tertiary educational attainment	IP 10 a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure	PSO9a	Capacity of VET and Tertiary education infrastructure	Persons	ERDF	Transition				10000.00		0		0
PA 10	SO 1 - Increase recycling of waste and reduces the volume of waste going to landfill through investment in waste management related infrastructure including the rehabilitation of closed landfills for other non-waste related uses as education campaigns	IP 6 i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	CO17	Solid waste: additional waste recycling capacity	Tonnes/year	CF	Transition				9000.00		0		0
			CO22	Land rehabilitation: Total surface area of rehabilitated land	Hectares	CF	Transition				9.50		0		0
			PR10b	Tonnes of waste processed in waste to energy plant per annum	Tonnes per year	CF	Transition				75000.00		0		0
	SO 2 - Investment to improve the sustainability of water resources through the consolidation of investment in ground water, rain, water harvesting and desalination leading towards better water quality and enhanced water conservation and efficiency, including campaigns aimed at awareness	IP 6 ii - Investing in the water sector to meet requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	CO18	Water supply: Additional population served by improved water supply	Persons	CF	Transition				32000.00		0		0
			PR10e	M3 of new/upgraded harvesting infrastructure	Cubic metres	CF	Transition				200000.00		0		0
			PR10f	Number of households targeted through campaigns	Households	CF	Transition				100000.00		0		0
			PR10g	Public groundwater abstraction stations showing a reduction in chloride content of abstracted groundwater	Number	CF	Transition				25.00		0		0
			PR10h	Upgraded water/sewage network	Kilometres	CF	Transition				100.00		0		0
PR10k	Additional Annual production capacity of desalinated water	Cubic metres	CF	Transition				200000.00		0		0			
PA 11	SO 1 - Investment in (TEN-T) both land transport and maritime with a view of reduce journey time, including the facilitation of movement of goods. This investment priority will also include investment in customs improvement to improve efficiency and safety in cross broader improvements	IP 7 i - Supporting a multimodal Single Transport Area by investing in TEN-T	CO14a	Roads: Total length of reconstructed or upgraded roads of which: TEN-T	Kilometres	CF	Transition				2.50		0		0
			PR11a	Square metres in new/upgraded port	Square metres	CF	Transition				5000.00		0		0
			PS11B	Measures aimed to improve customs operations	Number	CF	Transition				1.00		0		0

Annex I: Table 3

For certain common output indicators for ERDF support under investment for growth and jobs goal relating to productive investment — Number of enterprises supported by the Operational Programme net of multiple support to the same enterprises

Name of indicator	Number of enterprises supported by OP net of multiple support
Number of enterprises receiving support	0
Number of enterprises receiving grants	0
Number of enterprises receiving financial support other than grants	0
Number of enterprises receiving non-financial support	0
Number of new enterprises supported	0

Annex II: Table 4

Information on the milestones and targets defined in the performance framework																							
Priority Axis	Indicator type (Key implementation step, financial, output or where appropriate result indicator)	ID	Indicator or key implementation step	Measurement Unit, where appropriate	Fund	Category of region	Milestone for 2018			Final Target (2023)			2014			2015			2016			Observations (where necessary)	
							m	w	t	m	w	t	m	w	t	m	w	t	m	w	t		
							Value achieved (*)																
PA 1	Financial	F11.1	Financial Indicator	Euro	ERDF	Transition			17,879,603.51			72,066,375.00				0			0				
	Output	PSO1	Number of research facilities	Number	ERDF	Transition			-			3.00				0			0				
	Key implementation step	KIS1	Number of research facilities being implemented (constructed or completed)	Number	ERDF	Transition			2.00			3.00				0			0				
PA 2	Financial	F12.1	Financial Indicator	Euro	ERDF	Transition			9,736,648.11			38,435,400.00				0			0				
	Output	PS12a	New e-services applications in the areas of health, environment customs and interdepartmental services	Number	ERDF	Transition			2.00			3.00				0			0				
PA 3	Output	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			70.00			510.00				0			0				
	Financial	F13.1	Financial Indicator	Euro	ERDF	Transition			13,339,728.15			53,316,375.00				0			0				
PA 4	Output	CO30	Renewables: Additional capacity of renewable energy production	MW	ERDF	Transition			10,230.00			46,500.00				0			0				
	Financial	F14.1	Financial Indicator	Euro	ERDF	Transition			14,389,765.45			57,653,100.00				0			0				
PA 5	Output	CO09	Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	ERDF	Transition			3,000.00			12,000.00				0			0				
	Financial	F15.1	Financial Indicator	Euro	ERDF	Transition			17,879,603.00			72,066,373.00				0			0				
	Output	PSR5a	Rehabilitated/Preserved land	Square metres	ERDF	Transition			1,000.00			5,000.00				0			0				
PA 6	Output	CO39	Urban development: Public or commercial buildings built or renovated in urban areas	Square metres	ERDF	Transition			600.00			6,000.00				0			0				

