

# ANNUAL IMPLEMENTATION REPORT FOR THE EMFF

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## 2. OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME (ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013)

Key information on the implementation of the Operational Programme for the year concerned, including on financial instruments, with relation to the financial and indicator data.

The MA is hereby presenting the fourth AIR for the EMFF OP in Malta covering the fifth year of the EMFF implementation in Malta, whose format is set on the model presented in Article 2 of Regulation [EU] No.1362/2014 and whose main objective is to provide EMFF key stakeholders with information on the implementation of the Operational Programme [OP] in 2018.

The implementation of the EMFF OP in 2018 mainly centred on the achievement of N+3 targets and Performance Framework (PF) output and financial indicators to be met by end 2018. Efforts were concentrated on the constant monitoring of operations awarded in 2016 and 2017 (9 operations already under implementation out of the 13 planned operations to be met by end 2018). In this regard, direct and regular contact with these beneficiaries was maintained. Issues in need of address were highlighted and discussed amongst the necessary stakeholders in order to speed up implementation. By end 2017, all calls targeting the achievement of the PF were already issued and were almost all awarded. Thus, calls issued in 2018, were mostly in response to operations withdrawn by beneficiaries following award, lack of demand encountered for certain measures, and the maximisation of allocation of funds. Focus was thus mainly on the monitoring and facilitation of processes, issuance of calls under Union Priority (UP) 1 and UP 2 and the completion of evaluation of submitted project proposals (UP1, UP2 and UP3). In early 2018, six of the above mentioned operations were already in advanced stages of implementation and it was thus foreseen that PF indicators should be achieved and that no issues should be met for UP 5 and 6 as these operations were well underway.

Ten EMFF calls were issued in 2018 to address the commitment of funds and the achievement of PF output and financial indicators considering also targets to be met by 2023. A total of six calls were launched under UP1; three calls under UP2 and one call under UP3. Calls were mainly issued between January till September, with the last call deadline closing in October 2018.

The first two calls issued in January were a follow-up of the fisher calls issued in October 2017, Article 41.1 of Reg. [EU] No. 508/2014 (EMFF Regulation): *On board investments; energy efficiency audits and schemes and studies* with a total public eligible budget of €475,000 and Article 30 of the EMFF Regulation: *Diversification and new forms of income* (total public eligible budget of €525,000). These calls were again re-issued in June 2018 due to the lack of demand experienced. In February, two restricted calls were issued targeting the remaining funds to be allocated under Article 43.1 of the EMFF Reg, with an allocated budget of €4,300,000.

Under UP2, one open call was issued in July targeting *Productive Investments in Aquaculture* in accordance to Article 48.1 of the EMFF Regulation (budget allocation of €2million). Two restricted calls were also issued in 2018 under this priority for Article 47 (*Innovation*) with a budget of €800,000.

The last call issued was in September, a restricted call for DFA as the competent body under UP3 to target the remaining budget to be allocated under Article 76: *Control and Enforcement* (total public eligible of €2,630,000).

With reference to Article 97 of Reg.(EU) No.508/2014 and the MA's responsibility to provide information and promote the OP, its operations and the community contribution, the MA online EMFF webpage[1] was regularly updated throughout the year to ensure that it includes the necessary information including regulations, publications, reports, EMFF supporting documentation, list of selected operations[2] as laid down in Article 119 of Reg. (EU) No.508/2014 and other, miscellaneous documents pertaining to EMFF upcoming calls.

Considering the promotion of open calls, adverts were published on the Government Gazette and on all local Sunday printed newspapers informing potential applicants while also providing information about upcoming calls being issued. In view of the fishermen calls under UP1, two information sessions were organised, on 25 January and 20 July respectively. An information session was held on 26 July in respect of the UP2 Aquaculture open call. MA officials were also readily available through the use of phone calls, email messaging and meetings to assist prospective applicants with their queries.

The fourth meeting of the Monitoring Committee (MC) was held on 4 May whereby an update on the implementation of the OP was provided to MC members and whereby OP proposed amendments already adopted by the MC (see below) were further discussed considering feedback provided by the European Commission (EC). Subsequent to MC approval, the proposed OP amendments were put forward for EC's approval. Version 4.1 of the EMFF OP for Malta was adopted by EC on 15 December. On 19 April 2018, a written procedure was issued amongst MC members in accordance with Article 7 of the MC's terms of reference whereby amendments to the EMFF OP v3.2 and amendments to the EMFF Admissibility and Selection Criteria were approved. The Annual Review Meeting between MA and EC representatives was held on 20 November.

On 14 June, EC transferred a pre-financing amount of €584,918.87 to the EMFF account held by the CA [CBM], corresponding to 2.75% of the EMFF support allocated for the programming period. Six Statement of Expenditures [SOEs] by Fund were completed in 2018, two of which were completed by accounting year ending 30 June 2018 whose claim for payment amounting to €311,941.30 (EU share) was submitted to EC on 24 July and four SOEs completed for accounting year ending 30 June 2019 which interim payment claims amounting to €3,988,749 (EU Share) were submitted to EC on 14 and 21 December 2018 respectively.

The decommitment risk as at 1 January 2018 stood at €3,077,697.91. Following the payment applications made as mentioned above and recoveries applied by end 2018, this risk did not materialise and in fact circa €1,219,481.66 extra funds (EU share) were certified by end December 2018.

In view of the Performance Framework, 2018 financial and output indicators were deemed to be met for all Union Priorities in view of payments made by 2018. Under UP1, ten operations were underway with €4,234,319.23 (public eligible) payments made in comparison to the set milestones [6 operations; €2Mill]. Three operations were under implementation for UP2 with €1,146,369 payments made [milestones: one operation; €500,000]. 11 operations were underway for UP3 with €3,461,156.94 payments. Under UP5, one operation was almost completed with €249,158.35 payments made. Under UP6, one operation was also in advanced stages with €1,020,600.00 payments made.

[1]

<http://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Pages/EMFF-2014-2020.aspx>

[2]

<http://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%202014-2020/List%20of%20Operations%2026102016.pdf>

### 3. IMPLEMENTATION OF THE UNION PRIORITIES

#### 3.1. Overview of the implementation (Article 50(2) of Regulation (EU) No 1303/2013)

Information should be provided as short and general commentary on the implementation of the Union priorities and technical assistance for the year(s) concerned with reference to key developments, significant problems and steps taken to address these problems.

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
<p>1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries</p>	<p><u><i>Calls Launched in 2018 &amp; Evaluation of Project Applications:</i></u></p> <p>A total of 6 calls were issued in 2018, 4 of which were directly targeted at local fishers.</p> <p>The first two calls issued related to <b>Article 41.1: On board investments; energy efficiency audits and schemes and studies</b>, a call aimed at fishing vessel owners for investments in equipment or on board (total public eligible budget of €475,000) and <b>Article 30 of Reg. [EU] No. 508/2014: Diversification and new forms of income</b> (total public eligible budget of €525,000).</p> <p>Adverts for the promotion of calls were published on the Government Gazette and local Sunday newspapers. Information sessions were also held whereby guidance to fishers was provided. As in 2017, with the aim of further assisting potential applicants, application forms, annexes (where applicable) and Admissibility &amp; Selection Criteria were also issued in Maltese. Relevant documentation including Fact Files bearing FAQs were uploaded on the MA's website.</p> <p>Potential applicants were notified of the calls via SMS notification with MA officials also available on a daily basis through phone calls, email messaging and meetings held to assist prospective applicants with their queries.</p> <p>These calls were accompanied by assistance to applicants from the customer care unit within DFA and the Ministry of Gozo. With the aim of ensuring impartiality, officials external to the MA were appointed to assist fishers in filling in applications and/or assisting them in their queries. Prior to the provision of this assistance, training was also provided by the MA to these officials to provide the necessary information and guidance. Unfortunately notwithstanding these efforts, only one application was submitted under each call which unfortunately resulted in both applications being considered as inadmissible in line with the Admissibility Criteria adopted by the MC as several criteria were not met namely:</p>

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<p>a) untimely submission (Article 41.1) and b) incomplete application (Article 30).</p> <p>In view of the low response rate and with the aim of addressing performance framework targets, these calls were re-issued on 28 June. One proposal was submitted under Article 41.1 which by end 2018 was in advanced stages of evaluation.</p> <p>Following the submission of required documentation by applicants between January and February 2018 for the fisher calls issued in October 2017, Quarter 2 saw the completion of the evaluation process of submitted applications. To this end, an admissibility check on all submitted 8 applications under Article 41.1 was conducted out of which 5 resulted in being inadmissible in line with the adopted Admissibility Criteria and on the basis of eligibility requirements of Commission Delegated Regulation (EU) 2015/531. The remaining 3 proposals were evaluated by the Project Selection Committee in light of the applicable selection criteria, following which clarifications were sought, proposals were ranked and awarded accordingly by mid June. After acceptance of award, the implementation of these operations was in full force with the aim to reach 2018 PF milestone indicators.</p> <p>In February, 2 restricted calls were issued targeting the remaining funds to be allocated under <b>Article 43.1 (Fishing ports)</b>, with an allocated budget of €4,300,000. This reason for the re-issuance of this call was the withdrawal of operation <b>EMFF 1.23.4</b> (Delimara Breakwater project) by Transport Malta in respect of reconsiderations at conceptual and design level. As a consequence, a restricted call was issued to the Ministry for Gozo as the competent authority through which a proposal for the <i>Upgrading of the Fisheries' Infrastructure of Gozo</i> was submitted. This proposal was complemented by a proposal submitted by Transport Malta for the <i>Upgrading of Mgarr Gozo and Marsaxlokk Malta Fishing Ports</i> in response to a second restricted call issued. These proposals were evaluated by the PSC and awarded in early October (<b>EMFF 1.23.5 &amp; EMFF 1.23.6</b>). Throughout this process, preparatory activities relating to the readiness of these operations were undertaken in order to ensure effective implementation. In this regard, public procurement processes were already underway which thus led also to the processing of payments by end 2018.</p> <p><u>Ongoing Operations:</u></p> <p><b>EMFF 1.16.1</b> - <i>A scientific study to improve trawl gear selectivity</i>, under Article 39, was well underway in 2018 and as at time of reporting is in completion stages. Through this operation, scientific</p>



Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<p>research was conducted to improve the gear selectivity of the 40mm square mesh size currently in use by the Maltese otter board trawling fleet so as to reduce discards of <i>Merluccius merluccius</i> (European hake) and <i>Parapenaeus longirostris</i> (Deep-water rose shrimp). By end 2018, conclusions of the results were identified and disseminated to the fisheries sector.</p> <p>Similar to the above operation, <b>EMFF 1.4.1 – Training for Fishers</b>, under Article 29, was also in advanced stages of implementation in 2018 whereby a two-day seminar and 2 STCW accredited training modules courses were offered to registered professional fishers by DFA. A certificate giving and closing ceremony was also held on 26 July whereby certificates were disseminated to fishers successfully completing one or both of the training modules. The courses were aimed at improving the knowledge and skills of local fishers, thus the overall standard of the local fishing industry.</p> <p>Although, operation <b>EMFF 1.23.1 - The Construction and Finishing of an Office on the Fish Landing Site in the Marsaxlokk Designated Port</b> was also expected to be completed in 2018, due to unforeseen circumstances, this operation was not complete by end 2018. Implementation including the signature of the grant agreement was unfortunately hindered by the delay in the issuance of the Department of Lands clearance certificate and delays in procurement processes where public calls for tender for the main activity of the operation had to be re-issued due to lack of bids received and over-priced bids. However, by end 2018, procurement and payment processes were finalised for other activities of this operation.</p> <p><i>The Refurbishment and Upgrading of Slipways in the port of Marsaxlokk (EMFF 1.23.2) and the Construction of a Breakwater at Qrejten point in the port of Marsaxlokk (EMFF 1.23.3)</i> were also under implementation by Transport Malta in 2018 with payments made by end 2018.</p> <p>Regular monitoring, bilateral meetings and management verifications were held to ensure effective implementation. Out of the €4,234,319.23 declared public eligible payments, €3,649,391.43 were certified partly by end 2018 (€1,980,024.67) and the remaining by end May 2019.</p> <p><u>OP Amendments:</u></p> <p>Considering the difficulties encountered under Article 30, Article 41.1 &amp; Article 41.2, measures were taken by the MA to mitigate</p>

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<p>and address as further described in Section 4.2. Re: Article 41.2, the Annual Fleet Capacity Report on fleet segment balance/imbalance shall be issued by the DFA by end May 2019.</p> <p>I</p>
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	<p><u><i>Calls Launched, Evaluation of Calls and Operations under Implementation in 2018:</i></u></p> <p>Taking into account 2016 and 2017 developments in relation to the redirection of the implementation of this union priority in Malta whereby due to unforeseen issues the originally targeted operation, i.e. the construction of a commercial scale Marine Hatchery, could not be implemented at the time, the last quarter of 2017 and year 2018 saw a more concerted effort on addressing the decommitment risk and achieving performance framework targets. Whilst the investment in a commercial scale Marine Hatchery is still considered to be a priority for Malta in line with the Aquaculture Strategy for the Maltese Islands, in order to reach the said targets, alternative proposals also addressing the objectives of this union priority were sought and thus as outlined in the Annual Implementation Report for year 2017, following the adoption of version 3.2 of the EMFF OP whereby Article 48.1.(a-d, f-h) was introduced in early October 2017, two open calls on <i>Productive investment in aquaculture</i> were issued to the public under Article 48.1 (a-d, f-h) and (e, i.j) of the EMFF Regulation on 24th November 2017.</p> <p>By call closure deadline, 12th January 2018, two project proposals were submitted by two enterprises, one for each measure respectively. Following receipt of these applications and similarly to all applications received, a completeness check was undertaken in the first quarter of 2018 whereby applicants were requested to submit any pending required documentation. This was then followed by the evaluation of both applications by the Project Selection Committee wherein a clarification period also ensued leading to the conclusion of the evaluation and the award of these operations by the second quarter of 2018. Meetings and regular monitoring were held with beneficiaries and contact persons of the selected operations (<b>EMFF 2.2.1</b> and <b>EMFF 2.3.1</b>) in order to ensure the effective implementation of the operations bearing in mind commitments and indicators to be met by end 2018. Throughout quarter 3 and quarter 4, these discussions also</p>

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<p>led to the signature of grant agreements for both operations mentioned above.</p> <p>By quarter 2 of 2018, the MA sought to address the fact that funds under UP3 were not fully committed. Hence, another open call targeting the same measures mentioned above was issued on 13th July 2018 with a call deadline till the 31st August 2018. An information session was also held for prospective applicants on 26th July 2018. As with other calls open to the public, the call was promoted in the Government Gazette and on all Sunday newspapers with the aim of ensuring wide coverage. Information on the call and the relevant documentation including the application in e-form was uploaded on the MA's webpage for ease of access by beneficiaries. The information session held aimed to provide applicants with information and guidance on the call for proposals, procedures to be followed and requirements to be met. One application was received by the call deadline which was subsequently evaluated by the Project Selection Committee and awarded by October 2018 (<b>EMFF 2.2.2</b>). Similarly to all operations, in order to facilitate and ensure effective implementation, meetings and contact were held with the beneficiary organisation in this regard.</p> <p>In view of EMFF OP amendments whereby <b>Article 47</b> of the EMFF Regulation - <i>Innovation</i>, was adopted by the MC in May 2018, a restricted call was subsequently issued in mid-May 2018 for DFA as the competent authority. Unfortunately the submitted proposal was not found admissible by the Project Selection Committee taking into consideration the Admissibility Criteria adopted by the Monitoring Committee in April 2018 which basis is also reflected in Article 46 of the EMFF Regulation. For this reason, the proposal entitled the <i>Extensive refurbishment of the aquaculture directorate, at Fort San Lucjan, Marsaxlokk</i> was rejected. In September 2018, another restricted call was issued through which another proposal was submitted by the DFA in October whose evaluation was ongoing by end 2018.</p> <p>By end 2018, circa €1,146,369 were paid under UP2 in total through operation <b>EMFF 2.2.2 – Increasing Productivity, Efficiency and Sustainability of Blue-fin Tuna Fish Farming Operations</b>, operation <b>EMFF 2.3.1 -Productive investment in non-food aquaculture using Recirculation Aquaculture Systems [RAS] in AquaBioTech Group to improve resource efficiency, reducing usage of water and chemicals as well as to ensure the safe operation of existing and new RAS units</b> and operation <b>EMFF 2.2.1: Productive aquaculture investments at Pisciculture Marine de Malte Ltd.</b></p>

