

## 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 Managing Authority [MA] is presenting the fifth Annual Implementation Report [AIR] for the European Maritime and Fisheries Fund [EMFF] Operational Programme [OP] in Malta covering the sixth year of implementation. Its format is set on the model presented in Article 2 of Regulation [EU] No. 1362/2014 and on the FAME Support Unit CT04 Working Paper EMFF AIR [April 2018] guiding Member States in their formulation of Annual Implementation Reports. Its main objective is to provide EMFF key stakeholders with information on the implementation of the OP during year 2019.

Whilst year 2018 turned out to be a year of great achievements for Malta in its implementation of the OP, with efforts concentrated on the achievement of N+3, Performance Framework targets and on the issuance of calls, efforts in 2019 concentrated on the constant monitoring of operations awarded in previous years. By end 2019, a total of 34 operations had been selected for EU co-financing. Five calls were also issued: three under Union Priority 1 [UP1] which targeted fishers, one under Union Priority 2 [UP2] and another under Union Priority 3 [UP3].

Two of the calls issued under UP1 were based on Article 41.1 of Reg. [EU] No. 508/2014 -*On board investments; energy efficiency audits and schemes and studies* [total public eligible budget: €150,000] and Article 30 -*Diversification and new forms of income* [total public eligible: €225,000]. Both followed an open rolling calls procedure with different cut-off dates, that is, the call remains open until the budgetary allocation under the measure is utilised, or until the MA notifies otherwise. The open calls were promoted through adverts published on the Malta Government Gazette and on all local Sunday printed newspapers, and through radio adverts, so as to reach a wider audience. Two information sessions [pertaining to each call] were organised for fishers and stakeholders. MA officials were available to assist prospective applicants with queries through phone calls, email exchanges and meetings, yet no application forms were submitted.

The other call issued under UP1, a restricted call, invited the Department of Fisheries and Aquaculture (DFA) to submit a project proposal based on Article 33 -*Temporary cessation of fishing activities* [total public eligible amount: €500,000]. This was issued in September and targeted fishers as final beneficiaries. Another restricted call was issued under UP2 in October. An invitation letter was issued to the University of Malta to submit a project proposal concerning aquaculture investment in response to the call issued based on Article 47(1)a-c - *Innovation* [budget: €800,000]. No proposals were submitted. A restricted call for project proposals was issued under UP3 based on Article 77 -*Data Collection* to the DFA, being the competent body under UP3 [total public eligible: €1,000,000].

The fifth meeting of the Monitoring Committee (MC) was held on 15 May 2019, during which an update on the implementation of the OP was provided to MC members. On 4 September 2019, a written procedure was issued amongst MC members in accordance with Article 7 of the MC's terms of reference. EMFF stakeholders were invited to present any queries and feedback for discussion. The MA requested the MC's approval of the revised *Admissibility and Selection Criteria* and the proposed amendments to the OP. Such amendments were mainly related to the reallocation of the performance reserve from under UP2 to UP6, budgetary shifts within UP3 under Article 76 (*Control and Enforcement*), amendments in relation to Article 33 (*Temporary Cessation of fishing activities*) and also to the indicative amount of support to be used for climate change objectives. Subsequent to MC approval, the proposed OP amendments were put forward for the European Commission's approval. Version 5.0 of the EMFF OP for Malta was adopted by the EC on 11 November 2019. The Annual Review Meeting between MA and EC representatives was held on 4 November 2019.

On 28 October 2019, the FAME Support Unit organised a workshop on *CT10 needs assessment 2019* in Malta. Officials from the MA, as well as from the Strategy and Implementation Division, attended this workshop. Discussions focused mainly on SWOT analysis, target setting and indicators, in preparation for the new programming period 2021-2027.

2021-2027 programming preparations undertaken during 2019 were in line with feedback given during the Joint Annual Review Meeting and based on tasks and time frames identified in letter dated 12/09/2019, presenting the Road Map for Programming Arrangements for EMFAF 2021-2027. Preparations covered the launching of the programming process across relevant Ministries and other stakeholders, an informative workshop held with FAME representatives, the engagement of consultants for the drafting of the Programme with various meetings held to discuss contract deliverables and way forward throughout the programme drafting process, consultations held with Ministries, NGOs, fish cooperatives and aquaculture representatives to identify the SWOT and development needs, drafting the Intervention Logic for EMFAF and drafting of the SWOT, development needs and identification of priority areas.

The MA online webpage was regularly updated in order to meet CPR/EMFF Regulatory requirements, such as the list of selected operations as per Article 119 of Regulation [EU] No. 508/2014. The MA ensured that the webpage included regulations, publications, reports, EMFF supporting documentation and other documents pertaining to EMFF upcoming calls.

Three Statement of Expenditures by Fund were completed in 2019, one of which completed by accounting year ending 30 June 2019. The claim for payment, which amounted to €1,768,590.06 (EMFF share), was submitted to the EC on 10 May 2019. The claim for payment of the other two SOEs, which were completed for accounting year ending 30 June 2020, amounted to a total of €1,714,175.81 (EMFF share), submitted to the EC on 14 November 2019 (€1,039,295.84) and 9 December 2019 (€674,879.97).