Annex III

7. Citizen's Summary (Article 50(9) of Regulation (EU) No 1303/2013)

For the programming period 2014-2020, Malta has identified three Funding Priorities as the main overarching objectives:

1. Fostering Competitiveness through innovation and the creation of a business-friendly environment;
2. Sustaining an environmentally-friendly and resource-efficient economy; and
3. Creating Opportunities through investment in human capital and improving health and well-being.

OP I contributes towards the achievement of all these funding priorities through a number of interventions proposed for financing under the following PAs:

- **PA 1** – Investing in research, technological development and innovation, (public eligible allocation of EUR 72.1M)
- **PA 2** – Consolidating investment within the ICT sector (public eligible allocation EUR 38.4M)
- **PA 3** – Enhancing Malta's competitiveness through investment in Small Medium Enterprises (SME) (public eligible allocation of EUR 53.3M)
- **PA 4** – Shifting towards a low-carbon economy (public eligible allocation of EUR 57.6M)
- **PA 5** – Protecting our environment – investing in natural and cultural assets (public eligible allocation of EUR 72.1M)
- **PA 6** – Sustainable Urban Development (public eligible allocation of EUR 24M)
- **PA 7** – Shifting towards a more low-carbon transport sector (public eligible allocation of EUR 35.5M)
- **PA 8** – Investing towards a more socially-inclusive society (public eligible allocation of EUR 59M)
- **PA 9** – Developing our future through education, training and lifelong learning (public eligible allocation EUR 33.6M)
- **PA 10** – Investing in a more environmentally-friendly society (public eligible allocation of EUR 166.5M)
- **PA 11** – Investing in TEN-T infrastructure (public eligible allocation of EUR 89.6M)

Projects to be implemented under the different PA will be approved through a number of calls that will be issued through the implementation of the OP.

7.1 Launch of Calls

Following the formal adoption of OP I in December 2014, this OP was launched in March 2015. The first call was issued in May 2015, after the pre-announcement that had been issued in March with the launch of the programme. The first call was open for project proposals by Ministries, Government Departments, Central Government Authorities and Public Sector Companies that would contribute to the PAs and IPs as listed below: PA 3, IP 3d; PA 4, IP 4a; PA 5, IP 6c and PA 11, IP 7i

The closing date for this call was 11th September 2015 in the case of PA 3, 4 and 11 and 2nd October 2015 in the case of PA 5. A total of 20 project proposals were received within the deadline.

In order to guide project proponents in a holistic manner, the Managing Authority organised several Information Sessions taking into consideration four different dimensions, that is: a general overview of the call (eligibility/selection criteria); information on how to apply and submit the electronic application form; recommendation on how to plan a project proposal; and finally information of how to implement a project proposal, should the project be selected, avoiding obvious pitfalls of implementation.

The calls being launched for the programming period 2014-2020 are to be submitted online. This is one of the major changes in the way calls are managed for this programming period. Such a change in the approach required that the necessary technical support and assistance is in place. In this respect the Managing Authority ensured that the clarifications are replied to quickly and the necessary technical (ICT) support was provided on an ongoing basis.

In November 2015, following a pre-announcement in June 2015, the Managing Authority launched its second Call for project proposals to be undertaken by Ministries, Government Departments, Central Government Authorities and the Public Sector Companies under the following Priority Axes and Investment Priorities: PA 2, IP 2c; PA 8, IP 9a, IP 9b; and PA 9, IP 10a.

The closing date for this call is 8th April 2016.

In the two first calls for project proposals, the Managing Authority did not impose any financial budgetary threshold, but merely made reference to the budgetary allocation per PA and IP as indicated in the OP.