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<p>Taking into consideration the performance framework, by end 2018 output and financial indicators were deemed to be met with payments effected under all three awarded and under implementation operations as mentioned above. Unfortunately as at time of reporting, for reasons further explained in the related sections of this report including Section 15, circa €1,095,660.93 out of the above mentioned public eligible payments were not certified in 2019 in order to safeguard the Union's financial interests . These payments may be certified at a later stage subject to outcomes of controls taken by competent authorities. In this regard, by end 2018 €50,708.07 were certified by end 2018.</p>
3 - Fostering the implementation of the CFP	<p><u><i>Calls Launched &amp; Evaluation of Project Proposals in 2018:</i></u></p> <p>Following the closure of the first and second restricted call for proposals under Article 76, <i>Control and Enforcement</i> and the submission of proposals from the Department of Fisheries and Aquaculture as the competent authority towards end 2017, a request to amend the said proposals was made in January 2018. In this regard, these proposals were subsequently revised and resubmitted by mid-March 2018 after which these were evaluated between quarter 2 and quarter 3 of 2018 by the Project Selection Committee. Clarifications were also sought and addressed throughout this period. As mentioned in the Annual Implementation Report for year 2017, the calls issued targeted all the eleven (11) operations adopted in the EMFF OP as per Section 12.4. To this effect by mid-September 2018, through the award of these proposals, nine operations were foreseen to be implemented out of which four operations were under implementation by end 2018.</p> <p>With the aim of allocating all Control and Enforcement related funds and addressing all the planned operations listed in Section 12.4 of the OP, a restricted call was issued under this measure in end September 2018 with an allocated budget of €2,630,000, whereby a proposal was submitted by the DFA as the competent authority towards end 2018. In this respect, the evaluation of this proposal is expected to be undertaken in 2019.</p> <p><u><i>Ongoing Operations:</i></u></p> <p>Throughout 2018, contact was maintained and discussions held with the beneficiary organisation and related stakeholders where applicable, in order to ensure the effective implementation of these operations and the achievement of the set milestone indicators and decommitment targets. Regular monitoring and meetings held including bilateral meetings aimed to discuss any pending and/or</p>

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<p>important issues for follow-up including the state-of-play of implementation and payment processes.</p> <p>During 2018, the implementation of operations awarded in 2016 and 2017 under <i>Article 77 Data Collection</i> of Regulation [EU] No 508/2014 was in full force with operation <b>EMFF 6.2.1- Data Collection Framework Multiannual Programme 2014-2016</b> being in a very advanced stage of implementation and with <b>EMFF 6.2.2 - Data Collection Multi-annual Programme 2017 – 2019</b> being under implementation by end 2018. In this respect, circa €2,193,544.80 (public eligible) worth of payments were processed by 31st December 2018.</p> <p>With reference to the awarded operations under <i>Article 76 Control and Enforcement</i> circa €1,267,612.14 were paid and processed by end 2018 through the following operations:</p> <ul style="list-style-type: none"> <li>• <b>EMFF 6.1.2 a</b> - <i>The purchase, installation and development of technology;</i></li> <li>• <b>EMFF 6.1.2 b</b> - <i>The development, purchase and installation of the components to ensure data transmission;</i></li> <li>• <b>EMFF 6.1.1 c</b> - <i>The development, purchase and installation of the components necessary to ensure the traceability of fishery and aquaculture products; and</i></li> <li>• <b>EMFF 6.1.1 e</b> - <i>The modernisation and purchasing of patrol vessels, aircrafts and helicopters.</i></li> </ul> <p>Regrettably notwithstanding the direct contact maintained and increased focus on implementation, unforeseen delays in public procurement processes were encountered under several of the awarded Control and Enforcement operations, even though some of the calls for tenders were issued in early 2018. This ultimately resulted in late implementation of these operations and delayed payments being effected towards end 2018.</p> <p>The operations being implemented under Control and Enforcement through EMFF funding aim to address the specific objective linked to these measures, namely “the provision of support to monitoring, control and enforcement, thereby enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden”. Consequently, in line with the planned types of operations listed in Section 12.4 of the OP, amongst others, some of the activities being implemented through the awarded operations relate to the:</p>

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<ul style="list-style-type: none"> <li>• Purchase of hand pallet trucks to assist with fish weighing at the Fish Market</li> <li>• Development of a Sales Notes System</li> <li>• Purchase of two Rigid Hull Inflatable Boats [RHIBs] to assist DFA employees during control missions</li> <li>• Purchase and installation of CCTV cameras, automated weighing and labelling stations, Replacement of VMS units on circa 149 vessels and installation of GPRS trackers on vessels smaller than 10 metres</li> <li>• Training for DFA officials responsible for the monitoring, control and surveillance of fisheries activities</li> <li>• Production of TV and radio adverts in order to raise public awareness of the implementation of the Common Fisheries Policy [CFP] and the importance to fight illegal, unreported and unregulated fishing</li> <li>• Purchase of a Stereoscopic Camera, Ancillary Equipment and IT Hardware to enable DFA to fulfil its EU Obligations with regards to ICCAT regulation 14-04, improving DFA's service to the Bluefin Tuna farming industry and increasing efficiency in the data recording and processing of BFT caging operations</li> <li>• Purchase of five Unmanned Aerial Vehicles.</li> </ul> <p>With regards to the increased rate of implementation of Union Priority 3 and the increase in payment claims in 2018, particularly in relation to the implementation of Article 77- Data Collection, management verifications also increased drastically in 2018 in comparison to the previous years. Financial corrections and recommendations were made accordingly where applicable, which recoveries were also deducted from the certified payment claims made to the European Commission. Out of the €3,461,156.94 public eligible payments declared by beneficiaries by end 2018, €3,081,901.91 were certified via payment claims made to EC of which €2, 464,344.09 were certified by end 2018 and €617,557.82 are to be certified by end May 2019.</p>
5 - Fostering marketing and processing	<p>Further to the open call issued under Article 68 of the EMFF Regulation: <i>Fostering marketing and processing</i> in end July 2017, the proposal submitted in mid-September was evaluated in 2017 and subsequently awarded in January 2018. Since this operation absorbed all the allocated funding under this Union Priority, no further calls were launched in 2018.</p> <p>In this regard, €250,000 (public eligible) were awarded to operation <b>EMFF 4.3.1 'Nesploraw Flimkien it-Teżori tal-Bahar!'</b> (<i>Exploring Together the Treasures of the Sea!</i>). Through this operation a promotional campaign was launched with the main</p>

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<p>objectives of [i] increasing awareness of the state of local fish stocks [ii] promoting sustainable fish consumption and [iii] increasing the importance of each citizen's role in assisting in conservation efforts. This campaign was launched by the Department of Fisheries and Aquaculture in partnership with the Department of Curriculum, Research, Innovation and Lifelong Learning and the National Literacy Agency, both falling within the remit of the Ministry for Education and Employment.</p> <p>Some of the activities implemented through this operation are: a) broadcasting of adverts through the use of mass media platforms including television and moving ads with the aim to convey the campaign messages to the public at large; b) the development of an educational animated cartoon video clip and its distribution via direct software update of the LearnPad Workbook 10.1" tablet distributed to all pupils in the 4th year of primary school (state, church and independent); c) the development and distribution of an illustrated educational book and a hand-glove puppet of the campaign mascot also distributed to all participating primary schools which resources are expected to be utilised as primary teaching resources (year 3 and year 4) also in the scholastic years to come; and d) open weekend aimed to create an overlapping synergy of disseminated information from different stakeholder through diverse target audiences whereby both youngsters and the general public were targeted.</p> <p>This promotional campaign is complementary to operation EFF 313 Enhancing Fish Consumption through Education/Awareness and Diversification, financed by the European Union through the European Fisheries Fund (2007 – 2013) and which sought to promote sustainable fishing efforts, to diversify the type of fish and fish products sold in the local market and to increase the competitiveness of the sector.</p> <p>As other operations under implementation in 2018, close contact was maintained with the beneficiary organisation to ensure the effective implementation of the operation. Apart from regular monitoring, meetings were also held including a kick-off meeting held following grant award and prior to the signature of the grant agreement and a bilateral meeting held in July 2018. During these meetings important points for follow-up were discussed especially in relation to implementation, contracting and disbursement state-of-play. In July, this operation was already in an advanced stage of implementation with minor activities still to be implemented. Management verifications were conducted by the MA and where necessary financial corrections were applied and recommendations made for future follow-up.</p>

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	As at end 2018, this operation was fully implemented with <b>€249,158.35</b> (public eligible) worth of payments processed by end 2018. Both output (1 operation) and financial indicators (€150,000) set for this Union Priority were thus met by end 2018 in light of the Performance Framework with circa <b>€203,006.64 (public eligible payments)</b> certified and claimed to EC by end 2018.
6 - Fostering the implementation of the Integrated Maritime Policy	<p><u>Ongoing Operations:</u></p> <p>Due to the fact that all funds allocated under Union Priority 6 of the MT EMFF OP were already committed in 2016 (€1,600,000 public eligible) under Article 80.1.c of the EMFF Regulation – <i>Improving the knowledge on the state of the marine environment</i>, no further calls were issued in 2017 and 2018.</p> <p>Throughout 2017 and 2018, operation <b>EMFF 8.3.1 - Marine environmental monitoring: towards effective management of Malta's marine waters</b> contributed to the effective management and sustainable use of marine resources, through sustained environmental monitoring in marine waters with the aim to assess the state of Malta's marine waters on a continuous basis and address current knowledge gaps. Concrete data was used to develop better management practices to address these pressures.</p> <p>In 2018, contact was maintained between the beneficiary organisation, the Environment and Resources Authority (ERA) and the MA with the aim to ensure the effective implementation of the operation and the achievement of Performance Framework milestone indicators and decommitment targets. To this end apart from regular monitoring, meetings including bilateral meetings were held with beneficiary and line ministry representatives whereby the state-of-play of implementation and issues necessitating follow-up were discussed. Progress reports were also compiled in line with the grant agreement. Management verifications were also held in 2018 whereby the expenditures claimed were verified and the transactions were deemed as regular.</p> <p>As a result of the delays experienced during the public procurement process for the call for tender issued by ERA for the required services, the timeliness of the implementation of the operation was impacted and thus in 2018 an addendum was sought in this regard to extend the end date of the operation. With the aim of mitigating this delay and also ensuring timely implementation, communication between ERA and its contractors was ongoing and regular in 2018 taking into account the contract deliverables. Technical meetings</p>



Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<p>were held regularly to discuss and address any issues which arose including the validation of data collected.</p> <p>With reference to activities implemented through the operation, apart from the continuation of the implementation and updating of the monitoring programme and the analysis of monitoring data, in 2018, the second and third stakeholder seminars were held on the 5th October and the 11th December. The main aim of these seminar was to provide an update on the progress of the operation and also discuss any feedback or queries made by the stakeholders. Two press releases were also issued following these workshops by ERA to further promote the operation.</p> <p>By end 2018, the <u>marine database system</u> was developed and shapefiles based on the datasets of the eligible monitoring data in the database made available to the relevant stakeholders in December 2018 through a link, which can be opened through QGIS. 2019 shall see further enhancements made to these datasets to ensure Inspire compliance.</p> <p>A total of €700,600 (total public eligible excluding VAT) were processed and certified In 2018, which payment claims were also declared as expenditure to the European Commission by 14th December. In this respect, the total amount of public eligible funds certified by end 2018 amounted to €1,020,600 under this Union Priority which also mirrors the implementation status of the operation. Performance Framework output (1 operation) and financial milestone (€500,000) indicators were thus met by end 2018.</p>
7 - Technical assistance	<p>As in previous years, during 2018, Technical Assistance (TA) was used mainly to support the implementation of the EMFF Operational Programme. In 2018, a total of €245,023.52 worth of payment claims (total public eligible excluding VAT) were processed by the MA relating to various operations under this UP, namely in relation to the following:</p> <ul style="list-style-type: none"> <li>• Technical Assistance at the initiative of the Member State - Implementation of the Operational Programme</li> <li>• Technical Assistance at the initiative of the Member State - IT Systems</li> <li>• Technical Assistance at the initiative of the Member State - Communication Activities</li> <li>• Technical Assistance at the initiative of the Member State- Improving Administrative Capacity</li> </ul>

Union priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
	<p>Technical Assistance expenditure was mainly related to salaries, promotional activities and material, Monitoring Committee meeting logistical expenses and other IT related payment claims. Apart from the above mentioned activities, technical assistance was also utilised to cover advertising costs incurred for the publishing of various adverts in local newspapers and the Government Gazette in order to promote the calls launched during 2018, more specifically in relation to open calls for fishermen under Union Priority 1 and open calls for aquaculture under Union Priority 2.</p> <p>As mentioned above, technical assistance was utilised to fund the logistical expenses (hiring of the venue and interpretation services) for the fourth EMFF Monitoring Committee (MC) meeting held on 4th May 2018. During this meeting an update on the implementation of the EMFF OP was provided to MC members and further feedback on the proposed amendments to OP version 3.2, already adopted by the Monitoring Committee, were further discussed considering feedback provided by the European Commission (EC). EMFF stakeholders including EC representatives were also invited to present any queries and feedback for discussion.</p> <p>Promotional material was disseminated during the Monitoring Committee meeting mentioned above and also during the annual publicity event held in May 2018 whereby the MA participated in Europe Day activities held both in Malta (9th May) and Gozo (6th May). During the Europe Day celebrations held at Freedom Square in Valletta and Villa Rundle in Victoria, Gozo, a number of stands were put up, including one hosted by the Funds and Programmes Division. Apart from the distribution of EMFF promotional material, information and promotion of the EMFF 2014-2020 was also provided to the general public and queries raised in relation to funding addressed. The event was organised by Europe Direct Information Centre – Valletta, which is hosted by MEUSAC and supported by the European Commission.</p> <p>Administrative verifications and OTS checks controls on TA expenditure were held prior to the certification of payments in line with the applicable procedures. By end 2018 a total of €566,502.62 (public eligible) funds were disbursed under this Union Priority</p>

### 3.2. Result, output and financial indicators for EMFF (Article 50(2) of Regulation (EU) No 1303/2013)

Union priority	6 - Fostering the implementation of the Integrated Maritime Policy
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Table 1: Result indicators for the EMFF - 6

Specific objective	Result indicator	Measurement unit	Target value (2023)	Cumulative value	2018
1 - Development and implementation of the Integrated Maritime Policy	6.3 - Development of a database on the marine environment	number	1.00000	0.00000	0.00000

Specific objective	Result indicator	2017	2016	2015	2014
1 - Development and implementation of the Integrated Maritime Policy	6.3 - Development of a database on the marine environment	0.00000	0.00000	0.00000	0.00000

<b>Specific objective</b>	1 - Development and implementation of the Integrated Maritime Policy
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Table 2: Output indicators for EMFF - 1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
03 - Article 80.1.c Improving the knowledge on the state of the marine environment	06	6.2 - N° projects on the protection and improvement of knowledge on marine environment	✓	1.00	1.00	0.00	1.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
03 - Article 80.1.c Improving the knowledge on the state of the marine environment	06	6.2 - N° projects on the protection and improvement of knowledge on marine environment	0.00	0.00	0.00

<b>Union priority</b>	3 - Fostering the implementation of the CFP
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Table 1: Result indicators for the EMFF - 3

Specific objective	Result indicator	Measurement unit	Target value (2023)	Cumulative value	2018
1 - Improvement and supply of scientific knowledge and collection and management of data	3.B.1 - Increase in the percentage of fulfilment of data calls	%	100.00000	0.00000	0.00000
2 - Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden	3.A.1 - Number of serious infringements detected	number	150.00000	0.00000	0.00000
2 - Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden	3.A.2 - Landings that have been the subject to physical control	%	100.00000	0.00000	0.00000

Specific objective	Result indicator	2017	2016	2015	2014
1 - Improvement and supply of scientific knowledge and collection and management of data	3.B.1 - Increase in the percentage of fulfilment of data calls	0.00000	0.00000	0.00000	0.00000
2 - Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden	3.A.1 - Number of serious infringements detected	0.00000	0.00000	0.00000	0.00000
2 - Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden	3.A.2 - Landings that have been the subject to physical control	0.00000	0.00000	0.00000	0.00000



<b>Specific objective</b>	1 - Improvement and supply of scientific knowledge and collection and management of data
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Table 2: Output indicators for EMFF - 1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
01 - Article 77 Data collection	06	3.2 - N° of projects on supporting the collection, management and use of data	✓	2.00	2.00	1.00	1.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
01 - Article 77 Data collection	06	3.2 - N° of projects on supporting the collection, management and use of data	0.00	0.00	0.00

<b>Specific objective</b>	2 - Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden
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Table 2: Output indicators for EMFF - 2

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
01 - Article 76 Control and enforcement	06	3.1 - N° of projects on implementing the Union's control, inspections and enforcement system	✓	11.00	9.00	9.00	0.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
01 - Article 76 Control and enforcement	06	3.1 - N° of projects on implementing the Union's control, inspections and enforcement system	0.00	0.00	0.00

<b>Union priority</b>	1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries
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Table 1: Result indicators for the EMFF - 1

Specific objective	Result indicator	Measurement unit	Target value (2023)	Cumulative value	2018
1 - Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches	1.4.a - Change in unwanted catches (tonnes)	tonnes	-0.69000	0.00000	0.00000