Under UP1, out of twelve operations, five were completed and seven were under implementation by end 2019. The total public eligible amount paid by the end of the year stood at €7,168,641.18. Under UP2, two operations were under implementation, whilst one operation was suspended. The total public eligible amount paid by end 2019 stood at €1,440,769.26. By the end of the same year, the total public eligible amount paid under UP3 was €4,437,259.55, with two operations completed and nine operations under implementation. The only operation which falls under UP5 was completed with a total public eligible amount of €249,957.71 in payments. By end 2019, the total public eligible amount paid under UP6 stood at €1,020,600, with one operation in advanced stages. €771,005.22 worth of payments related to Technical Assistance were processed by end 2019.

### 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 2019 and Evaluation of Project Applications</i></u></p> <p>Two open calls related to Article 41.1 and Article 30 were issued under UP1 and targeted local fishers. These were promoted through Government Gazette, newspaper and local radio adverts. Guidance to potential fishers was provided through information sessions, phone calls and meetings. Application forms and relevant documents were also issued in Maltese and uploaded on the MA's website. Both calls followed an open rolling calls procedure with different cut-off dates. Notwithstanding such efforts, no applications were received by end 2019. Fishers still perceive the application process as discouraging and feel that the administrative burden remains considerable. Further info on this in Section 8.</p> <p>The third call issued under UP1, related to Article 33, was a restricted call issued to the DFA, being the competent authority to implement the Temporary Cessation Scheme following amendments made to the EMFF OP. At OP adoption stage, 10 operations targeting fishers as direct beneficiaries were planned to be implemented. Following discussions with CION and DFA representatives, and given that the latter were the data holders on the fishers' operations, it was decided that a restricted call issued to the DFA would be the better option. It also aimed at facilitating matters and reduce administrative burden on prospective applicants. A formula for the calculation of compensation/premium to be granted for vessel owners was introduced, after being presented and approved by the MC.</p> <p>As per project proposal awarded by the PSC, the closed fishing season for swordfish was extended by 1 month during the month of December, i.e. over and above the obligatory closure period referred to in the regulations.<sup>1</sup> The operation was given ref. no. EMFF 1.9.1, <b><i>Compensation Scheme for the Temporary Cessation of fishing activities</i></b>. An open call was issued by the DFA. All fishing activities carried out by the fishing vessel or by the fishing vessel owners were suspended during the whole month. The aim was to increase the recovery of the swordfish stock in Malta whilst also addressing over-exploitation of other fish stocks. The eligibility of applicants was determined by the DFA based on established admissibility and selection criteria. Applicants, for example, had to have spent 120 days at sea over a span of the last two years.</p>