In December 2015, the Managing Authority also published a pre-announcement for project proposals under the following Priority Axes and Investment Priorities: PA 4, IP 4c; PA 7, IP 7c; PA 10, IP 6i, IP 6ii; and PA 11, IP 7i.

The third Call under OPI related to this pre-announcement is expected to be published in Q2, 2016.

As can be seen from the above, by end December 2015, the Managing Authority had launched calls or published pre-announcements on nine out of eleven PAs under OPI.

Following the closure of Call I in September 2015, the Managing Authority commenced the preparatory work for the evaluation of the proposals received, which entails the setting up of the Project Selection Committee, Project Selection Appeals Board and the relevant structures/documentation necessary for the assessment of the project proposals received. By December 2015, no project proposal had as yet been approved under the 2014-2020 Programme. The first projects are expected to be selected by Q2 2016.

7.2 Evaluations of OP I

As part of the work related to the preparations of implementation of the OP, the Managing Authority drafted the Monitoring and Evaluation Strategy for the 2014-2020 programming period for OP I. Amongst others, the Strategy outlines the following:

- the monitoring and evaluation functions of the Managing Authority;
- the past experience, good practices and lessons learnt throughout the 2007-2013 programming period;
- the monitoring mechanism and requirements which will be put in place; and
- the planned evaluations for the 2014-2020 programming period.

The draft strategy was presented to the Monitoring Committee in November and as at the end of 2015, the Managing Authority was in the process of finalising this Strategy.

The strategy also takes into consideration the setting up of the Evaluation Steering Group (ESG). The 1st meeting of the ESG was held on the 11th November 2015. The role of the ESG includes, amongst others, the following:

- supporting the Managing Authority in executing the Monitoring and Evaluation Strategies;
- advising on the specific monitoring and evaluation activities to be undertaken;
- providing input on on-going monitoring and evaluation activities;
- assisting in identifying and agreeing how some of the gaps in the reporting data can be addressed; and
- advising and assisting in the dissemination of the key results from the monitoring and evaluation activities in order to inform stakeholders of the performance of the programme.

7.3 Issues affecting the performance of the Programme and measures taken to address them

During the year under review, the Managing Authority adopted a parallel approach in order to work on the closure of the 2007-2013 programming period, but simultaneously embarked in earnest on the kick-off of the activities related to the implementation of the 2014-2020 OP.

Notwithstanding the considerable progress made on the ground in relation to the launch of calls in 2015, the parallel approach which had to be adopted in relation to the two programming periods ongoing concurrently, has undeniably led to a strain on human resources within the Managing Authority in terms of numbers, coupled with the challenge of recruiting additional staff. This has automatically resulted in some delays in relation to the new obligations concerning the 2014-2020 programming period.

Indeed, the Regulations introduce new responsibilities for the authorities involved in the Management and Control System. Due to the limited capacity available, the progress for the finalisation of the designation procedure remained slow in 2015 and adequate measures started being taken in 2016 to speed the process up. A better and strengthened coordination amongst all the involved stakeholders is expected in the first half of 2016, in order to consolidate the designation of all the relevant authorities. In parallel, the Managing Authority will continue testing all the functions of the IT system, building on experience gained from the 2007-2013 programming period to improve the new system which is now in place.

7.4 Implementation of Financial Instruments

In addition to the SME Initiative OP, OPI foresees the implementation of Financial Instruments under PA 3 (Enhancing Malta's competitiveness through investment in SMEs) and PA 4 (Shifting towards a low-carbon economy). In preparation for the financial instruments foreseen under PA 3, the Managing Authority undertook an ex-ante assessment to analyse the existing market environment for SMEs, including lessons learnt from existing financial instruments in the country. This study led to the drafting of a draft report and a proposed Investment Strategy aimed at addressing existing gaps through the setting up and implementation of financial instruments to be financed through the OP I under PA 3. This proposed Investment Strategy was not yet finalised by end December 2015 but is expected to be concluded by mid-2016, paving the way to the launch of possible further financial instruments funded under the programme.

In order to assess the need for financial instruments under PA 4 (Shifting towards a low-carbon economy) in 2015, the Managing Authority took the necessary preparatory action to launch another thematic assessment in 2016 aiming to identify market gaps and the potential need to set up a financial instrument related to renewable energy and energy efficiency interventions within the private sector. This study is also expected to be conducive to a decision potentially leading to the setting up of a new financial instrument under this OP dedicated towards the generation of alternate energy and energy efficiency measures for enterprises. This is expected to be concluded by end of 2016 or first half of 2017.