Specific objective	Result indicator	Measurement unit	Target value (2023)	Cumulative value	2018
1 - Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches	1.4.b - Change in unwanted catches (%)	%	-10.00000	0.00000	0.00000
4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	1.7 - Employment created (FTE) in the fisheries sector or complementary activities	FTE	2.00000	0.00000	0.00000
4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	1.8 - Employment maintained (FTE) in the fisheries sector or complementary activities	FTE	260.00000	0.00000	0.00000
5 - Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer	1.3 - Change in net profits	thousand Euros	2.00000	0.00000	0.00000
6 - Development of professional training, new professional skills and lifelong learning	1.8 - Employment maintained (FTE) in the fisheries sector or complementary activities	FTE	260.00000	0.00000	0.00000

Specific objective	Result indicator	2017	2016	2015	2014
1 - Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches	1.4.a - Change in unwanted catches (tonnes)	0.00000	0.00000	0.00000	0.00000
1 - Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches	1.4.b - Change in unwanted catches (%)	0.00000	0.00000	0.00000	0.00000
4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	1.7 - Employment created (FTE) in the fisheries sector or complementary activities	0.00000	0.00000	0.00000	0.00000
4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	1.8 - Employment maintained (FTE) in the fisheries sector or complementary activities	0.00000	0.00000	0.00000	0.00000
5 - Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer	1.3 - Change in net profits	0.00000	0.00000	0.00000	0.00000
6 - Development of professional training, new professional skills and lifelong learning	1.8 - Employment maintained (FTE) in the fisheries sector or complementary activities	0.00000	0.00000	0.00000	0.00000

<b>Specific objective</b>	1 - Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches
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Table 2: Output indicators for EMFF - 1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
03 - Article 39 Innovation linked to the conservation of marine biological resources (+ art. 44.1.c Inland fishing)	06	1.4 - N° of projects on conservation measures, reduction of the fishing impact on the marine environment and fishing adaptation to the protection of species	✓	1.00	1.00	1.00	0.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
03 - Article 39 Innovation linked to the conservation of marine biological resources (+ art. 44.1.c Inland fishing)	06	1.4 - N° of projects on conservation measures, reduction of the fishing impact on the marine environment and fishing adaptation to the protection of species	0.00	0.00	0.00

<b>Specific objective</b>	4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions
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Table 2: Output indicators for EMFF - 4

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
02 - Article 30 Diversification and new forms of income (+ art. 44.4 Inland fishing)	03	1.9 - N° of projects on promotion of human capital and social dialogue, diversification and new forms of income, start-ups for fishermen and health/safety		3.00	0.00	0.00	0.00
05 - Article 33 Temporary cessation of fishing activities	03	1.10 - N° of projects on temporary cessation		10.00	0.00	0.00	0.00
09 - Article 43.1 + 3 Fishing ports, landing sites, auction halls and shelters - investments improving fishing port and auctions halls infrastructure or landing sites and shelters; construction of shelters to improve safety of fishermen (+ art. 44.1.f Inland fishing)	03	1.3 - N° of projects on added value, quality, use of unwanted catches and fishing ports, landing sites, actions halls and shelters	✓	5.00	5.00	5.00	0.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
02 - Article 30 Diversification and new forms of income (+ art. 44.4 Inland fishing)	03	1.9 - N° of projects on promotion of human capital and social dialogue, diversification and new forms of income, start-ups for fishermen and health/safety	0.00	0.00	0.00
05 - Article 33 Temporary cessation of fishing activities	03	1.10 - N° of projects on temporary cessation	0.00	0.00	0.00
09 - Article 43.1 + 3 Fishing ports, landing sites, auction halls and shelters - investments improving fishing port and auctions halls infrastructure or landing sites and shelters; construction of shelters to improve safety of fishermen (+ art. 44.1.f Inland fishing)	03	1.3 - N° of projects on added value, quality, use of unwanted catches and fishing ports, landing sites, actions halls and shelters	0.00	0.00	0.00



<b>Specific objective</b>	5 - Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer
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Table 2: Output indicators for EMFF - 5

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
03 - Article 41.1.a, b, c Energy efficiency and mitigation of climate change – on board investments; energy efficiency audits and schemes; studies to assess the contribution of alternative propulsion systems and hull designs (+ art. 44.1.d Inland fishing)	04	1.7 - N° of projects on energy efficiency, mitigation of climate change	✓	3.00	3.00	3.00	0.00
04 - Article 41.2 Energy efficiency and mitigation of climate change - Replacement or modernisation of main or ancillary engines (+ art. 44.1.d Inland fishing)	04	1.8 - N° of projects on replacement or modernisation of engines		1.00	0.00	0.00	0.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
03 - Article 41.1.a, b, c Energy efficiency and mitigation of climate change – on board investments; energy efficiency audits and schemes; studies to assess the contribution of alternative propulsion systems and hull designs (+ art. 44.1.d Inland fishing)	04	1.7 - N° of projects on energy efficiency, mitigation of climate change	0.00	0.00	0.00
04 - Article 41.2 Energy efficiency and mitigation of climate change - Replacement or modernisation of main or ancillary engines (+ art. 44.1.d Inland fishing)	04	1.8 - N° of projects on replacement or modernisation of engines	0.00	0.00	0.00

<b>Specific objective</b>	6 - Development of professional training, new professional skills and lifelong learning
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Table 2: Output indicators for EMFF - 6

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
01 - Article 29.1 + 29.2 Promoting human capital and social dialogue - training, networking, social dialogue; support to spouses and life partners (+ art. 44.1.a Inland fishing)	08	1.9 - N° of projects on promotion of human capital and social dialogue, diversification and new forms of income, start-ups for fishermen and health/safety	✓	1.00	1.00	1.00	0.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
01 - Article 29.1 + 29.2 Promoting human capital and social dialogue - training, networking, social dialogue; support to spouses and life partners (+ art. 44.1.a Inland fishing)	08	1.9 - N° of projects on promotion of human capital and social dialogue, diversification and new forms of income, start-ups for fishermen and health/safety	0.00	0.00	0.00

Union priority	2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture
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Table 1: Result indicators for the EMFF - 2

Specific objective	Result indicator	Measurement unit	Target value (2023)	Cumulative value	2018
1 - Provision of support to strengthen technological development, innovation and knowledge transfer	2.9 - Employment maintained	FTE	153.00000	0.00000	0.00000
2 - Enhancement of the competitiveness and viability of aquaculture enterprises, including improvement of safety or working conditions, in particular of SMEs	2.9 - Employment maintained	FTE	153.00000	0.00000	0.00000
3 - Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture	2.9 - Employment maintained	FTE	153.00000	0.00000	0.00000

Specific objective	Result indicator	2017	2016	2015	2014
1 - Provision of support to strengthen technological development, innovation and knowledge transfer	2.9 - Employment maintained	0.00000	0.00000		
2 - Enhancement of the competitiveness and viability of aquaculture enterprises, including improvement of safety or working conditions, in particular of SMEs	2.9 - Employment maintained	0.00000	0.00000	0.00000	0.00000
3 - Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture	2.9 - Employment maintained	0.00000	0.00000	0.00000	0.00000

<b>Specific objective</b>	1 - Provision of support to strengthen technological development, innovation and knowledge transfer
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Table 2: Output indicators for EMFF - 1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
01 - Article 47 Innovation	03	2.1 - N° of projects on innovation, advisory services		1.00	0.00	0.00	0.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
01 - Article 47 Innovation	03	2.1 - N° of projects on innovation, advisory services	0.00	0.00	0.00

<b>Specific objective</b>	2 - Enhancement of the competitiveness and viability of aquaculture enterprises, including improvement of safety or working conditions, in particular of SMEs
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Table 2: Output indicators for EMFF - 2

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
01 - Article 48.1.a-d, f-h Productive investments in aquaculture	03	2.2 - N° of projects on productive investments in aquaculture	✓	1.00	1.00	1.00	0.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
01 - Article 48.1.a-d, f-h Productive investments in aquaculture	03	2.2 - N° of projects on productive investments in aquaculture	0.00	0.00	0.00

<b>Specific objective</b>	3 - Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture
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Table 2: Output indicators for EMFF - 3

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
02 - Article 48.1.e, i, j Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use	06	2.2 - N° of projects on productive investments in aquaculture	✓	1.00	2.00	2.00	0.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
02 - Article 48.1.e, i, j Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use	06	2.2 - N° of projects on productive investments in aquaculture	0.00	0.00	0.00

Union priority	5 - Fostering marketing and processing
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Table 1: Result indicators for the EMFF - 5

Specific objective	Result indicator	Measurement unit	Target value (2023)	Cumulative value	2018
1 - Improvement of market organisation for fishery and aquaculture products	5.1.c - Change in value of first sales in non-POs	thousand Euros	1,000.00000	0.00000	0.00000
1 - Improvement of market organisation for fishery and aquaculture products	5.1.d - Change in volume of first sales in non-POs	tonnes	200.00000	0.00000	0.00000
1 - Improvement of market organisation for fishery and aquaculture products	5.1.e - Increase in the estimated per capita fish consumption	Kgs	0.50000	0.00000	0.00000

Specific objective	Result indicator	2017	2016	2015	2014
1 - Improvement of market organisation for fishery and aquaculture products	5.1.c - Change in value of first sales in non-POs	0.00000	0.00000	0.00000	0.00000
1 - Improvement of market organisation for fishery and aquaculture products	5.1.d - Change in volume of first sales in non-POs	0.00000	0.00000	0.00000	0.00000
1 - Improvement of market organisation for fishery and aquaculture products	5.1.e - Increase in the estimated per capita fish consumption	0.00000	0.00000	0.00000	0.00000

<b>Specific objective</b>	1 - Improvement of market organisation for fishery and aquaculture products
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Table 2: Output indicators for EMFF - 1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2018	2017
02 - Article 67 Storage aid	03	5.2 - N° of projects on marketing measures and storage aid		1.00	0.00	0.00	0.00
03 - Article 68 Marketing measures	03	5.2 - N° of projects on marketing measures and storage aid	✓	1.00	1.00	1.00	0.00

Selected relevant measures	Thematic objective	Output indicator	2016	2015	2014
02 - Article 67 Storage aid	03	5.2 - N° of projects on marketing measures and storage aid	0.00	0.00	0.00
03 - Article 68 Marketing measures	03	5.2 - N° of projects on marketing measures and storage aid	0.00	0.00	0.00

Table 3: Financial indicators for EMFF

Union priority	Milestone (2018)	Target value (2023)	Cumulative value	2018	2017
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	2,000,000.00	11,577,239.00	3,649,391.43	3,649,391.43	0.00
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	500,000.00	3,306,822.00	50,708.07	50,708.07	0.00
3 - Fostering the implementation of the CFP	3,000,000.00	10,215,936.00	3,081,901.91	2,902,471.91	179,430.00
5 - Fostering marketing and processing	150,000.00	469,771.00	203,006.64	203,006.64	0.00
6 - Fostering the implementation of the Integrated Maritime Policy	500,000.00	1,600,000.00	1,020,600.00	700,600.00	320,000.00
7 - Technical assistance			566,502.62	299,503.16	266,999.46

Union priority	2016	2015	2014
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	0.00	0.00	0.00
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	0.00	0.00	0.00
3 - Fostering the implementation of the CFP	0.00	0.00	0.00
5 - Fostering marketing and processing	0.00	0.00	0.00
6 - Fostering the implementation of the Integrated Maritime Policy	0.00	0.00	0.00
7 - Technical assistance	0.00	0.00	0.00

### 3.3. Financial data

Table 4: Financial data for the EMFF

Union priority	Selected specific objective	Thematic objective	Measure	Total public contribution (EUR)	EMFF contribution (EUR)	Contribution to climate change from EMFF contribution (EUR)	EMFF co-financing rate (%)	Total eligible expenditure of operations selected for support (EUR)	Total public contribution of operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%)
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	1 - Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches	06	03 - Article 39 Innovation linked to the conservation of marine biological resources (+ art. 44.1.c Inland fishing)	200,000.00	150,000.00	60,000.00	75.00%	200,000.00	200,000.00	100.00%
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	03	02 - Article 30 Diversification and new forms of income (+ art. 44.4 Inland fishing)	225,000.00	168,750.00	0.00	75.00%	0.00	0.00	0.00%
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	03	05 - Article 33 Temporary cessation of fishing activities	500,000.00	250,000.00	100,000.00	50.00%	0.00	0.00	0.00%
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	03	09 - Article 43.1 + 3 Fishing ports, landing sites, auction halls and shelters - investments improving fishing port and auctions halls infrastructure or landing sites and shelters; construction of shelters to improve safety of fishermen (+ art. 44.1.f Inland fishing)	10,005,573.00	7,504,179.00	3,001,671.60	75.00%	10,005,573.00	10,005,573.00	100.00%
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	5 - Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer	04	03 - Article 41.1.a, b, c Energy efficiency and mitigation of climate change – on board investments; energy efficiency audits and schemes; studies to assess the contribution of alternative propulsion systems and hull designs (+ art. 44.1.d Inland fishing)	106,666.00	80,000.00	80,000.00	75.00%	71,448.07	43,814.35	41.08%
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	5 - Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer	04	04 - Article 41.2 Energy efficiency and mitigation of climate change - Replacement or modernisation of main or ancillary engines (+ art. 44.1.d Inland fishing)	40,000.00	20,000.00	20,000.00	50.00%	0.00	0.00	0.00%
1 - Promoting environmentally sustainable, resource efficient, innovative,	6 - Development of professional training, new professional skills and lifelong learning	08	01 - Article 29.1 + 29.2 Promoting human capital and social dialogue - training, networking, social dialogue; support to	500,000.00	375,000.00	0.00	75.00%	500,000.00	500,000.00	100.00%

Union priority	Selected specific objective	Thematic objective	Measure	Total public contribution (EUR)	EMFF contribution (EUR)	Contribution to climate change from EMFF contribution (EUR)	EMFF co-financing rate (%)	Total eligible expenditure of operations selected for support (EUR)	Total public contribution of operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%)
competitive and knowledge based fisheries			spouses and life partners (+ art. 44.1.a Inland fishing)							
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	1 - Provision of support to strengthen technological development, innovation and knowledge transfer	03	01 - Article 47 Innovation	571,196.45	428,397.34	0.00	75.00%	0.00	0.00	0.00%
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	2 - Enhancement of the competitiveness and viability of aquaculture enterprises, including improvement of safety or working conditions, in particular of SMEs	03	01 - Article 48.1.a-d, f-h Productive investments in aquaculture	200,000.00	150,000.00	60,000.00	75.00%	362,508.79	181,254.39	90.63%
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	3 - Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture	06	02 - Article 48.1.e, i, j Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use	2,535,625.54	1,901,718.66	760,687.46	75.00%	8,010,841.66	2,535,625.55	100.00%
3 - Fostering the implementation of the CFP	1 - Improvement and supply of scientific knowledge and collection and management of data	06	01 - Article 77 Data collection	4,426,910.00	3,541,528.00	0.00	80.00%	4,426,910.00	4,426,910.00	100.00%
3 - Fostering the implementation of the CFP	2 - Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden	06	01 - Article 76 Control and enforcement	5,789,026.00	5,150,123.00	0.00	88.96%	4,129,771.41	4,129,771.41	71.34%
5 - Fostering marketing and processing	1 - Improvement of market organisation for fishery and aquaculture products	03	02 - Article 67 Storage aid	219,771.00	219,771.00	0.00	100.00%	0.00	0.00	0.00%
5 - Fostering marketing and processing	1 - Improvement of market organisation for fishery and aquaculture products	03	03 - Article 68 Marketing measures	250,000.00	187,500.00	0.00	75.00%	250,000.00	250,000.00	100.00%
6 - Fostering the implementation of the Integrated Maritime Policy	1 - Development and implementation of the Integrated Maritime Policy	06	03 - Article 80.1.c Improving the knowledge on the state of the marine environment	1,600,000.00	1,200,000.00	480,000.00	75.00%	1,600,000.00	1,600,000.00	100.00%
7 - Technical assistance	1 - Technical assistance		01 - Article 78 Technical assistance at the initiative of the Member States	1,733,940.00	1,300,455.00	0.00	75.00%	1,692,043.73	1,692,043.73	97.58%
<b>Total</b>				<b>28,903,707.99</b>	<b>22,627,422.00</b>	<b>4,562,359.06</b>	<b>78.29%</b>	<b>31,249,096.66</b>	<b>25,564,992.43</b>	<b>88.45%</b>



Union priority	Selected specific objective	Thematic objective	Measure	Contribution to climate change of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the Managing Authority (EUR)	Total eligible public expenditure declared by beneficiaries to the Managing Authority (EUR)	Proportion of total eligible public expenditure declared by beneficiaries of the total allocation (%)	Contribution to climate change of total eligible public expenditures declared by beneficiaries to the Managing Authority (EUR)	Number of operations selected
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	1 - Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches	06	03 - Article 39 Innovation linked to the conservation of marine biological resources (+ art. 44.1.c Inland fishing)	60,000.00	81,862.17	81,862.17	40.93	24,558.65	1
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	03	02 - Article 30 Diversification and new forms of income (+ art. 44.4 Inland fishing)	0.00	0.00	0.00	0.00	0.00	0
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	03	05 - Article 33 Temporary cessation of fishing activities	0.00	0.00	0.00	0.00	0.00	0
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	03	09 - Article 43.1 + 3 Fishing ports, landing sites, auction halls and shelters - investments improving fishing port and auctions halls infrastructure or landing sites and shelters; construction of shelters to improve safety of fishermen (+ art. 44.1.f Inland fishing)	3,001,671.90	3,269,960.02	3,269,960.02	32.68	980,988.01	5
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	5 - Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer	04	03 - Article 41.1.a, b, c Energy efficiency and mitigation of climate change – on board investments; energy efficiency audits and schemes; studies to assess the contribution of alternative propulsion systems and hull designs (+ art. 44.1.d Inland fishing)	32,860.76	71,448.03	43,814.31	41.08	32,860.73	3
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	5 - Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer	04	04 - Article 41.2 Energy efficiency and mitigation of climate change - Replacement or modernisation of main or ancillary engines (+ art. 44.1.d Inland fishing)	0.00	0.00	0.00	0.00	0.00	0
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	6 - Development of professional training, new professional skills and lifelong learning	08	01 - Article 29.1 + 29.2 Promoting human capital and social dialogue - training, networking, social dialogue; support to spouses and life partners (+ art. 44.1.a Inland fishing)	0.00	253,754.93	253,754.93	50.75	0.00	1
2 - Fostering environmentally	1 - Provision of support to strengthen technological	03	01 - Article 47 Innovation	0.00	0.00	0.00	0.00	0.00	0

Union priority	Selected specific objective	Thematic objective	Measure	Contribution to climate change of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the Managing Authority (EUR)	Total eligible public expenditure declared by beneficiaries to the Managing Authority (EUR)	Proportion of total eligible public expenditure declared by beneficiaries of the total allocation (%)	Contribution to climate change of total eligible public expenditures declared by beneficiaries to the Managing Authority (EUR)	Number of operations selected
sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	development, innovation and knowledge transfer								
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	2 - Enhancement of the competitiveness and viability of aquaculture enterprises, including improvement of safety or working conditions, in particular of SMEs	03	01 - Article 48.1.a-d, f-h Productive investments in aquaculture	54,376.32	35,650.79	17,825.39	8.91	5,347.62	1
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	3 - Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture	06	02 - Article 48.1.e, i, j Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use	760,687.66	65,765.36	32,882.68	1.30	9,864.80	2
3 - Fostering the implementation of the CFP	1 - Improvement and supply of scientific knowledge and collection and management of data	06	01 - Article 77 Data collection	0.00	2,089,982.59	2,089,982.59	47.21	0.00	2
3 - Fostering the implementation of the CFP	2 - Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden	06	01 - Article 76 Control and enforcement	0.00	991,919.32	991,919.32	17.13	0.00	9
5 - Fostering marketing and processing	1 - Improvement of market organisation for fishery and aquaculture products	03	02 - Article 67 Storage aid	0.00	0.00	0.00	0.00	0.00	0
5 - Fostering marketing and processing	1 - Improvement of market organisation for fishery and aquaculture products	03	03 - Article 68 Marketing measures	0.00	203,006.64	203,006.64	81.20	0.00	1
6 - Fostering the implementation of the Integrated Maritime Policy	1 - Development and implementation of the Integrated Maritime Policy	06	03 - Article 80.1.c Improving the knowledge on the state of the marine environment	480,000.00	1,020,600.00	1,020,600.00	63.79	306,180.00	1
7 - Technical assistance	1 - Technical assistance		01 - Article 78 Technical assistance at the initiative of the Member States	0.00	566,502.62	566,502.62	32.67	0.00	6
<b>Total</b>				<b>4,389,596.64</b>	<b>8,650,452.47</b>	<b>8,572,110.67</b>	<b>29.66</b>	<b>1,359,799.81</b>	<b>32</b>

Table 5: Cost of operations implemented outside the programme area (Article 70 of Regulation (EU) No 1303/2013)

<b>Union priority</b>	<b>Eligible expenditure within the EMFF incurred in operations implemented outside the programme area declared by the beneficiary to the managing authority (EUR)</b>	<b>Share of the EMFF support to the union priority at the time of adoption of the programme (%)</b>
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	0.00	0.00%
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	0.00	0.00%
3 - Fostering the implementation of the CFP	0.00	0.00%
4 - Increasing employment and territorial cohesion	0.00	
5 - Fostering marketing and processing	0.00	0.00%
6 - Fostering the implementation of the Integrated Maritime Policy	0.00	0.00%
7 - Technical assistance	0.00	0.00%
<b>TOTAL OP</b>	<b>0.00</b>	

#### 4. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND CORRECTIVE MEASURES TAKEN

##### 4.1. Actions taken to fulfil the ex-ante conditionalities (Article 50(4) of Regulation (EU) No 1303/2013)

*Table 6: Actions taken to fulfil applicable EMFF-specific ex-ante conditionalities*

Thematic ex-ante conditionalities which are not or partially fulfilled	Criteria fulfilled	Criteria not fulfilled	Action to be taken	Deadline	Bodies responsible for fulfilment	Action completed by the deadline	Criteria fulfilled	Expected date for full implementation of remaining actions	Commentary
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#### **4.2. Issues which affect the performance of the programme and the corrective measures taken (Article 50(2) of Regulation (EU) No 1303/2013)**

During this reporting period, no major issues affecting the performance of the programme were encountered by Malta. In light of the delay in implementation faced by the MA mainly due to the late adoption of the regulatory framework and to MA resources being stretched due to efforts also concentrated on the closure of the EFF programme and on EMFF pre-implementation preparatory activities in 2014 and 2015, considerable effort was undertaken by the MA between 2016 and 2018 to address the impact that this may have on the Performance Framework.

In order to address the commitment of funds and the achievement of Performance Framework output and financial indicators including also targets to be met by 2023, ten EMFF calls were issued in 2018 as mentioned in Section 3 of this report. These calls were mostly a re-issuance of previous calls already issued in 2017 as a result of a) insufficient demand and thus insufficient funds allocated by early 2018, b) a cancellation of a major awarded operation under Article 43.1 (UP 1) and c) a change in direction under UP 2 whereby the originally proposed commercial-scale marine hatchery could not be implemented in time due to land issues encountered and thus other proposals had to be sought in line with the Aquaculture Strategy.

As described in Section 3 and the Annual Implementation Report for year 2017, issues were experienced under UP1, more specifically in the uptake of adopted measures under Article 30, Article 41.1 and Article 41.2 of the EMFF Reg. In this regard, taking into account the lack of demand experienced including the high rate of inadmissibility of submitted applications under Article 30, Article 41.1 and Article 41.2, notwithstanding the outreach provided to potential applicants, a situational analysis was undertaken of the fisheries sector in Malta, the context and factors impinging on the performance of these measures. Overall, the following three factors were noted:

1. The requirements of Article 30 were seen as too demanding by fishers whereby i) the aid intensity was regarded as being too low especially for small coastal fisheries (a maximum of 50% public aid of the total eligible expenditure of the operation can be applied) and thus fishers may not have sufficient funds or means to finance the remaining budgetary needs, ii) bearing in mind the characteristics and the aging profile of the fishing community, having and attesting to adequate professional skills linked to the diversification activity may have been regarded as being difficult to fulfil;
2. Although guidance was provided to fishers as mentioned earlier on and the application form was developed bearing the target audience in mind, the documentation required and the relevant processes to be undertaken by fishers should the operation be awarded may still have been regarded as being difficult to complete/conclude due to regulatory requirements, and
3. Very few owners of fishing vessels could apply for Article 41.2 due to its requirement whereby support can only be granted for vessels belonging to a balanced fleet segment in line with the reports on fishing capacity issued by the DFA in May 2017-2018.

To this extent, OP amendments were put forward to the Monitoring Committee via written procedure in April 2018 to address the uptake issues of Article 41.1, Article 41.2 and Article 30 in view of the contextual changes encountered, over-estimation of targets and incorrect assumptions taken at programming stage and further discussed in the MC meeting held on 4

May 2018. Throughout the process, discussions were also held with EC to ensure that the amendments were in line with the respective requirements.

Bearing in mind the above, the original proposed OP amendments under UP1 were related to the exclusion from the Performance Framework of Article 41.2, Article 41.1 and Article 30 measures and a reduction of the number of operations targeted. Other significant amendments were also made for the introduction of Article 47 of the EMFF Regulation- Innovation, with the aim of addressing aquaculture- related specific objectives not solely through private aquaculture enterprises but also through public entities and also to broaden the scope of aquaculture investments in view of the lack of interest shown towards Article 48.

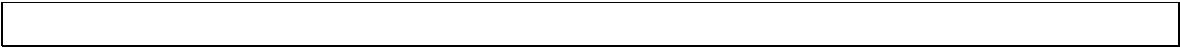
As reported in previous years, UP2 was subject to OP amendments to redirect the focus from the originally planned commercial marine hatchery proposal to other potential productive investments by private enterprises. Delays in implementation were therefore encountered. Between 2017 and 2018, MA efforts were heavily concentrated on mitigating measures to address this delay whereby the MA worked in parallel on OP amendments to introduce article 48.1 a-d, f-h, the related EMFF Admissibility and Selection Criteria amendments and the issuance of open calls under Measure II.2 and II.3. In July 2018, these calls were re-issued due to the fact that the funds committed following the selection of project proposals were not sufficient.

Following the adoption of the OP amendments by the MC, a request for the revision of the OP (version 3.2) was subsequently made to EC in mid-2018 which request was also substantiated with the necessary justifications and a situational analysis. Further to formal feedback provided by EC in August 2018, the proposed OP amendments were slightly revised wherein reference to the exclusion of Article 41.1 from the performance framework was removed since by the time, three operations under this measure had been awarded with their respective grant agreements also signed. OP version 4.1 was subsequently submitted by the MA on 17 October and adopted by EC on 15 December.

Regarding the targets and indicators of the EMFF Performance Framework, considerable MA effort was also undertaken as in previous years, to maintain contact with its beneficiaries and stakeholders to monitor the implementation of awarded operations and address challenges which arose in 2018 mainly due to lengthy procurement processes and permitting issues. In this respect, bilateral meetings were held with EMFF beneficiaries and other stakeholders as applicable in line with the MA's monitoring procedure and further supplemented with additional meetings and exchanges as necessary.

With reference to Article 67- Storage Aid as per feedback given by the MA to EC during formal and informal exchanges, this measure cannot be implemented in Malta since this is subject to the existence of Producer Organisations which cannot be introduced in Malta as stated in Section 3.2 of the EMFF OP. To this end, it is envisaged that circa €219,771 will not be disbursed by end 2023 and that these funds will be lost as these cannot be shifted to other measures.

As further described in this report, regrettably, in 2019 issues beyond the MA's control, potentially affecting UP2 Performance Framework were met which will be addressed as described in Section 15.



## **5. INFORMATION ON SERIOUS INFRINGEMENTS AND REMEDY ACTIONS (ARTICLE 114(2) OF REGULATION (EU) NO 508/2014**

Information and actions taken on cases of serious infringements as referred to in Article 10(1) and non-respect of durability conditions and remedy actions as set out in Article 10(2).

As also reported in the AIR for year 2017, in 2018 checks were undertaken by the MA and the respective competent authorities in view of the applicants for the fishermen calls issued by the MA in October 2017 under Article 41.1 of Regulation (EU) No. 508/2014. These controls show that the eligible applicants of the three awarded operations under Article 41.1 and their respective vessels do not have any recorded incidents of serious infringements under Article 10 (1) of Regulation (EU) No. 508/2014.

This admissibility check was undertaken two ways. Firstly, as part of the application form under these calls, two sections were developed to address this requirement. Section 1.5 of the application required applicants to provide a copy of all notification letters issued whereby penalty points were assigned to the fishing license whereas in Section 10, the applicant was requested to declare to the best of his/her knowledge and belief, conformity with the criteria listed under Article 10.1(a-c) of Regulation (EU) 508/2014 and also declare that no fraud was committed. Secondly by way of MA follow-up of the declared non-infringement, the Department of Fisheries and Aquaculture was formally contacted in its capacity as the competent body and requested to provide information on whether infringements were recorded for these vessel owners since 2013. The Department of Fisheries and Aquaculture confirmed that no infringements were recorded.

A similar approach was taken with reference to the open calls under Article 48.1 of Regulation (EU) No. 508/2014 issued in late 2017 and 2018. The admissibility check was also undertaken two ways. As part of the application form under these calls, two sections were also developed to address this requirement. Section 1.7 of the application required applicants to provide a copy of all notification letters issued by the Department of Fisheries and Aquaculture, the Environment and Resources Authority and/or any other competent authority whereas in Section 15/16, the applicant was requested to declare to the best of his/her knowledge and belief, conformity with the criteria listed under Article 10.1 of Regulation (EU) 508/2014, that no fraud was committed and also declare that s/he has not committed any of the offences set out in Articles 3 and 4 of Directive 2008/99/EC of the European Parliament and of the Council of 19 November 2008 on the protection of the environment through criminal law. Secondly by way of MA follow-up of the declared non-infringement, the Department of Fisheries and Aquaculture and the Environment and Resources Authority were formally contacted in their capacity as the competent body and requested to provide information on whether infringements were recorded for these aquaculture enterprises since 2013. The authorities confirmed that no infringements in line with Article 10.1 were recorded.

In relation to durability conditions, since checks in respect of Article 10.1 of the EMFF Regulation for the above-mentioned operations were completed in 2018 and since these operations were mostly ongoing or still reaching completion by end 2018, checks on respect of durability conditions will be undertaken in subsequent years.



**6. INFORMATION ON ACTIONS TAKEN TO COMPLY WITH ARTICLE 41(8) (ARTICLE 114(2) OF REGULATION (EU) NO 508/2014)**

A summary of actions taken is to be provided on the progress to achieve the provision set out in Article 41(8) with regard to the priority up to 60 % of the public assistance to be ensured to small-scale coastal fishing sector, including data on actual share of small-scale coastal fishing within the operations financed under the measure of Article 41(2)

Article 41[8] states that applications made by operators from the small-scale coastal fishing sector shall be treated as a priority up to 60 % of the total support allocated for the replacement or modernisation of main or ancillary engines referred to in paragraph 2 over the entire programming period. This was addressed in the call issued in October 2017 under UP1, Specific Objective 5 Article 41.2. A clause was included in the Guidance Notes to the applicants where it was specifically indicated that *“In line with Article 41.2 of Regulation [EU] № 508/2014, support shall be granted to vessels up to 12 metres in overall length, provided that the new or modernised engine does not have more power in KW than the current engine”*. However no applications were received under this call. Should further calls be issued in 2019 the same approach will be followed.

## **7. INFORMATION ON THE ACTIONS TAKEN TO ENSURE THE PUBLICATION OF BENEFICIARIES (ARTICLE 114(2)) OF REGULATION (EU) NO 508/2014)**

A summary of actions taken is to be provided in line with Annex V of EMFF Regulation, with special regard to national legislation including any applicable threshold regarding the publication of data of natural persons

For all calls launched during 2018, similarly to the previously launched calls in the preceding years a list of selected operations in line with Annex V of the EMFF Regulation was published online. The list of operations in accordance with the said Annex and Article 119 [2] of the EMFF Regulation is available online on the dedicated MA's website[1].

As mentioned also in previous sections of this report, promotion of open calls was undertaken via various means including publication of adverts on all Sunday newspapers, publication on the EMFF MA's

webpage <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Pages/News-and-Events.aspx> and on the eufundsmalta website mentioned hereunder. SMS notifications were also sent, as appropriate, to prospective applicants. Press conferences and press releases for the promotion of calls and operations underway were also held in Malta and Gozo to inform the public at large of the operations being implemented and of the benefits of EMFF measures launched. Hereunder, kindly find one of the press releases issued with respect to Operation EMFF 8.3.1 under Union Priority 6:

<https://era.org.mt/en/Pages/Press-Release-EMFF-3rd-Stakeholder-Seminar.aspx>

The following link showcases the publication of one of the open calls (Article 41.1) issued in 2018 <http://www.eufundsmalta.gov.mt/content/open-call-project-proposals-under-european-maritime-and-fisheries-fund-emff-2014--2020>.

EMFF success stories were also promoted on the Funds and Programmes Division's responsive website on <http://www.eufundsmalta.gov.mt/> which can be accessed also through Maltapps, a mobile application enabling the public to access information, on government services including EMFF funding opportunities, on mobile devices anywhere 24 hours a day.

[1] [https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%20links%20and%20downloads/Information%20and%20Publicity/List%20of%20Operations%202014\\_01\\_2019.pdf](https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%20links%20and%20downloads/Information%20and%20Publicity/List%20of%20Operations%202014_01_2019.pdf)

**8. ACTIVITIES IN RELATION TO THE EVALUATION PLAN AND SYNTHESIS OF THE EVALUATIONS (ARTICLE 114(2)) OF REGULATION (EU) NO 508/2014, ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013)**

A summary should be provided on activities undertaken in relation to the implementation of the evaluation plan, including follow-up given to the findings of evaluations.