In conclusion, 2015 was the first year of implementation of the 2014-2020 OP and the necessary set-up was being put in place in order to ensure that 2016 would be the year during which the first projects start being implemented on the ground.

Annex IV

Table 7 – Ex Ante Conditionalities

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	3 - Outlines measures to stimulate private RTD investment;	<ul style="list-style-type: none"> Adoption of the measures to stimulate private RTDI 	31 st Dec 2015	Ministry for Education and Employment (MEDE) Malta Council for Science and Technology (MCST)	N	N	Q1 2016 ¹	During the past months, assistance on the action plan was being provided from the CION. The R&I action plan has now reached an advance stage following the successful completion of discussions also pertaining to the measures stimulating private RTDi with the relevant Focus Groups. . The finalisation of the monitoring mechanism will lead to the fulfilment of this criterion.
	4 - Contains a monitoring mechanism.	<ul style="list-style-type: none"> Setting up an ongoing mechanism ensuring active participation of all stakeholders; Setting up an evidence gathering system Developing roadmaps for specialisation areas; 	31 st Dec 2015		N	N	Q1 2016 ²	Same as above
	5 - A framework outlining available budgetary resources	<ul style="list-style-type: none"> Finalisation of multi-annual plan for budgeting 	31 st Dec 2015		N	N	Q1 2016	Same as above

¹ Deadline for completion is being verified and checked with the competent authority responsible for the preparation of the Smart Specialisation.

² Deadline for completion is being verified and checked with the competent authority responsible for the preparation of the Smart Specialisation.

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
	for research and innovation has been adopted.	& prioritization of investment						
T.01.2 - Research and Innovation infrastructure. The existence of a multi annual plan for budgeting and prioritisation of investments.	1 - An indicative multi-annual plan for budgeting and prioritisation of investments linked to Union priorities, and, where appropriate, the European Strategy Forum on Research Infrastructures (ESFRI) has been adopted.	<ul style="list-style-type: none"> Finalisation of multi-annual plan for budgeting and prioritization of investments 	31st Dec 2015	Ministry for Education and Employment (MEDE) Malta Council for Science and Technology (MCST)				Same as above.
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	1 - The specific actions are: measures have been put in place with the objective of reducing the time and cost involved in setting-up a business taking account of the targets of the SBA.	<ul style="list-style-type: none"> Set up a working committee to review current practices Draft report to include analysis and recommendation Policy decision on fee structure 	31st Dec 2015	Ministry for the Economy, Investment and Small Business	Y	Y	N/A	Fulfilled
	3 - The specific actions are: mechanism is in place to monitor the implementation of the measures of the SBA which have been put	<ul style="list-style-type: none"> Train and meet with entities and departments that legislate so as to go Over the requirements and obligations of the SME Test; 	31st March 2016		Y	Y	N/A	Fulfilled

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
	in place and assess the impact on SMEs.	<ul style="list-style-type: none"> • Drafting of the Legal Notice that will bring in force the SME Test; • Publication of a legal notice to update current legislation and bring into force the SME Test. 						
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	1 - The actions are: measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Article 3, Article 4 and Article 5 of Directive 2010/31/EU of the European Parliament and of the Council	<p>Setting-up of a committee, to be chaired by the Building Regulation Office involving all relevant stakeholders in order to implement the action plan for the review of minimum requirements for dwellings and non-dwellings</p> <ul style="list-style-type: none"> • Public discussion process with stakeholders on the basis of the findings and implications of the report • Drawing up of updated minimum technical requirements and relevant Legal Notice on basis of outcome of above consultations • Promotional campaign with public and relevant stakeholders (estate agents, contractors etc.) including the holding of a seminar and publication/dissemination of promotion material 	1st Jan 2016	<p>Ministry for Transport and Infrastructure (MTI)</p> <p>Building Regulations Office (BRO)</p>	Y	Y	N/A	N/A

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<ul style="list-style-type: none"> Enter into force of new Minimum Technical Requirements 						
	2 - The actions are: measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU	<ul style="list-style-type: none"> Prepare and evaluate technical information to be included in the new Certificate Draft new Certificate on the basis of the technical information required Web Portal will be upgraded to be able to generate certificates in the new format 	31 st Dec 2015	Building Regulations Office (BRO)	Y	Y	N/A	N/A
T.06.1 – Water: The existence of a water pricing policy which provides adequate incentives for uses	1 - In sectors supported by the ERDF, the Cohesion Fund and the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with the first indent of Article 9(1) of Directive 2000/60/EC having regard, where appropriate, to the social, environmental and economic effects of the recovery as well as the	<ul style="list-style-type: none"> (Draft) 2nd RBMP - MT undertakes that as required by Art 9 of the WFD, MT's 2nd RBMP will take into account the principle of recovery of costs of water services. The 2nd RBMP will incorporate the pertinent economic analysis. Public Consultation on (Draft) 2nd RBMP Review of the (Draft) 2nd RBMP Publication of 2nd RBMP Submission of 2nd RBMP through WISE 	30 th March 2016	Ministry for Energy and Health (MEH), Ministry for Sustainable Development, the Environment and Climate Change (MSDEC), MEH (SEWCU) MEPA, MRA	N	N	Q1 2016 ³	The RBMP is still subject to the SEA screening process

³ The finalisation of the RBMP is subject to the SEA screening process. Depending on the outcome, there may be an impact on the deadline for the fulfilment of the ex ante assessment.

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
	geographic and climatic conditions of the region or regions affected							
	2 - The adoption of a river basin management plan for the river basin district consistent with Article 13 of Directive 2000/60/EC.	<ul style="list-style-type: none"> • Assessment of Quantitative & Qualitative Status of the Aquifer Systems • Economic Analysis of Water Use (update) • Assessment of Climatic characteristics of the Maltese River Basin District • Consultation Meetings with key Stakeholders • Draft Programme of Measures and Economic Impact Assessment • National Conference to launch public consultation of RBMP • Draft Monitoring Programme for surface waters (update) • Installation of Multi jet meters for boreholes will be completed 	31st October 2015		Y	Y	N/A	N/A
	5 - A realistic and mature pipeline for projects for which	• Adopt Comprehensive Transport Plan	30th June 2016	Ministry for Transport and	N	N	Q2 2016 ⁴	The National Transport Strategy which is an overarching document setting out the vision for the

⁴ The process may be delayed on the basis of the public consultation which will be held in April 2016.

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	support from the ERDF and the Cohesion Fund is Envisaged.	<ul style="list-style-type: none"> • Publish Plan including SEA • Adopt Comprehensive Transport Plan 		Infrastructure (MTI) Integrated Transport Strategy Directorate within Transport Malta				transport sector by 2050 will be published for Public Consultation in April. This will then pave the way towards the consolidation of the Transport Masterplan that will identify concrete measures (i.e pipeline of projects) that are to be undertaken by 2025. The Transport Masterplan will then be subject to a Strategic Environmental Assessment (SEA) screening. Depending on the outcome of the screening it would be determined if an SEA would be required.
	1- the existence of a comprehensive transport plan or plans or framework or frameworks for transport investment which complies with legal requirements for strategic environmental assessment	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan • Publish Plan including SEA • Adopt Comprehensive Transport Plan 	30th June 2016					
	2- the contribution to the single European Transport Area consistent with Article 10 of Regulation (EU) No .../2013 of the European Parliament and of the Council, including priorities for investments in:	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan • Publish Plan including SEA • Adopt Comprehensive Transport Plan 	30th June 2016					Same as above

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
	3 - The core TEN-T network and the comprehensive network where investment from the ERDF and the Cohesion Fund is envisaged;	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan • Publish Plan including SEA • Adopt Comprehensive Transport Plan 	30 th June 2016					Same as above
	4 - Secondary connectivity;	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan • Publish Plan including SEA • Adopt Comprehensive Transport Plan 	30 th June 2016					Same as above
	6 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan • Publish Plan including SEA • Adopt Comprehensive Transport Plan 	30 th June 2016					Same as above
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive	1 - The existence of a section on inland-waterways and maritime transport, ports, multimodal links and airport infrastructure within the transport plan or plans or framework or frameworks	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan • Publish Plan including SEA • Adopt Comprehensive Transport Plan 	30 th June 2016	Ministry for Transport and Infrastructure (MTI) Integrated Transport Strategy Directorate				Same as above