A synthesis of the findings should be provided of all evaluations of the programme that have become available during the previous financial year, with reference of name and reference period of the evaluation reports used.

Additionally, the access to evaluations that were made publicly available pursuant to Article 54(4) of Regulation (EU) No 1303/2013 should be communicated here.

In accordance with the Evaluation Plan adopted in March 2016, evaluation activities in terms of the Interim Evaluation for the EMFF OP in Malta were not implemented in 2018 since in order to effectively address the effectiveness, efficiency and impact of the EMFF Operational Programme, the interim evaluation is planned to be conducted in the first quarter of 2019.

In 2018 however, the MA compiled its third EMFF annual implementation report, in accordance with Article 50(4) of Regulation (EU) No 1303/2013 and Article 2 of Commission Implementing Regulation (EU) No 1362/2014 of 18 December 2014, whereby the report submitted in 2018 set out and assessed the information provided in Part A of the Model for the Annual Implementation Report.

As also mentioned in Section 2 of this report, the fourth meeting of the Monitoring Committee (MC) was also held on 4th May 2018 whereby an update on the implementation of the EMFF OP was provided to MC members as well as proposed amendments to the OP were discussed in detail in light of the local context and also adopted by the MC. The changes implemented in the Operational Programme also led to changes in the Admissibility and Selection Criteria due to a new measure being programmed which amendments were adopted by the MC in April.

Evaluation and monitoring activities were carried out by the MA during 2018 to assess the progress of the EMFF OP in terms of taking stock of i) calls issued, ii) operations awarded, iii) project implementation status, iv) indicators to be achieved, and evaluating and implementing means of address in relation to challenges being faced. The EMFF Annual Review Meeting was held on 20th November 2018, during which the state-of-implementation of the EMFF Programme, its progress and results achieved as at time of reporting were discussed between MA and EC representatives. Challenges faced by the MA in relation to the implementation of certain measures such as Article 30 were discussed and mitigating measures taken/to be taken were also highlighted.

During 2018, project progress reports for ongoing operations were also submitted and meetings and bilateral meetings were also held with the aim of providing the MA, stakeholders and beneficiaries with an assessment of the state-of-play of operations thus providing the basis for informed decision making.

In February 2018, FAME SU representatives held a workshop in Malta with MA representatives to present the Infosys validation tool developed for the validation of data to be presented to EC in line with Article 97.1.a of the EMFF Regulation. During the said meeting, FAME also presented

their working paper on EMFF evaluation. An overview and presentation of the MA electronic system (EMFF Database) was also provided by MA representatives in light of Article 97.1.a requirements. With reference to FAME's working paper on EMFF evaluation it was noted that it will be included as a reference document in the terms of reference to be drafted for MT's EMFF interim evaluation.

Between May and mid-September 2018, MA efforts were thus also focused on preparatory activities for the Interim Evaluation including the drafting and the issuance of the tender document and the terms of reference for the services for the Interim Evaluation of the EMFF Operational Programme 2014-2020 Implementation, which call was issued in mid-October and as at time of reporting has been awarded.

On 26th September 2018, the MA also attended the Annual Stakeholder meeting organised by the Fisheries and Aquaculture Monitoring & Evaluation Support Unit (FAME SU) whose aim is to ensure strengthened communication among the stakeholders involved in Monitoring and Evaluation of the European Maritime and Fisheries Fund including Managing Authorities, the Directorate General for Maritime Affairs and Fisheries (DG MARE), evaluators and other experts. Through this meeting, i) the rationale of the FAME SU concept for a CMES II post 2020 was presented to EMFF stakeholders, ii) EMFF stakeholders' were also given the opportunity to present their views on the draft documents; and iii) priorities for the FAME SU Annual Work Programme (AWP) 2019 were also identified.

In this regard, early and mid-2019 shall see the implementation of Malta's EMFF OP Interim Evaluation. The EMFF MA shall lead the evaluation process and assume the responsibility for the coordination of the monitoring and evaluation process of the EMFF OP 2014-2020. The MA shall also be responsible for ensuring that sufficient resources are available for carrying out evaluations and that procedure are in place to collect common and programme specific data for evaluations.

It is envisaged that the EMFF Monitoring Committee shall also contribute toward the evaluation plan by [i] reviewing the implementation of the EMFF OP [ii] approve the Annual Implementation Report prior to submission to the European Commission.

The Ex-ante Evaluation Report of the EMFF OP can be accessed on <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%202014-2020/ex%20ante%20evaluation%20report.pdf>

The Strategic Environmental Assessment of the EMFF OP can be accessed on [https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%202014-2020/Final%20Environmental%20Report\\_.pdf](https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%202014-2020/Final%20Environmental%20Report_.pdf)

The Citizen's Summary of the EMFF Annual Implementation Report covering 2014 and 2015 can be accessed on <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%202014-2020/EMFF%20AIR%202014-5%20final%20Annex.pdf>.

The Citizen's Summary of the EMFF Annual Implementation Report covering 2016 can be accessed on

<https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%202014-2020/Reports/Final%20AIR%202016%20Annexes.pdf>

The Citizen's Summary of the EMFF Annual Implementation Report covering 2017 can be accessed on

<https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%20links%20and%20downloads/4th%20MC/Citizen%27s%20Summary%20EMFF%20AIR%202017.pdf>.

The Evaluation Plan can be accessed

on <https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%202014-2020/Evaluation%20Plan%20Final%20v1.pdf>

**9. CITIZEN'S SUMMARY (ARTICLE 50(9) OF REGULATION (EU) NO 1303/2013)**

A citizen's summary of the contents of the AIRs should be made public and uploaded as a separate file in the form of annex to the AIR.

**10. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS (ARTICLE 46(1) OF REGULATION (EU) No 1303/2013)**

**11. ASSESSMENT OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME (ARTICLE 50(4) OF REGULATION (EU) NO 1303/2013)**

**11.1. Assessment of data and progress towards achieving the objectives of the programme**

For each Union priority an assessment should be carried out on the information and data provided in Part A and progress towards achieving the objectives of the programme (incorporating the findings and recommendations of evaluations)

Union priority	Assessment of data and progress towards achieving the objectives of the programme
<p>1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries</p>	<p>By end 2018, measure I.16 under Union Priority 1 as implemented through Article 39- Innovation linked to the conservation of marine biological resources was in its final stages with output and results achieved. This measure is directly linked to Specific Objective 1 of this UP, <i>the reduction of the impact of fisheries on the marine environment, including the avoidance and reduction as far as possible of unwanted catches</i>. Through this operation, research was conducted to improve the gear selectivity of the 40mm square mesh size currently in use by the Maltese otter board trawling fleet so as to reduce discards of <i>Merluccius merluccius</i> (European hake) and <i>Parapenaeus longirostris</i> (Deep-water rose shrimp). Results show that whereas trawling nets with codend of square mesh 40mm and SEP of square mesh 50mm catch about 85% of hake and 28% of shrimps entering the net, these nets also decrease the amount of unwanted catches by circa 22% of hake and 6% of deep water rose shrimp (under minimum landing size). In this regard, one may note that Result Indicator 1.4b Change in unwanted catches (-10%) has been achieved taking into consideration the results mentioned above. It should be noted however, that actual achievement of the result indicator shall be confirmed following closure of the operation.</p> <p>With reference to Specific Objective 4 of this UP-<i>Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions</i>, although as explained in Section 3 and 4, issues were met in 2017 and 2018 with respect to the calls issued targeting Article 30 – Diversification and new forms of income, the five operations awarded and under implementation through Article 43.1+3, significantly address this specific objective since they directly target the improvement of safety and working conditions thus also impacting the viability of fisheries enterprises. Although delays were encountered in implementation mostly due to delays in procurement processes as also explained in Section 3, implementation is underway and result indicators are expected to be achieved by end 2023 in line with Section 3.2 of the EMFF OP. In respect of Article 30, further efforts will be made in 2019 and subsequent years if necessary to address this measure, however in order to mitigate and in view of the issues encountered, the budgetary allocation of this measure has been reduced due to the reduced number of operations to be completed in line with adopted OP version 4.1.</p>



Union priority	Assessment of data and progress towards achieving the objectives of the programme
	<p>Since the budgetary allocation has been shifted to Article 43.1, this will not impact the budgetary allocation under this specific objective. Taking into account the result indicators linked to this specific objective, although results are still to be achieved following completion of operations currently under implementation, it should be noted that indicatively the total 1.8 result indicator expected to be achieved under Article 43.1 +3 is 3498.0 FTE employment maintained in the fisheries sector or complementary activities. This exceeds the 260.FTE planned in Section 3.2 of the OP but relates to the fact that four out of the five awarded operations aim to target the majority of the fisheries sector population since investments are being carried out in the major ports in Malta and Gozo, whereas one operation is directly targeting the fisher population in two ports in Gozo. Thus, the fisher population is indirectly benefitting not once but five times taking into consideration the proposed interventions. With regards to result indicator 1.7 (employment maintained), 3.5FTE is expected to be achieved by end 2023.</p> <p>Under Specific Objective 5 of this UP, three operations under Article 41.1.a, b, c –Energy efficiency and mitigation of climate change- on board investments were awarded and completed by end 2018 in line with the EMFF OP version 4.1. Although issues of demand were also experienced under Article 41.2 as mentioned in the previous sections of this report, progress in the attainment of this specific objective has been significant so far since only one operation is meant to be implemented through the latter Article by end 2023. 2019 and subsequent years if necessary, shall however see further efforts to fulfil the complete attainment of this specific objective, i.e. <i>the provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer</i>. The total cumulative indicative result indicator expected to be achieved for awarded operations under Article 41.1.a.b.c. is 8.350 thousand Euros which exceeds the 2.00 thousand Euros change in net profits. Actual result indicator achieved by these operations can only be verified at a later stage however since the annual earnings before interest and tax after completion of the operation can only be calculated following end 2019.</p> <p>2018 saw the completion of the first phase of the operation awarded under Article 29.1 + 29.2- Promoting human capital and social dialogue-training, networking, social dialogue; support to spouses and life partners as described in Section 3 of this report. The second phase of this operation is expected to continue in 2019 and 2020 whereby further training will be provided to a second set of applicants. In this regard the attainment of Specific Objective 6 of this UP, <i>the development of professional training, new professional skills and lifelong learning</i> was also significant by end 2018. It should be noted that through this first phase a</p>

Union priority	Assessment of data and progress towards achieving the objectives of the programme
	substantial amount of the result indicator targeted for end 2023 (260 FTE employment maintained) under the EMFF OP had already been achieved by end 2018 with an average of 194.8 participants completing each training course provided. Overall, 5 courses were provided to fishers which courses were based on needs analysis assessment of the local fisheries sector and consultations held with fish cooperatives.
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	<p>In view of the unforeseen issues taking place beyond the MA's control under Union Priority 2 between 2016 and 2017 whereby amendments to the Operational Programme were also necessary to redirect the focus from the originally planned commercial marine hatchery proposal to other potential productive investments by private enterprises, delays in implementation of this priority were registered. However, as also mentioned in the 2017 Annual Implementation, between 2017 and 2018, MA efforts were heavily concentrated on mitigating measures undertaken to address this delay whereby the MA worked in parallel upon Malta's request to amend the OP to introduce article 48.1 a-d, f-h, related amendments required to EMFF Admissibility and Selection Criteria and preparatory works for the issuance of open calls under Measure II.2 and II.3. Following the adoption of the OP, open calls for aquaculture productive investments were issued for the said measures to private aquaculture enterprises. In 2018, these calls were re-issued in July due to the fact that the funds committed following the selection of project proposals were not sufficient and thus further operations were required to increase the attainment of the adopted specific objectives under this priority.</p> <p>As mentioned in Section 3 of this report, in 2018 Article 47 of the EMFF Regulation was introduced to <i>provide support to strengthen technological development, innovation and knowledge transfer</i> (Specific Objective 1). In this regard, between 2015 and 2018, the specific objectives of this Union Priority were broadened with the aim of achieving an all encompassing development in sustainable aquaculture targeting both public and private sectors. Whereas in 2015 the aim of this priority was to solely address the <i>Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture</i> (Specific Objective 3), by end 2018, two additional measures were adopted, one of which addresses <i>innovation</i> as mentioned above and another measure addressing the <i>Enhancement of the competitiveness and viability of aquaculture enterprises, including improvement of safety or working conditions, in particular of SMEs</i> (Specific Objective 2).</p>

Union priority	Assessment of data and progress towards achieving the objectives of the programme
	<p>Towards end 2018, progress was registered towards achieving specific objective 2 and 3 of this priority, with one operation under implementation under the former objective and two operations under implementation under the latter, one of which was in more advanced stages of implementation. As outlined in Section 3, output and financial indicators were achieved by end 2018 which mirror the progress made towards achieving the objectives under this priority. With respect to Specific Objective 1 relating to innovation, one should note that although progress is still to be made since no operations were awarded as at end 2018, this measure was introduced late in 2018 and does not form part of the performance framework. Thus progress under this objective is expected to be registered towards 2019 and 2020. It should be noted though that by end 2018, two calls were already issued by the MA to address this measure which unfortunately were not successful in view of admissibility requirements. 2019 shall thus see further MA efforts undertaken to address the achievement of this specific objective. Taking into account the issues encountered in 2018 under this measure and also subject to the availability of funding, in 2019 and/or subsequent years, the Managing Authority may consider opening this call also to private entities which may spur further developments in innovation in the private sector.</p> <p>Additionally, although the applicable result indicators are still to be formally achieved following the completion of the awarded operations, since those relating to specific objective 2 and 3 relate to the maintenance of employment in these enterprises, one can say that through the implementation of the awarded operations this indicator is already being achieved since by enhancing the competitiveness and viability, improving safety or working conditions and increasing resource efficiency such investments will impact the overall sustainability of private aquaculture enterprises which will positively secure employment. The total indicative result indicator aimed to be achieved after completion of the awarded operations is <b>167.18 FTE (employment maintained) which exceeds the result indicator 2.9 set at OP level by 14.18 FTE.</b></p> <p>The Managing Authority would like to note however that potentially due to issues arising in 2019, as described more specifically in Section 15 of this report, results of controls currently underway may impinge on the actual achievement of the progress registered under specific objective 3 of this priority since one awarded operation may need to be cancelled/terminated. Nonetheless, this can only be fully determined with mitigating measures taken by the MA if serious infringements are officially declared by the competent authority.</p>

Union priority	Assessment of data and progress towards achieving the objectives of the programme
3 - Fostering the implementation of the CFP	<p data-bbox="620 151 1409 319">With reference to Specific Objective 1-<i>Improvement and supply of scientific knowledge and collection and management of data</i>, as described in Section 3 of this report, two operations were under implementation under Article 77- Data Collection, one of which was in advanced stages by end of 2018.</p> <p data-bbox="620 382 1409 1138">Taking into consideration that the latter operation mentioned above relates to the implementation of the Data Collection Framework National Programme 2014-2016, and Annex 1 of the Scientific, Technical and Economic Committee for Fisheries’ (STECF) Evaluation of DCF 2016 Annual Reports &amp; Data Transmission to end users in 2016 (STECF-17-10), one can note that the compliance level for Malta is stated to fall under the “Yes” category relating to &gt;90%. This shows an increase in the compliance from the previous annual report submitted for 2015 which fell under the “Mostly” category relating to 50-90%. In addition, with reference to result indicator 3.B.1 – Increase in the percentage of fulfilment of data calls which OP target value for 2023 is 100%, an improvement seems to be registered in STECF’s reports for 2015 and 2016 Annual Report since in the latter year, no data transmission failures were reported in comparison to year 2013 whereby 6 data transmission issues with 2 unsatisfactory assessments were listed. Since the second data collection operation (<b>EMFF 6.2.2</b>) is still under implementation, contribution of this operation to the result indicator is still to be assessed, however as at time of reporting it is worth noting that progress made in achieving the above-mentioned specific objective is equal to that expected.</p> <p data-bbox="620 1201 1409 1768">By end 2018 progress was also registered under Article 76- Control and Enforcement in relation to Specific Objective 2- <i>Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration without increasing administrative burden</i>. Nine operations were awarded, out of which three operations were under implementation by end 2018. All awarded operations aim to contribute to the result indicators set in Malta’s EMFF OP, i.e. result indicator 3.A.1- Number of serious infringements detected (150) and 3.A.2- Landings that have been the subject to physical control (100%), however since these operations are still underway actual result indicators are still to be determined. Malta would like to note however that as from 2014 till 2018, circa 11 serious infringements were detected by the Department of Fisheries with 100% landings being subject to physical control. Validation of result indicators will be undertaken following completion of the operations.</p> <p data-bbox="620 1831 1409 1921">Overall, it should be noted that the nine operations underway relate to nine types of operations out of the twelve types listed as eligible for funding which reflects the overall scope of control</p>