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN - T comprehensive and core networks and to promoting sustainable regional and local mobility.	2 - complies with legal requirements for strategic environmental assessment;	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan • Publish Plan including SEA • Adopt Comprehensive Transport Plan 	30 th June 2016	within Transport Malta				
	3 - sets out a realistic and mature project pipeline (including a timetable and budgetary framework);	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan • Publish Plan including SEA • Adopt Comprehensive Transport Plan 	30 th June 2016					Same as above
	4 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan • Publish Plan including SEA • Adopt Comprehensive Transport Plan 	30 th June 2016					Same as above

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	1 - A national strategic policy framework for poverty reduction, aiming at active inclusion, is in place that:	<ul style="list-style-type: none"> Public Consultation on the green paper (completed) Finalisation of the General Strategy framework and the respective operational procedures containing recommendations and policies, based on the feedback received during the public consultations on the green paper. 	31 st Dec 2014	Ministry for the Family and Social Solidarity	Y	Y	N/A	<p>Fulfilled</p> <p>Refer to:</p> <p>National Strategic Policy for Poverty Reduction & Social Inclusion (Malta 2014-2024)</p>
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	1 - A national or regional strategic policy framework for health is in place that contains:	A Health Systems Performance Assessment (HSPA) tool is being developed as the monitoring framework for the NHSS. The budgetary framework for the NHSS is being developed. The drawing up of the budgetary framework could not start before the finalisation of the strategy following the extensive feedback received during the consultation phase.	31 st Dec 2014	Overall responsibility is vested in the Ministry for Energy and Health; Responsibility and implementation will be carried out under the direction and stewardship of the Permanent Secretary responsible for Health within the Ministry for Energy and Health	Y	Y	N/A	<p>Refer to:</p> <p>National Health Systems Strategy for Malta 2014-2020 (has been published and launched on 16/09/2014 and supplemented by the following additional two documents:</p> <p>1. The Health System Performance Assessment</p> <p>2. A Budgetary Framework for the National Health Systems</p>
	4 - A monitoring and review system.	A Health Systems Performance Assessment (HSPA) tool is being developed as the monitoring framework for the NHSS. The indicators for monitoring the performance of the local						

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<p>public health system have been chosen and prioritised following extensive consultation with a number of stakeholders. The conceptual framework behind the HSPA has now been revisited and refocused following these consultations and the data collection for the compilation of a first assessment is already underway.</p>						
	<p>5 - A Member State or region has adopted a framework outlining available budgetary resources on an indicative basis and a cost-effective concentration of resources on prioritised needs for health care.</p>	<p>The budgetary framework for the NHSS is being developed. The drawing up of the budgetary framework could not start before the finalisation of the strategy following the extensive feedback received during the consultation phase. The interim actions can be summarised as follows:</p> <ul style="list-style-type: none"> • Draw up of Action Plan (Completed) • Development of Terms of Reference for an Economist/ Accountant to Assist with Drawing Up the Budgetary Framework (Completed) 						

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<ul style="list-style-type: none"> • Review Proposed Action Plan and present it for approval (completed) • Contract Out Budgetary Framework; (completed) • Present Budgetary Framework to Permanent Secretary and Parliamentary Secretary (Health) • Present Action Plan and Budgetary Framework to Parliamentary Committee on Health • Present to Cabinet 						
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	1 - A system for collecting and analysing data and information on ESL at relevant levels is in place that:	<p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> • Various meetings between ESL Unit and various departments within the Directorate for Educational services and Directorate for Quality and Standards on the exit survey, E1 platform, tracer study, audits in non-state sector and data gathered in compulsory education • The stock taking exercise is brought to a 	31 st Dec 2014	Early School Leaving Monitoring (ESL) Unit, Office of the Permanent Secretary, Ministry for Education and Employment				<p>Fulfilled</p> <p>Through the Early School Leaving Unit (ESLU) established within the Directorate for Lifelong Learning and Early School Leaving, a comprehensive data collection framework in line with strategic action 2.4 of the Strategic Plan for the Prevention of Early School Leaving in Malta is being implemented.</p> <p>Refer to Strategy titled: A strategic plan for the prevention of Early School Leaving in Malta - 2014</p>