Union priority	Assessment of data and progress towards achieving the objectives of the programme
	<p>and enforcement implementation in Malta through EMFF funding, especially in relation to the achievement of the said specific objective which directly contributes to pillar/vision 1 for EMFF funding, i.e. Smart, Green Fisheries by ensuring compliance with the common fisheries policy. In addition, Malta would like to note that as from 2014 till 2018, circa 11 serious infringements were detected by the Department of Fisheries. Validation of result indicator will be undertaken following completion of the operations.</p> <p>Year 2019 and subsequent years shall see further developments in the attainment of the specific objectives under Union Priority 3 taking into consideration expected advances in implementation, completion of operations and achievement of result indicators.</p>
5 - Fostering marketing and processing	<p>Taking into account that at end 2018, the operation awarded and addressing Union Priority 5 (EMFF 4.3.1) was fully implemented with financial and output indicator milestones met, then one can note that progress in relation to the achievement of specific objective 1- <i>the improvement of market organisation for fishery and aquaculture products</i> has been overall achieved.</p> <p>Due to the nature of the operation and the result indicators adopted in Section 3.2 of the EMFF OP, actual achievement of these results can only be validated after a period of time but by not later than end 2023. Two common result indicators are deemed as applicable as at time of reporting together with one programme-specific indicator which has also been set in accordance with Section 3.2 of the OP. Since these relate to changes in value and volume of first sales in non-POs (5.1.c and 5.1.d) and to the increase in the estimated per capita fish consumption (5.1.d), then these can be validated solely after completion of the operation.</p> <p>This operation directly addresses Article 68.1(g) of the EMFF Regulation wherein the EMFF may support measures for fisheries and aquaculture products aimed at conducting regional, national or transnational communication and promotional campaign. Through operation EMFF 4.3.1, the promotional campaign undertaken as described more specifically in Section 3.1 of this report, served to increase awareness of the primary school students including the general public of the status of fish stocks, the importance of conservation efforts and thus diverting fishing pressure from key species such as dolphin fish and BFT to under-utilised species. It is thus expected that as an end result of this campaign fish consumption patterns shall be affected which may directly contribute to the result indicators mentioned above.</p>

Union priority	Assessment of data and progress towards achieving the objectives of the programme
6 - Fostering the implementation of the Integrated Maritime Policy	<p>As described in Section 3.1 of this report, with reference to Specific Objective 1- <i>Development and Implementation of the Integrated Maritime Policy</i> under which the EMFF OP adopted measure (Article 80.1.c of the EMFF Regulation) falls, one operation was in advanced stages of implementation by end 2018 which addresses the total contribution of funds under this priority, including output and result indicators.</p> <p>Through operation <b>EMFF 8.3.1</b>, by end 2018, a <u>marine database system</u> was successfully uploaded onto the beneficiary’s server and shapefiles based on the datasets of the eligible monitoring data in the database were made available to the relevant stakeholders through a link, which can be opened through QGIS. This activity involved the development of a database system that caters for marine monitoring data as well as other relevant marine data generated through other processes. It is envisaged that in 2019, further developments will be made to the database, more specifically to the ‘gmls’ (i.e. datasets) extracted from the database to ensure INSPIRE compliance.</p> <p>This reflects the attainment of programme-specific result indicator <i>6.3 – Development of a database on the marine environment</i> (1.0). In line with Section 3.1 of the EMFF Operational Programme, this operation and its achievement of this specific objective, directly contributes to pillar/vision 4- Integrated Maritime Policy. Taking into consideration the above, progress in relation to the achievement of this said objective is estimated as being equal to that expected.</p> <p>It can also be noted that the activities implemented through this operation, as described in more details in previous sections of this report, will contribute to the implementation of Maritime Spatial Planning and the Integrated Maritime Policy through knowledge improvement on the basis of the implementation of long-term monitoring processes thus targeting assessment of environmental status of the marine environment whilst also contributing to informed management processes/decisions.</p>
7 - Technical assistance	<p>As in previous years, funds allocated and activities undertaken in 2018 through technical assistance as reported in Section 2 and Sections 3.1 &amp; 3.3 of this report will indirectly help and contribute towards the achievement of all EMFF Specific Objectives.</p> <p>In order to ensure that EMFF OP targets and commitments were met, thus the achievement of Specific Objectives, 2018 saw the</p>

Union priority	Assessment of data and progress towards achieving the objectives of the programme
	<p>implementation of the following actions under Technical Assistance:</p> <ul style="list-style-type: none"> <li>• Actions for preparation, management, monitoring, evaluation, information and communication, networking, control and audit</li> <li>• Actions for the reduction of the administrative burden on beneficiaries, including electronic data exchange systems</li> <li>• Actions to reinforce the capacity of Member State Authorities and beneficiaries to administer and use the fund</li> <li>• Actions to support the strengthening of the institutional capacity of partners in particular as regards small local authorities, economic and social partners and nongovernmental organisations, in order to help them so that they can effectively participate in the preparation, implementation, monitoring and evaluation of the programmes. Support took the form of: training sessions and contributions to the cost of participating in meetings on the preparation, implementation, monitoring and evaluation of the programme</li> </ul> <p>With the aim of monitoring and thus ensuring the achievement of indicators set under the relevant UPs and the achievement of Specific Objectives, various meetings were held by the MA with the respective stakeholders including bilateral meetings.</p> <p>As mentioned in other sections of this report, in preparation for the issuance of calls and in order to ensure clarity and avoid unnecessary delays or issues, meetings were held with potential beneficiaries including line ministries where applicable, prior to the call deadline to provide the necessary information and guidance to applicants. Contact with beneficiaries was maintained by MA officials following award of operations to ensure smooth transition of the implemented operations and taking into consideration operation closure deadlines set including milestone indicators, decommitment and targets to be achieved for 2023.</p> <p>In addition, in order to keep its staff and stakeholders informed of procedures to be followed, especially with reference to updates of procedures, guidance notes/ policy notes/ circulars were issued. MA staff/stakeholders were informed via email and/or meetings held of the issuance of these notes which are also uploaded on the EMFF MA's webpage or the Financial Control Unit's (FCU) webpage. Hereunder, please find a list of circulars issued by the Funds and Programmes Division as at time of reporting:</p>

Union priority	Assessment of data and progress towards achieving the objectives of the programme
	<ul style="list-style-type: none"> <li>• MA Circular 01/2018 - Addendum to Grant Agreement</li> <li>• MA Circular 02/2018 - De-commitment of Funds following 31 Dec 2018 &amp; Performance Framework Milestones 2018 for the EMFF (2014-2020)</li> <li>• FCU Circular 02/2018: Addressing Fraud and Corruption in Public Procurement</li> <li>• FCU Circular 04/2018: Procurement of travel tickets</li> <li>• FCU Circular 05/2018 – Recording of working hours</li> </ul> <p>Apart from training seminars/workshops attended by FPD staff and key stakeholders, the MA also took part in the EMFF Committee and EMFF Expert Group Meetings and FAME workshops organised by EC in Brussels whereby issues of relevance in relation to the management of the EMFF OP and the implementation of procedures were discussed.</p> <p>As described in Section 3.1 of this report, the annual Monitoring Committee meeting and the Annual Publicity Event were also held in May 2018. Through these events, but more specifically through the former in view of the target audience, promotion of the EMFF Operational Programme implementation and its progress to achieving set objectives were highlighted. The latter event was targeted at the general public and potential applicants and thus served to inform the public at large of EMFF funding in general.</p>



**11.2. Assessment whether progress made toward milestones and targets is sufficient to ensure their eventual fulfilment, indicating any remedial actions taken or planned**

An assessment by Union priority of whether progress made toward milestones and targets is sufficient to ensure their eventual fulfilment, indicating any remedial actions taken or planned, where appropriate

Union priority	Assessment whether progress made toward milestones and targets is sufficient to ensure their eventual fulfilment, indicating any remedial actions taken or planned
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	<p>Progress towards achieving the output indicators under this UP was positively registered in end 2018 with ten (10) operations achieved in comparison to the six (6) operations set in Section 7 of Malta’s EMFF Operational Programme 2014-2020 version 4.1.</p> <p>Remedial actions were taken in relation to the milestone output indicators planned under Article 30 and Article 41.2 as explained in Section 3.1 of this report and in the previous AIR. These actions related to the amendment of the OP through the exclusion of these measures from the performance framework due to the issues encountered in the take up of these measures by fishers which reasons have also been described in Section 4 this report. No issues were met under the other measures adopted in the MT EMFF OP for which performance framework milestone indicators were set, thus progress towards the attainment of output indicator 1.8 (No. of projects on replacement or modernisation of engines) and output indicator 1.9 (No. of projects on promotion of human capital and social dialogue, diversification and new forms of income, start-ups for fishermen, and health/safety) is expected to be achieved towards end 2023.</p> <p>Although in early 2018, progress towards achieving output indicator 1.7 (No of projects on energy efficiency, mitigation of climate change) was still at an early stage and it was also deemed that this indicator may not be fully achieved (3 operations set as milestone values) due to similar issues encountered as those related to article 41.2 and article 30, by end 2018, three operations were fully implemented under measure I.20.</p> <p>With reference to output indicator 1.3 (No. of projects on added value, quality, use of unwanted catches and fishing ports, landing sites, auction halls and shelters), five operations were under implementation under measure I.23 in comparison to the one operation expected to be achieved by end 2018.</p> <p>In terms of financial indicators, by end 2018 €4,234,319.23 were paid to beneficiaries under this Union Priority which supersedes the financial indicator set in Malta’s EMFF OP (€2,000,000). The above amounts to 211.71% achievement of financial indicator and 166.6% achievement for output indicators by end 2018. With reference to certified payments amounting to €3,649,391.43</p>

Union priority	Assessment whether progress made toward milestones and targets is sufficient to ensure their eventual fulfilment, indicating any remedial actions taken or planned
	<p>mentioned in Section 3.1, this would amount to 182.5% achievement.</p> <p>In relation to progress made towards 2023 targets, it should be noted that due to the additional progress made than that foreseen in 2018 under this priority, progress for 2023 targets is also more pronounced with 41.66% registered at end 2018 under output indicators and 36.57% under financial indicators (or 31.52% in view of certified payments). Thus as at end 2018, progress in relation to 2023 targets was almost double and/or more than originally planned. The MA would like to highlight that this outcome is the result of efforts undertaken by all stakeholders to increase the state-of-implementation of this union priority in Malta and in no way reflects under-assumptions made at programming stage. Current performance thus meets and exceeds Malta's EMFF OP expectations.</p> <p>As to operations still to be implemented such as Article 41.2, Article 30 and Article 33 of the EMFF Regulation, 2019 and subsequent years shall see further focus undertaken in the attainment of the related 2023 targets and as time of reporting discussions and preparatory activities are underway for these measures especially to address issues already met in 2018 in relation to the lack of demand experienced under Diversification. Increased promotion of the benefits of this measure is thus expected to be undertaken in 2019 and potentially in 2020 should funds remain uncommitted. Should interest in Article 30 and Article 41.2 remain as per current context potentially due to reasons explained in previous sections of this report, then the eventuality of budgetary shift/s of funds from these measures to other UP1 measures may need to be considered accordingly.</p>
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	<p>By end 2018, three operations were under implementation under Article 48-Productive Investments, one of which was in a more advanced stage. In this regard, taking into consideration the output indicators set in Section 7 of Malta's EMFF Operational Programme (1 operation as milestone value for end 2018), progress in the attainment of output indicators under this priority superseded expectations and stood at 300% as at end 2018.</p> <p>With reference to financial indicators by end 2018, €1,146,368.94 worth of payments were paid to beneficiaries thus also exceeding the milestone value for 2018 (€500,000) and resulting in 229.20% achievement.</p> <p>In relation to progress towards 2023 targets, as at end 2018 two operations were set as output indicators for end 2023 (under</p>

Union priority	<p>Assessment whether progress made toward milestones and targets is sufficient to ensure their eventual fulfilment, indicating any remedial actions taken or planned</p>
	<p>Article 48) whereas three operations were awarded and were under implementation. Thus progress made in relation to 2023 output indicator targets as at end of 2018 stood at 150%. Regarding financial indicators, €1,146,368.94 worth of payments made to beneficiaries out of the €3,306,822 EMFF OP 2023 target value amounts to 34.6% absorption of funds by end 2018.</p> <p>In view of circumstances arising in 2019 beyond the MA's control as further described in other related sections of this report, including Section 3.1, Section 4 and Section 15, only €50,708.07 were certified under this UP, thus achievement of the performance framework financial indicators on the basis of certified payments stands at 10.14% in 2019. As explained in Section 15, the certification of circa €1,095,660.93 was withheld by the MA in 2019 in order to safeguard the Union's financial interests.</p> <p>Further advances in implementation in 2019 and 2020 are expected to result in full attainment of output and financial indicators by end 2023 if not before. As mentioned in the previous section of this report additional measures may be undertaken by the MA to ensure the attainment of 2023 targets especially with regards to the adopted measure to be implemented through Article 47 - Innovation of the EMFF Operational Programme. In addition, subject to the outcomes of the controls to be undertaken in respect of EMFF 2.2.2, than mitigating measures shall be implemented by the MA to address potential impacts on performance framework milestones and targets.</p>
3 - Fostering the implementation of the CFP	<p>Taking into consideration the information provided in Section 3.1 of this report, one can note that the milestone output and financial indicators under this Union Priority were achieved by end 2018. By December 2018, nine operations out of the planned three were under implementation in relation to operations implementing the Union's control, inspections and enforcement system (Article 76- Control &amp; Enforcement). With reference to Article 77- Data Collection, 1 operation was fully implemented (for which not all expenses were paid to the beneficiary) by end 2018. Another operation on supporting the collection, management and use of data and fulfilling the targets for 2023 was also underway with payments also made to the beneficiary by end 2018.</p> <p>In this regard, under Union Priority 3, in terms of output indicators, eleven operations in total were registered out of the four operations planned in view of Section 7.1 of the EMFF OP. Thus progress in the attainment of output indicators can be stated as being achieved by 275%.</p>

Union priority	Assessment whether progress made toward milestones and targets is sufficient to ensure their eventual fulfilment, indicating any remedial actions taken or planned
	<p>Progress towards achieving the financial indicators can also be considered as substantial under this priority with circa €3,461,156.94 worth of public eligible payments made by end 2018. This amounts to circa 115.37% taking into account the €3,000,000 milestone financial indicator value set in the EMFF Operational Programme. Taking into account certified payments (€3,081,901.91), this amounts to 102.7%.</p> <p>Bearing in mind the expected advancement in implementation not only in relation to the operations mentioned above but also for those already awarded/selected but in early stages of implementation in 2018 as mentioned in Section 3.1 of this report, then it is foreseen that progress towards achieving 2023 targets in 2019 and subsequent years will be more significant leading to eventual fulfilment by 2023 if not earlier.</p> <p>The above shows that progress made under this priority towards milestones and targets under output and financial indicators was more than sufficient in 2018. In order to ensure full attainment, the Managing Authority will continue to monitor the implementation of these operations, maintain contact with the competent beneficiary organisation and take actions as necessary should issues be met.</p>
5 - Fostering marketing and processing	<p>By end 2018, operation <b>EMFF 4.3.1</b> was fully implemented with output (1 operation) and financial (€249,158.35) milestone indicators met. In this regard, progress made towards milestones and target values for 2018 and 2023 can be deemed as very significant taking into consideration that the funds allocated under Article 68 – Marketing Measures were almost all disbursed by end 2018.</p> <p>Milestone output and financial indicator values were fully achieved by end 2018, with 100% achievement under output indicator and 166% achievement under the financial indicator. Taking into consideration certified payments (€ 203,006.64), 133% financial indicator achievement is registered. Progress made towards 2023 indicators can also be deemed as sufficient with 50% achieved under output indicators and 53% achieved under financial indicators.</p> <p>Progress to 2023 targets is foreseen to be limited however, as already foreseen by the MA in the EMFF Operational Programme and as also communicated to EC representatives and EMFF stakeholders in various informal and formal exchanges, since this is dependent on the implementation of Article 67. As also</p>

Union priority	Assessment whether progress made toward milestones and targets is sufficient to ensure their eventual fulfilment, indicating any remedial actions taken or planned
	<p>described in Section 3.2 of the EMFF Operational Programme, the implementation of Article 67 is subject to the existence of Producer Organisations which cannot be introduced in Malta due to Malta's specificities and lack of critical mass making the introduction of Producer Organisations in Malta not feasible. Following communication exchanges with EC representatives the Managing Authority was informed that these funds cannot be shifted to other measures even within the same priority and thus regrettably €219,771 worth of funds will not be disbursed, more especially since support under this measure was expected to end by 31 December 2018.</p> <p>Thus regrettably, output and financial indicator 2023 target values in relation to Article 67- Storage Aid will not be met which will also negatively impact the overall attainment of the performance framework under Union Priority 5.</p>
6 - Fostering the implementation of the Integrated Maritime Policy	<p>As described in previous sections of this report, both output and financial milestone indicator values for 2018 were achieved by end 2018. Operation EMFF 8.3.1- <i>Marine environmental monitoring: towards effective management of Malta's marine waters</i>, was in advanced stages of implementation at the time with circa €1,020,600 worth of public eligible payments made and certified.</p> <p>Thus progress towards achieving the milestone output indicators under Union Priority 6 stood at 100% in relation to the output indicator and 204% in relation to the financial indicator, reflecting significant attainment and also the stage-of-implementation of the operation.</p> <p>Regarding progress in relation to 2023 targets, as at end 2018, output indicator achievement also stood at 100% since only one operation is expected to be implemented under this priority by end 2023 whereas financial indicator achievement amounted to 63.78%.</p> <p>Advances in implementation in 2019 are expected to lead to eventual fulfilment of 2023 performance framework targets in relation to financial indicators well prior to 2023. As at time of reporting no remedial actions were necessary or foreseen for the fulfilment of 2023 targets.</p>
7 - Technical assistance	Output and financial indicators milestone or target value are not set for Technical Assistance. However, as described in previous sections of this report, funds allocated and activities implemented

Union priority	Assessment whether progress made toward milestones and targets is sufficient to ensure their eventual fulfilment, indicating any remedial actions taken or planned
	<p>in 2018 under this measure have indirectly contributed towards the achievement of 2018 milestones values and 2023 targets under all Union Priorities.</p> <p>All technical assistance activities implemented in 2018 as highlighted in the list below aided to facilitate the implementation of the EMFF operational programme and thus ensure the implementation of the adopted measures and operations and therefore the consequent achievement of milestones and targets.</p> <ul style="list-style-type: none"> <li>• Actions for preparation, management, monitoring, evaluation, information and communication, networking, control and audit</li> <li>• Actions for the reduction of the administrative burden on beneficiaries, including electronic data exchange systems</li> <li>• Actions to reinforce the capacity of Member State Authorities and beneficiaries to administer and use the fund</li> <li>• Actions to support the strengthening of the institutional capacity of partners in particular as regards small local authorities, economic and social partners and nongovernmental organisations, in order to help them so that they can effectively participate in the preparation, implementation, monitoring and evaluation of the programmes. Support took the form of: dedicated seminars/workshops, training sessions, coordination and networking structures and contributions to the cost of participating in meetings on the preparation, implementation, monitoring and evaluation of the programme</li> </ul> <p>Various meetings including bilateral meetings were held by the MA with beneficiaries and the respective stakeholders as mentioned earlier on, with the aim of monitoring and thus ensuring the achievement of indicators set under the relevant Union Priorities. Information meetings and/or information sessions were held with potential beneficiaries including line ministries where applicable in preparation for the issuance of calls and in order to ensure clarity and avoid unnecessary delays or issues, prior to the call deadline to provide the necessary information and guidance to applicants.</p> <p>Contact with beneficiaries was maintained by MA officials following award of operations to ensure smooth transition of the implemented operations and taking into consideration operation closure deadlines set including milestone indicators, commitment and targets to be achieved for 2023.</p>

Union priority	Assessment whether progress made toward milestones and targets is sufficient to ensure their eventual fulfilment, indicating any remedial actions taken or planned
	<p>Managing Authority documentation including its Manual of Procedures, guidance notes, circulars were issued or updated accordingly. Calls for proposals were published on all Sunday newspapers, including the government gazette and also uploaded on the MA website. Guidance to applicants was provided throughout the call period whereby the MA was readily available through email, phone or one-to-one meetings.</p> <p>Attendance in training seminars, workshops, EMFF Committee and EMFF Expert Group Meetings and FAME workshops also served to increase the overall administrative capacity of all key stakeholders and ensure smoother achievements of set targets.</p>

## **12. HORIZONTAL PRINCIPLES OF IMPLEMENTATION (ARTICLE 50(4) OF REGULATION (EU) NO 1303/2013)**

### **12.1. An assessment of the implementation of specific actions to take into account the principles set out in Article 5 of Regulation (EU) No 1303/2013 on partnership and multi-level governance, with particular emphasis on the role of partners in the implementation of the programme.**

As mentioned in previous reports, the drafting of the EMFF Operational Programme (OP) involved various stakeholders within government including also different local, regional, economic and social partners. The preparation, consultation, drafting, and completion process of the OP started towards end 2012 and continued until end February 2015 whereby the drafted OP was reviewed and revised in accordance with feedback provided by the relevant stakeholders. This also comprised the drafting of the SWOT analysis which involved consultation meetings with the sector participants & key stakeholders identified in liaison with the DFA, fishers [full and part-time fishers], aquaculture, research, wholesale and retail markets, as well as the main government bodies involved in the regulation of fisheries in particular and the maritime space as a whole. This preliminary SWOT analysis was followed by a public workshop where the results of the preliminary SWOT were presented and discussed. The SWOT analysis was also discussed during consultation meetings that were held during sectoral sub-committee meetings that were specifically set up as part of a consultation structure for the 2014-2020 programming period, in order to enable key stakeholders across Maltese constituted bodies and civil society to actively participate in the consultative process.

This process was concluded by means of a nationwide public consultation exercise involving MCESD, NGOs, civil society and the general public. Another round of consultation meetings followed with the private and public sector to further delve into the priority areas identified through the sectorial sub-committee meetings and consequently ascertain those project ideas deemed of essence to form part of the OP. Finally, a workshop was held among the various stakeholders in/directly related to the industry to attain further feedback on the draft measures of the OP and raise awareness of the likely contents of the OP. The draft OP was also discussed within the Fisheries Advisory Board, as per procedure established in Article 5 of the Fisheries Management & Conservation Act.

To this end, it can be noted that a multi-level governance approach was followed for the preparation of the Maltese EMFF Operational Programme where all key stakeholders were involved throughout the whole process of the drafting of the document including the involvement of the following entities: [i] competent regional, local, urban and other public authorities [ii] economic and social partners and [iii] bodies representing civil society, including environmental/climate authorities/partners, entities/experts responsible for promoting equality, non-discrimination and NGOs. All partners were actively involved in the whole process of the preparation of the OP that comprised of the drafting of the SOWT analysis that invariably assisted in the identification of the sector's needs. This resulted in numerous discussions with the parties concerned that enabled the identification and selection of priorities and related specific objectives and was invariably instrumental in the allocation of funding. Allocation of funding was determined following a series of one-to-one consultation meetings, workshops and sub-committee meetings.

With reference to actions taken during the implementation of the EMFF OP, this multi-level governance approach is also reflected in the EMFF's Monitoring Committee (MC) set up to monitor implementation of the programme in line with Article 47 of Reg. (EU) No. 1303/2013. In



accordance with Article 3 of Commission Delegated Regulation (EU) No. 240/2014, the members of the MC consist of partners from competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society (including environmental/climate authorities/partners, entities/experts responsible for promoting equality and non-discrimination, and non-governmental organisations). Partners in this committee include amongst others representatives from the Malta Council for Economic and Social Development (MCESD), the Ministry for the Environment, Sustainable Development and Climate Change, Ministry for the Economy, Investment and Small Business, Transport Malta, Armed Forces of Malta, Department of Contracts, Ministry for Tourism, Ministry for Gozo and the Ministry for Finance. The committee also includes representatives from fishers cooperatives, aquaculture producers (such as *Koperattiva Nazzjonali Tas-Sajd*; *Għaqda Koperattiva Tas-Sajd* and *Federation of Maltese Aquaculture Producers*). Some of the non-governmental organisations included as members are *Nature Trust* (Malta) and *Flimkien għal Ambjent Aħjar* (FAA).

The MC meets at least once a year to review the implementation of the EMFF OP including progress made towards achieving its objectives and examine issues that affect the performance of the OP. As mentioned previously, the MC is consulted at various stages in the implementation of the OP to give an opinion on the amendments of the OP as proposed by the Managing Authority including amendments to the EMFF's Admissibility and Selection Criteria. MC consultations can be and were also undertaken through written procedure in line with the applicable Terms of Reference. Partners are thus kept updated on-the-state-of-play of the implementation on all adopted measures, and are also invited to provide feedback and provide their contribution accordingly. In fact, some of amendments included in the EMFF OP between 2017 and 2018, reflect feedback provided by the fishers' cooperatives and the Ministry for the Environment, Sustainable Development and Climate Change. Apart from MC Meetings, one-to-one/ bilateral meetings and communication exchanges were also held throughout the years with the relevant experts in view of partners which need to be consulted more frequently, especially bearing in mind specific OP measures being implemented.

Other actions relating to the monitoring of implemented activities are carried out through progress reports and bilateral meetings during which feedback and input of attending partners is taken into consideration. In the application process in line with the selection criteria approved by the MC in May 2015, additional points are awarded for national synergies between institutes and public bodies and also for projects involving multiple collaborations. In addition, EMFF Application Forms consist of a specific section whereby details of project partners are to be provided in relation to roles being taken and envisaged activities being implemented. A letter of intent is also annexed to this section and signed by project partners whereby the commitment for the activities undertaken is reflected. In this regard, it can be noted that the role of partners in the implementation of the EMFF Operational Programme is deemed to be essential and has as at time of reporting contributed to the effective implementation of the operational programme.

**12.2. An assessment of the implementation of specific actions to take into account the principles set out in Article 7 of Regulation (EU) No 1303/2013 on promotion of equality between men and women and non-discrimination, including accessibility for disabled persons as well as the arrangements implemented to ensure the integration of the gender perspective in the Operational Programme.**

Relevant entities responsible for promoting equality, non-discrimination and accessibility were involved in the consultation process of the EMFF OP in line with Malta's commitment to Article 7 of Reg. (EU) No.1303/2013. This approach combined a bottom-up and top-down approach

thereby ensuring a multi-level governance, all-inclusive structure that comprised relevant entities responsible for promoting equality, non-discrimination and accessibility.

The National Commission for the Promotion of Equality and the National Commission for Persons with Disability are strategic partners within the Ministry for European Affairs and Equality in the promotion of equality, non-discrimination and accessibility at the national and local level. The participation of entities responsible for promoting equality and non-discrimination in the implementation of the ESI Funds was consolidated with their inclusion in the EMFF MC in accordance with the MC Terms of Reference.

Specific sections of the EMFF application forms for project proposals issued by the MA include references and information to be provided in relation to how applicants aim to contribute to equal opportunities for all. Such references are also found in the approved Admissibility and Selection Criteria whereby specific points are allocated for operations targeting horizontal priorities, one of which is the principle of equal opportunities. Applicants are requested to describe what actions were/will be taken to promote equal opportunities and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operation.

With the aim of promoting equality between men and women and non-discrimination and taking into consideration the needs of the target audience, application forms issued targeting calls aimed for fishers were translated into Maltese thus removing language barriers. Supporting documentation including EMFF Admissibility and Selection Criteria were also translated into Maltese and additional supporting documentation issued as guidance for applicants. To reduce administrative burden and ensure equal access to funding opportunities, application forms and the required supporting documentation to be provided were kept to a minimum.

With reference to EMFF measures aimed at promoting equality between men and women, phase 1 of EMFF **Operation 1.4.1 – Training for Fishers** under Article 29.1 + 29.2 of the EMFF Reg. was under implementation in 2018. In line with Article 29.2, support could also be granted to spouses of self-employed fishermen or, where and in so far as recognised by national law, the life partners of self-employed fishermen. In view of the high level of demand (measured through open call for applications) shown by fishers in 2018, phase one of the operation directly targeted fishers whereas 2019-2020 shall see the implementation of phase two whereby spouses/partners shall also be targeted. Through this operation, equal opportunities will be given to all participants attending the registered courses to improve their knowledge and skills through formal & informal training thus contributing to the development of professional training, professional skills and lifelong learning whilst enhancing the competitiveness and viability of fisheries and improving safety and working conditions.

### **12.3. An assessment of the implementation of specific actions to take into account the principles set out in Article 8 of Regulation (EU) No 1303/2013 on sustainable development, including an overview of the actions taken to promote sustainable development.**

As also identified in the Partnership Agreement of Malta 2014-2020, Malta is committed towards achieving a sustainable and healthy environment which is considered fundamental in order to attract investment, create jobs and improve standards of living.

The EMFF OP 2014-2020 includes a number of actions contributing to sustainable development under all Union Priorities. A good coverage of such considerations is reflected both in the drawing up of the OP and also in the implementation of these measures. The drafting of the OP took into consideration the MSFD, Birds and Habitats Directives, with the result that the measures proposed in the OP are not envisaged to create any significant negative environmental impacts as evidenced in the SEA.

Overall, all measures adopted and being implemented through Malta's EMFF OP target sustainable development as highlighted in the list below:

- Union Priority 1: Implemented Measures (Article 39, Article 43.1, Article 29.1 + 29.1, Article 41.1) relate to sustainable fisheries. The objectives of these measures is to strike a balance between fishing capacity and available natural resources, to fish more selectively and to stop wasting fish caught inadvertently whilst also sustaining the fisheries sector through the improvement of safety and working conditions and increase in energy efficiency.
- Union Priority 2: Implemented Measures (Article 48- Productive Investments) relate to sustainable aquaculture which aim is to make the sector more successful and competitive by focusing on quality, health and safety, as well as eco-friendly production; and to provide consumers with high-quality, highly nutritional and trustworthy products.
- Union Priority 3: Implemented Measures (Article 76- Control & Enforcement & Article 77- Data Collection) contribute to sustainable development of both the fisheries and aquaculture sector by improving data collection, scientific knowledge and control and enforcement of fisheries legislation.
- Union Priority 5: Implemented Measure Article 68 – Marketing Measures aims to contribute to sustainable development of fisheries and aquaculture by [i] increasing awareness amongst youngsters and also the general population at large of the state of local fish stocks [ii] promoting sustainable fish consumption and [iii] increasing the importance of each citizen's role in assisting in conservation efforts.
- Union Priority 6: Implemented Measure Article 80.1.c - Improving the knowledge on the state of the marine environment aims to improve marine knowledge and manage Malta's marine water according to its specific needs.

With specific reference to Article 80.1.c mentioned above, as described in Section 3 of this report, Article 80.1.c is being implemented by ERA whose main objective is the effective management and sustainable use of marine resources, through sustained environmental monitoring in marine waters with the aim to assess the state of Malta's marine waters on a continuous basis and address current knowledge gaps.

Application forms issued by the MA also contain a specific section on horizontal priorities and thus on sustainable development whereby applicants are requested to describe how the operation shall contribute to any or all of the three pillars of sustainable development (environmental/economic/social/cross-cutting strategic issues). Points are allocated to proposed operations fulfilling this criteria in line with the Selection Criteria approved by the MC in May 2015.

### **13. REPORTING ON SUPPORT USED FOR CLIMATE CHANGE OBJECTIVES (ARTICLE 50(4) OF REGULATION (EU) NO 1303/2013)**

Figures are calculated automatically and will be included into Table 4 on financial data. A clarification on the given values may be provided, particularly if the actual data is lower than the planned.

Climate change both in terms of mitigation and adaptation, remain a priority for Malta. In line with the measures proposed in the EMFF Operational Programme, interventions to implement the appropriate climate mitigation and adaptation measures, including infrastructural, education and research initiatives, continue to be implemented under the 2014-2020 period.

Measures in this regard adopted in the EMFF OP relate to investments in infrastructure aimed at adapting to climate change, the sustainability of fisheries, marine monitoring and observation systems, and investments in aquaculture. Between 2016 and 2018, monitoring by the MA of awarded operations helped to ensure that climate change objectives as outlined in Section 9.2 of the EMFF OP are achieved in line also with the applicable grant agreements.

As at end 2018, thirteen awarded and implemented/under implementation operations falling under the measures listed below were deemed to contribute to climate change objectives in line with the EMFF OP, which operations fell under the responsibility of both private and public authorities/entities:

- EMFF 1.16.1 (Article 39 -Innovation linked to the conservation of marine biological resources)
- EMFF 1.23.1, EMFF 1.23.2, EMFF 1.23.3, EMFF 1.23.5 & EMFF 1.23.6 (Article 43- Fishing ports, landing sites, auction halls and shelters)
- EMFF 1.20.1, EMFF 1.20.2, EMFF 1.20.3 (Article 41.1- Energy efficiency and mitigation of climate change)
- EMFF 2.2.1, EMFF 2.2.2 and EMFF 2.3.1 (Article 48- Productive Investments in Aquaculture)
- EMFF 8.3.1 (Article 80.1.c- Improving the knowledge on the state of the marine environment)

It should be noted that operations implemented under Article 41.1 a.b.c Energy efficiency and mitigation of climate change – on board investments have been deemed to contribute 100% to climate change objectives, whereas the remaining operations are expected to contribute up to 40% in line with COMMISSION IMPLEMENTING REGULATION (EU) No 215/2014. Overall the operations already/being implemented, and those still to be implemented as mentioned hereunder, target resource efficiency, contribute in/directly to a decrease in energy consumption, and aim to protect biodiversity, sustainable practices and thus improving the quality of coastal waters resulting in sustainable management, conservation and restoration of coastal and marine ecosystems which are vital for the continued provision of ecosystems.