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<p>close. The ESL Unit analyses the information gathered from the preparatory stock taking exercise and prepares for a meeting between all the stakeholders involved in the gathering of data in line with Strategic Action 2.3 of the Strategic Plan for the Prevention of Early School Leaving in Malta.</p> <ul style="list-style-type: none"> • Setting up of working group that will assess and give direction • The Monitoring system will be in place 						
	<p>2 - provides a sufficient evidence-base to develop targeted policies and monitors developments</p>	<p>Various meetings between ESL Unit and various departments within the Directorate for Educational services and Directorate for Quality and Standards on the exit survey, E1 platform, tracer study, audits in non-state sector and data gathered in compulsory education</p> <ul style="list-style-type: none"> • The stock taking exercise is brought to a close. The ESL Unit analyses the information gathered from the preparatory stock taking exercise and prepares for 	<p>31st Dec 2014</p>	<p>Working Committee within the National Commission for Further and Higher Education</p>				

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<p>a meeting between all the stakeholders involved in the gathering of data in line with Strategic Action 2.3 of the Strategic Plan for the Prevention of Early School Leaving in Malta</p> <ul style="list-style-type: none"> • Setting up of working group that will assess and give direction • The Monitoring system will be in place 						
<p>T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165</p>	<p>1 - A national or regional strategic policy framework for tertiary education is in place with the following elements:</p>	<p>Setting up of FHE Policy Update Coordinating Team</p> <ul style="list-style-type: none"> • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 • Draft report presented to the coordinating team • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy • Organization of a half-day working conference with stakeholders to present data on provision, 	<p>31st Dec 2014</p>	<p>Working Committee within the National Commission for Further and Higher Education</p>				<p>Fulfilled</p> <p>Refer to Strategy titled:</p> <p>Higher Education Strategy for Malta - 2014</p>

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		report on progress of achievement of targets and to launch						
	2 - where necessary, measures to increase participation and attainment that:	<p>Setting up of FHE Policy Update Coordinating Team</p> <ul style="list-style-type: none"> • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 • Draft report presented to the coordinating team • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations • Consolidation of outcome of conference in a draft policy document to 	31st Dec 2014	Working Committee within the National Commission for Further and Higher Education				

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		be presented to the coordinating team						
	3 - increase higher education participation among low income groups and other underrepresented groups with special regard to disadvantaged people, including people from marginalised communities;	<p>Setting up of FHE Policy Update Coordinating Team</p> <ul style="list-style-type: none"> • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 • Draft report presented to the coordinating team • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team (completed) Publication 	31st Dec 2014	Working Committee within the National Commission for Further and Higher Education				

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		and dissemination of Final Policy Report on Higher Education – 2020						
	4 - reduce drop-out rates/improve completion rates;	<p>Setting up of FHE Policy Update Coordinating Team</p> <ul style="list-style-type: none"> • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 • Draft report presented to the coordinating team • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy (completed) • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team 	31st Dec 2014	Working Committee within the National Commission for Further and Higher Education				

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		Publication and dissemination of Final Policy Report on Higher Education – 2020						
	5 - encourage innovative content and programme design;	<ul style="list-style-type: none"> • Setting up of FHE Policy Update Coordinating Team • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 • Draft report presented to the coordinating team • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations • Consolidation of outcome of conference in a draft policy document to 	31st Dec 2014	Working Committee within the National Commission for Further and Higher Education				

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<p>be presented to the coordinating team</p> <p>Publication and dissemination of Final Policy Report on Higher Education – 2020</p>						
	<p>6 - measures to increase employability and entrepreneurship that:</p>	<p>Setting up of FHE Policy Update Coordinating Team</p> <ul style="list-style-type: none"> • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 • Draft report presented to the coordinating team <p>Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy</p> <ul style="list-style-type: none"> • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations 						

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<ul style="list-style-type: none"> • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team Publication and dissemination of Final Policy Report on Higher Education – 2020 						
	7 - encourage the development of "transversal skills", including entrepreneurship in relevant higher education programmes;	<ul style="list-style-type: none"> Setting up of FHE Policy Update Coordinating Team • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 • Draft report presented to the coordinating team • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation 	31 st Dec 2014	Working Committee within the National Commission for Further and Higher Education				