It is foreseen that subsequent years of EMFF funding in Malta shall also see the implementation of Article 33 (Temporary Cessation) and Article 41.2 (Energy efficiency and mitigation of climate change - Replacement or modernisation of main or ancillary engines) which will further increase Malta's EMFF contribution to climate change, with 40% contribution for the former and

100% contribution to climate change by the latter measure. In this regard, as at time of reporting efforts are being undertaken by the MA for the implementation of these EMFF measures.

Information on the values of contribution to climate change of operations selected for support can be viewed in Section 3.3, table 4 of this report.

#### 14. SMART, SUSTAINABLE AND INCLUSIVE GROWTH (ARTICLE 50(5) OF REGULATION (EU) NO 1303/2013)

Information and assessment should be provided on the Operational Programme's contribution to achieving the objectives of the Union strategy for smart, sustainable and inclusive growth.

As identified in Section 3.1 of the EMFF Operational Programme 2014-2020, the strategic framework was developed to contribute to and to address the Europe 2020 strategy for smart, sustainable and inclusive growth thus targeting also the objectives of the Common Strategic Framework, whilst also addressing the policy intentions of the Common Fisheries Policy, national development priorities and sectorial ambitions.

The national SWOT analysis presented in Table 1.38 of Malta's Partnership Agreement 2014-2020 highlights Malta's limitations and development potentials to be addressed. In this regard, Malta's Partnership Agreement also recognises the use of ESI Funds as a critical aid for investment in areas of strategic importance in Malta's development. The above mentioned SWOT analysis identifies the sustainability of the fisheries sector as a weakness and thus the measures adopted in the EMFF Operational Programme were aimed at addressing this weakness including other needs as also described in Section 2 of the EMFF Operational Programme.

As at time of reporting, EMFF operations implemented in line with the respective adopted measures of the EMFF Operational Programme 2014-2020 are deemed to contribute significantly both directly and indirectly to the Europe 2020 strategy for smart, sustainable and inclusive growth.

Taking into consideration Malta's EMFF contribution to Europe 2020 targets for research and development under **smart growth**, it can be noted that seven operations worth of €10,618,080.79 public eligible (committed) out of the allocated €11,778,740.34 were awarded and under implementation as at end 2018 addressed this target under *Thematic Objective 3 - Enhancing the competitiveness of small and medium-sized enterprises (SMEs)*. These operations relate to five operations under Union Priority 1- Article 43.1 Fishing Ports, one operation under Article 48 a-d,f-h Productive Investments in Aquaculture and one operation under Union Priority 5- Article 68 Marketing Measures. Through the implementation of these operations, the competitiveness of small and medium-sized enterprises (SMEs) will be enhanced both for the overall fisheries sector since the investments under Union Priority 1 will benefit the majority of the fisher population at large and on a smaller but still significant scale, the aquaculture sector since both the investments under Union Priority 2 and Union Priority 5 mentioned above should directly (former) and indirectly (latter) benefit aquaculture operators. More specifically through the five operations implemented under Article 43, by improving and expanding key landing infrastructure this also improves efficiency, health and safety as well as product quality. These operations address a number of EMFF OP identified weaknesses in port infrastructure including the limited berthing capacity which although this seems to mainly impact Europe 2020 strategy for smart growth, by enhancing the competitiveness of small and medium-sized enterprises in the fisheries sector this may also indirectly impact and lead to further opportunities for sustainable and also inclusive growth.

With reference to **sustainable growth**, three operations targeting *Thematic Objective 4: Supporting the shift towards a low-carbon economy in all sectors* under Article 41.1.a-c Energy efficiency and mitigation of climate change were selected and implemented whereas 15 operations addressing *Thematic Objective 6: Preserving and protecting the environment and promoting resource efficiency* under Article 39 -Innovation linked to the conservation of marine

biological resources, Article 76- Control & Enforcement, Article 77- Data Collection, and Article 80.1 - Improving the knowledge on the state of the marine environment, were selected out which 10 operations were under implementation by end 2018. Through the implementation of operation **EMFF 1.16.1 - A scientific study to improve trawl gear selectivity** (Article 39), the EMFF OP identified need for the reduction on the capture of unwanted species through greater gear specificity thus reducing the instances of localised impacts and conversely adopting a ‘smart green’ fisheries approach through environmental responsible, sustainable fishing practice.

Operation **EMFF 2.3.1 - Productive investment in non-food aquaculture using Recirculation Aquaculture Systems (RAS) in AquaBioTech Group to improve resource efficiency, reducing usage of water and chemicals as well as to ensure the safe operation of existing and new RAS units** directly contributes to environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture and thus sustainable growth in the aquaculture sector. Through the EMFF support provided to this operation, the identified need (vide Section 2.1 of the EMFF Operational Programme) for strong sector support in pioneering new and innovative species (both for food and non-food) and systems that allow Malta to remain proactive and competitive is addressed, also in line with Europe 2020 targets and the Aquaculture Strategy for the Maltese Islands. Through this operation, non-food aquaculture production units using Recirculation Aquaculture System technology are being developed to produce fish for experiments testing new aquaculture products like for example feeds, feed additives, vaccines, equipment. Through this productive investment in aquaculture the central water supply and effluent collection system shall be upgraded, the existing RAS systems shall be better monitored and controlled to reduce operational costs and environmental impacts and one new hatchery bay and twelve new RAS units shall be construed to provide higher quality services for clients.

Operations addressing control and enforcement, those addressing data collection and operation **EMFF 8.3.1 - Marine environmental monitoring: towards effective management of Malta’s marine waters** which addresses the Integrated Maritime Policy, also contribute directly to *sustainable growth*. Through these operations sustainable growth of both the fisheries and the aquaculture sector is enhanced through increased fisher involvement in sector planning, fisheries research, control and management which stance aims to also address the limited environmental awareness of fishers as also identified in the EMFF Operational Programme. By also addressing the EMFF’s OP identified need to achieve good environmental status of the marine environment for the use of present and future generations in line with the Marine Strategy Framework Directive through operation EMFF 8.3.1, sustainable growth is also directly targeted. In line with Europe 2020 strategy for sustainable growth, this operation also addresses the need to address data deficiencies and improve information regarding the state of the marine environment, which need was acknowledged by the Sustainable Development Strategy for the Maltese Islands 2007-2016.

The total eligible expenditure of operations selected for support under Thematic Objective 4 at end 2018 stood at €71,448.07 resulting in a total eligible public expenditure declared by beneficiaries of €43,814.31 in 2018. As to Thematic Objective 6, out of an allocated €13,917,654.22, a total public contribution of €12,892,306.96 worth of operations selected resulting in a total public eligible expenditure of €5,692,162.66 was registered at end 2018. In total 18 operations selected for support worth of €12,936,121.31 public eligible funds committed and worth of €5,735,976.97 total eligible public expenditure directly targeted sustainable growth.

The main EMFF operation contributing to the Europe 2020 strategy for **inclusive growth** and addressing *Thematic Objective 8: Promoting sustainable and quality employment and supporting labour mobility* falls under Article 29 of the EMFF Regulation. A total of €500,000 (public

eligible) was committed in this regard to **EMFF 1.4.1- Training for Fishers** with circa € 253,754.93 (public eligible) paid to beneficiaries by end 2018.

As outlined in Malta's NRP (2017) 'Economic growth and the creation of more and better jobs are the main focus of the European Structural and Investment (ESI) Funds'. As also identified in previous sections of this report, operation EMFF 1.4.1 is supporting Malta in achieving Europe 2020 strategy towards inclusive growth and thus also contributing to Malta's National Reform Programmes (NRP, 2017, 2018) by providing training and supporting those working in the local fisheries sector. Through the provision of training for fishers to address skills and upskilling, this operation aims to foster inclusive growth by providing the skills and the knowhow to those working in the local fishing industry on how to diversify their business and make a more efficient use of their vessel. Taking into consideration Europe 2020 strategy, this operation also addresses the EMFF OP identified need on the basis of the SWOT analysis in relation to greater knowledge and preparedness for the prevention of accidents, especially at sea whilst also seeking to alleviate local fishers' safety and the costs caused by accidents – issues which affect inclusive growth.

Overall, out of an allocated € 26,343,060.56 worth of EMFF public eligible funding under the Maltese EMFF Operational Programme 2014-2020 (excluding Technical Assistance allocation), a total of € 21,371,554.87 (public eligible) was already committed for operations selected for EMFF support by end 2018. In total circa € 10,107,006.88 worth of public eligible payments contributing to the Europe 2020 strategy as described in this section were made by end 2018 which amount to circa 38% of funds spent under UP1, UP2, UP3, UP5 and UP6. Moreover, although one may note that the main focus is on sustainable growth and smart growth with circa € 12,936,121.31 and € 7,935,433.56 committed (public eligible) respectively, it should be noted that few measures actually target inclusive growth under the EMFF Regulation (5 measures: Article 29, Article 50, Article 62.1a, Article 63 and Article 64) and that a significant proportion of EMFF public eligible funding was committed for the awarded operation under Article 29 (€500,000) which directly targets inclusive growth.

Furthermore, it can also be noted that as mentioned in this report, certain measures/operations already under implementation are also foreseen to indirectly impact inclusive growth such as measures implemented under the aquaculture field whereby training may need to be provided, not directly through the proposed operation/s, to employees of the aquaculture operators in view of new processes/systems implemented through their operation. Adaptation of workers, enterprises and entrepreneurs in the aquaculture sector to change will be impacted through the investments being implemented. Certain measures implemented under Article 76, 77 and Article 80.1 also indirectly contribute to inclusive growth whereby the collection and dissemination of data through these measures may have an overarching effect on employees working directly in these fields such as data collectors, analysts and data end users not solely to make informed decisions but also by improving quality employment through the provision of specialised training in the field such as trainings organised by the European Fisheries Control Agency under Article 76 (h) of the EMFF Regulation. These measures are also deemed to indirectly impact related stakeholders in the fields such as policy makers, fishers, aquaculture producers and the general public at large whose access to the related officially published reports such as the Scientific, Technical and Economic Committee for Fisheries Reports may promote sustainable and quality employment and support labour mobility. As also described in Section 3 of this report, EMFF funding allocated to technical assistance although not directly targeted at supporting labour mobility directly impacts the promotion of sustainable and quality employment through the provision of specialised training seminars in work related areas to MA officials and other stakeholders of the EMFF Programme. Furthermore, operations addressing Thematic



Objective 3, enhancing the competitiveness of small and medium-sized enterprises may also as a result indirectly promote sustainable and quality employment.

In this regard, through the completion of the above mentioned EMFF operations including the implementation of adopted measures still to be implemented under Article 30, 33, 41.2 and 47 of the EMFF Regulation, it is envisaged that by end 2023, Malta's EMFF OP will be significantly, directly and indirectly contributing to the achievement of Europe 2020's thematic objectives for smart, sustainable and inclusive growth.

In addition, as at time of reporting it appears that thematic objective allocation of funds as set in the EMFF OP section 8.3 reflects a shift in allocation between Thematic Objective 6 and Thematic Objective 3 of about €600,000Eur when it comes to actual implementation. It is foreseen that OP amendments in this regard may be required to allign planned versus implemented allocated amounts. Actual allocation contribution of funds to thematic objectives however can only be calculated in subsequent years taking into consideration further developments in programme implementation.

**15. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME — PERFORMANCE FRAMEWORK (ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013)**

Where the assessment of progress made with regard to the milestones and targets set out in the performance framework demonstrates that certain milestones and targets have not been achieved, Member States should outline the underlying reasons for failure to achieve these in the report of 2019 (for milestones) and the report by the deadline referred to in Article 138(1) of Regulation (EU) No 1303/2013 (for targets)

As at end 2018, no issues affecting the performance of the EMFF Operational Programme 2014-2020 resulted as all the output and financial indicators were deemed to be achieved for all Union Priorities by 31st December 2018.

In relation to Union Priority 2, as noted in previous sections of this report, between 2017 and 2018, the MA diverted its efforts towards the private aquaculture sector, whereby OP amendments were undertaken and further measures and calls launched to address potential shortfalls. Whereas the efforts undertaken to mitigate the risk of this delay led to the achievement of output indicators (3 operations were under implementation out of the set 1 operation) and also to expenditure incurred by beneficiaries in 2018 and paid over and above the set financial indicator milestone value (€1,146,368.94 payments made vis-a'-vis the €500,000 milestone value), circa €1,095,660.93 of these payments were still to be claimed to the Commission. This action was targeted to be undertaken in 2019, in line with EGESIF\_18-0021-01 19/06/2018 Version 2.0 Guidance for Member States on Performance framework, review and reserve before the submission of this Annual Implementation Report.

Between February and March 2019, news articles were published mainly in Spanish and Maltese media alleging the sale of illegal tuna to Spain whereby originally the illegal operations of a Spanish-owned company in Malta were brought to light. On 12th February 2019, Press Release PR190269en was issued by the Ministry for the Environment, Sustainable Development and Climate Change stating:

*“In light of the facts presented before the Spanish authorities, the Government is indefinitely suspending the Director General of Aquaculture and Fisheries. As has always been done by this Government, it is collaborating with the authorities in all ongoing investigations to establish all the facts of this case, even in the best interest of the fisheries and aquaculture sector.*”

*The Maltese Police involved Europol in the investigations to receive information from Spain on investigations conducted on a Spanish tuna company operating from Malta. Meanwhile other investigations by the Malta Police Force are continuing and a Magisterial inquiry led by Magistrate Gabriella Vella is even ongoing.”*

In view of the above, an Acting Director General (Fisheries and Aquaculture) was appointed with effect from 13th February 2019.

In the meantime, further to the checks already undertaken and completed in 2018, with the competent authority prior to award, in relation to the admissibility of the applications for EMFF funding whereby it resulted that serious infringements as outlined in Article 10 of the EMFF Regulations were not recorded for MFF Limited (the afore-mentioned EMFF beneficiary), further discussions were held between February and April 2019 between the Managing Authority and relevant authorities including the appointed Acting Director General to determine the extent of the problem and whether serious infringements were officially determined under EMFF. As at time of reporting, controls are still ongoing and thus no further action can be undertaken by the Managing Authority in the absence of determined serious infringements by the competent body.

Notwithstanding the above, the Managing Authority is in close contact with the Department of Fisheries and Aquaculture in this regard and in order to safeguard the Union's financial interests shall be withholding the certification and the claim for payment of the above mentioned expenditure under Union Priority 2 prior to an official decision being taken determining, if any, the serious infringement.

Consequently, although as reported in previous sections of this report the implementation of the EMFF Operational Programme was deemed to be not solely on track but also as surpassing its set milestone values, unfortunately, the withholding of payment claims to EC in relation to payments incurred by end 2018 in 2019 under UP2 shall result in an under-achievement of the financial indicator milestone value since only circa €50,708.01 were certified and deemed as regular at end 2018, which expenditure related to other operations under implementation having no link to the allegations made in 2019. Taking into consideration the fact that by end 2018, three EMFF UP2 operations were under implementation out of the set 1 (2018) milestone value, that the financial indicator was deemed to have been exceeded (€1,146.368.94 worth of payments made out of the set €500,000), and that the situation leading to the non-certification of funds resulted in 2019, the MA deems that the under-achievement of UP2 financial indicator was impacted through means beyond the MA's control, i.e through force majeure.

Measures taken by the Managing Authority to ensure timely absorption of the planned allocated resources and to meet the milestones and targets of output and financial indicators under this union priority and other priorities have been described in the related sections of this report.

**16. WHERE APPROPRIATE, THE CONTRIBUTION TO MACRO-REGIONAL AND SEA BASIN STRATEGIES.**

As stipulated by the Regulation (EU) No 1303/2013, article 27(3) on the "content of programmes", article 96(3)(e) on the "content, adoption and amendment of operational programmes under the Investment for growth and jobs goal", article 111(3) and 4(d) on "implementation reports for the Investment for growth and jobs goal", and Annex 1, section 7.3 on "contribution of mainstream programmes to macro-regional and sea-basin strategies, this programme contributes to MRS(s) and/or SBS

In line with Section 3.5 of the EMFF Operational Programme, this is not relevant for Malta.

- EU Strategy for the Baltic Sea Region (EUSBSR)
- EU Strategy for the Danube Region (EUSDR)
- EU Strategy for the Adriatic and Ionian Region (EUSAIR)
- EU Strategy for the Alpine Region (EUSALP)
- Atlantic Sea Basin Strategy (ATLSBS)
- WestMED Sea Basin Strategy (WestMED)

**Documents**

<b>Document title</b>	<b>Document type</b>	<b>Document date</b>	<b>Local reference</b>	<b>Commission reference</b>	<b>Files</b>	<b>Sent date</b>	<b>Sent By</b>
Citizens' Summary- AIR 2018	Citizens' summary	15-May-2019		Ares(2019)3218005	Citizens' Summary AIR 2018	16-May-2019	ncamilab

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Info		Implementation report version has been validated