Ex-ante conditionality	Criteria non- fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled(Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<p>process on policy recommendations</p> <ul style="list-style-type: none"> • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team <p>Publication and dissemination of Final Policy Report on Higher Education – 2020</p>						
	<p>8 - Reduce gender differences in terms of academic and vocational choices.</p>	<ul style="list-style-type: none"> • Setting up of FHE Policy Update Coordinating Team • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 • Draft report presented to the coordinating team • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of 						

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<p>achievement of targets and to launch consultation</p> <ul style="list-style-type: none"> • process on policy recommendations • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team <p>Publication and dissemination of Final Policy Report on Higher Education – 2020</p>						
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	1 - A national or regional strategic policy framework for lifelong learning is in place that contains measures:	<ul style="list-style-type: none"> • The (draft) strategy was launched in Oct 2014 for public consultation, with the involvement of MCESD. Meetings with individual stakeholders will be held accordingly (completed) • Minister and Cabinet endorsement will follow 	31st Dec 2014	Directorate for Life Long Learning within the Ministry for Education and	Y	Y	N/A	<p>Fulfilled</p> <p>Refer to Strategy titled:</p> <p>Malta National Lifelong Learning Strategy for Malta - 2020</p>
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	1 - A national or regional strategic policy framework is in place for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU which includes measures for the following:	<ul style="list-style-type: none"> • High level consultation meeting with key stakeholders: MCAST, ETC, ITS, MEDE, DLLL, Director Early School Leaving and MCESD. Representatives to discuss in depth the detail of the key recommendations drafted by NCFHE. Feedback to 	31st Dec 2014	Ministry for Education and Employment	Y	Y	N/A	<p>Fulfilled</p> <p>Refer to Strategy titled:</p> <p>National Vocational Education and Training Policy for Malta</p>

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
		<p>be noted and amendments made as necessary</p> <ul style="list-style-type: none"> • A roundtable consultation to be held with members of stakeholders (both direct and indirect) to include the private sector, University representatives, Agenzija Zghazagh, to discuss in more depth the recommended actions put forward by the key stakeholders • NCFHE to undertake an extensive exercise to be able to finalise both the text within the said policy as well as to pin down concrete action measures and targets (completed) • Conclude the policy 						
	<p>2 - to improve the labour market relevance of VET systems in close cooperation with relevant stakeholders including through mechanisms for skills anticipation, adaptation of curricula and the strengthening of work-based</p>	<ul style="list-style-type: none"> • High level consultation meeting with key stakeholders: MCAST, ETC, ITS, MEDE, DLLL, Director Early School Leaving and MCESD. Representatives to discuss in depth the detail of the key recommendations drafted by NCFHE. Feedback to be noted and 	<p>31st Dec 2015</p>	<p>National Commission for Further and Higher Education within the Ministry for Education and Employment</p>				

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
	learning provision in its different forms;	<p>amendments made as necessary</p> <ul style="list-style-type: none"> • A roundtable consultation to be held with members of stakeholders (both direct and indirect) to include the private sector, University representatives, Agenzija Zghazagh, to discuss in more depth the recommended actions put forward by the key stakeholders • NCFHE to undertake an extensive exercise to be able to finalise both the text within the said policy as well as to pin down concrete action measures and targets • Conclude the policy 						
	3 - to increase the quality and attractiveness of VET including through establishing a national approach for quality assurance for VET (for example in line with the, European Quality Assurance Reference Framework for Vocational Education	<ul style="list-style-type: none"> • High level consultation meeting with key stakeholders: MCAST, ETC, ITS, MEDE, DLLL, Director Early School Leaving and MCESD. Representatives to discuss in depth the detail of the key recommendations drafted by NCFHE. Feedback to be noted and 	31 st Dec 2014	National Commission for Further and Higher Education within the Ministry for Education and Employment				

Ex-ante conditionality	Criteria non-fulfilled	Actions taken	Deadline (date)	Bodies responsible	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining	Commentary (for each action)
	and Training) and implementing the transparency and recognition tools, for example European Credit system for Vocational Education and Training. (ECVET).	<p>amendments made as necessary</p> <ul style="list-style-type: none"> • A roundtable consultation to be held with members of stakeholders (both direct and indirect) to include the private sector, University representatives, Agenzija Zghazagh, to discuss in more depth the recommended actions put forward by the key stakeholders • NCFHE to undertake an extensive exercise to be able to finalise both the text within the said policy as well as to pin down concrete action measures and targets • Conclude the policy 						