<sup>1</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018PC0229&from=en>

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>An Information Session, for which around 40 fishers attended, was held in November. The DFA explained the contents of the application form and the whole selection process. 28 fishing vessel owners applied by the end of December. 26 applications were accepted, whilst 2 applications got rejected by the appointed PSC.</p> <p><i>Ongoing operations</i></p> <p><b>EMFF 1.23.1: <i>The Construction and Finishing of an Office on the Fish Landing Site in the Marsaxlokk Designated Port.</i></b> By end 2019, the crane, expected to aid fishers in the transportation of their catches, was procured. The landing site tender was awarded and is expected to be finalised in 2020, following an addendum to the GA.</p> <p><b>EMFF 1.23.3: <i>Construction of a breakwater at Qrejten point in the port of Marsaxlokk.</i></b> Physical works on the new breakwater at Qrejten point and the processing of payments progressed at a steady pace in 2019. On-the-spot checks were carried out by the MA and a third-party contractor.</p> <p><b>EMFF 1.23.5: <i>Upgrading of the fisheries infrastructure of Gozo.</i></b> In 2019 a second shift of funds was requested, approved by the MA based on project management decisions and procurement developments. Liaison with the Beneficiary was conducted concerning GA formulation, signed in February. Works commenced as planned; payments covering various project activities were processed. The MA endorsed changes to the boat trailers component featuring no reduction in project scope, more added value to the investment and a clear link to the improvement of fishers' safety at the Mgarr designated port.</p> <p><b>EMFF 1.23.6: <i>Upgrading of Mgarr Gozo and Marsaxlokk Malta fishing ports.</i></b> Physical works at Mgarr designated port and the processing of pertinent payments progressed at a steady pace. On-the-spot checks were carried out by the MA and a third-party contractor. Liaison with Infrastructure Malta was conducted concerning GA formulation, signed in April. Furthermore, a request for the inclusion of concrete works at the Marfa designated port was received by the MA. A notification indicating availability of more funds [from UP2] was sent to the Beneficiary since the GA did not cover the full project cost owing to an initial limitation of funds.</p> <p><b>EMFF 1.4.1: <i>Training for Fishers.</i></b> This operation was in advanced stages of implementation. An addendum to the GA related to the inclusion of a second phase of courses to be offered in 2020, was signed.</p> <p><b>EMFF 1.20.4: <i>On board Investments [St. Peter - MLT00MFA0140].</i></b> Although discussions were held between the fisher and the MA throughout 2019, the GA was not signed until March 2020 due to capacity challenges experienced by the Applicant. The operation is expected to be completed by quarter 2 of 2020.</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><u>Completed operations</u></p> <p><b>EMFF 1.16.1: A scientific study to improve trawl gear selectivity.</b> This was completed in 2019 as per the end date stipulated in the GA. Final payments were processed by quarter 1 and documentary on-the-spot checks were conducted by the MA. As per Closure Report submitted by the Beneficiary, both Result Indicator 1.4a) -Change in unwanted catches (tonnes) and 1.4b) -Change in unwanted catches (%) were reached. A total of €193,061.29 in public eligible costs were processed out of the €200,000 allocated under this operation.</p> <p>Other completed operations include <b>EMFF 1.20.1</b>, <b>EMFF 1.20.2</b> and <b>EMFF 1.20.3</b>, which fall under Article 41.1. These were concluded in year 2018 and payments were certified by the end of the same year. In 2019, the MA, together with a third-party engineer, conducted physical on-the-spot checks on board the related fishing vessels in order to ascertain that all line items listed in the GA were in fact purchased, installed and operational. A Closure Report is to be prepared by end 2020 in view of the result indicator referring to change in net profits. A check on this matter will be conducted following registration of 2019 financials by the Beneficiary through an accountant of his trust. Written confirmation explaining the process was sent to the fisher in 2019.</p> <p><b>EMFF 1.23.2: Refurbishment and upgrading of slipways in the port of Marsaxlokk.</b> This operation was completed by end September 2019. Ten slipways, which shall aid the fishers in their logistical works, were upgraded. Once a closure report is submitted by the Beneficiary, result indicators will be verified by the MA. A total of €539,130.69 in public eligible costs were processed by the end of 2019.</p> <p>By end 2019, a total amount of €7,168,641.18 in public eligible funds were paid under this UP, out of the total allocation of €11,577,239 stipulated in the EMFF OP.</p>
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	<p><u>Calls launched in 2019 and Evaluation of Project Applications</u></p> <p>In September 2018, a restricted call for project proposals was issued under Article 47 – <i>Innovation</i> of Regulation [EU] No. 508/2014, through which a proposal was submitted by the DFA in October. Unfortunately, the proposal was not found admissible by the PSC in February 2019, since the submission did not fulfil the Admissibility Criteria adopted by the Monitoring Committee in April 2018. For this reason, the proposal entitled <i>Investing in research and innovation at the Aquaculture Directorate, at Fort San Lucjan, Marsaxlokk</i>, was rejected.</p> <p>As a result, another restricted call was issued under the same Article 47 in October 2019, with a budget of €800,000. An invitation letter was issued to the Rector of the University of Malta to submit project proposal/s concerning aquaculture investment/s in response 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
	<p>call issued. Although this was a restricted call, no project proposals were submitted by the University of Malta.</p> <p>The total amount of public eligible funds which had been paid by end 2019 amounted to €1,440,769.26 under Union Priority 2 out of the total allocation of €3,092,781 stipulated in the EMFF Operational Programme.</p> <p><u>OP Amendments</u></p> <p>Unfortunately, Union Priority 2 did not achieve its milestones as set out in Annex II of <i>Commission Decision of 1.7.2019 determining for Malta and for the European Maritime and Fisheries Fund the Union priorities which have achieved their milestones with reference to the operational programme encoded under the following CCT number: CCI 2014MTY4MfOPOO1</i>. By the end of 2018, the expenditure incurred by beneficiaries was paid over and above the set financial indicator milestone value (€1,146,368.94 payments made vis-à-vis the €500,000 milestone value). By end 2018, €50,708.07 were certified. The remaining amount of €1,095,660.93 were to be claimed to the Commission in 2019.</p> <p>As recorded in the Annual Implementation Report for year 2018, 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 12<sup>th</sup> February 2019, a Press Release (PR190269en) was issued by the then Ministry of the Environment, Sustainable Development and Climate Change (MESDC), which stated that:</p> <p><i>'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 the 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.</i></p> <p><i>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”.</i></p> <p>Since then, two Acting Director Generals for the Department of Fisheries and Aquaculture were appointed, one of them has now been officially appointed as Director General (in quarter 1 2020).</p> <p>In the meantime, in order to safeguard the Union’s financial interests, the Managing Authority withheld 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</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>any, serious infringement. In this regard, Union Priority 2 resulted in an under-achievement of the financial indicator milestone value since only circa €50,708.04 were certified and deemed as regular at end 2018.</p> <p>Since Union Priority 2 did not achieve its milestones, the Union Priority 2 performance reserve (with a value of €214,041 (EU+MT share)) was deducted and shifted to Union Priority 6 as per OP amendments adopted by the Monitoring Committee and as per Version 5.0 of the EMFF Operational Programme for Malta adopted on 11 November 2019. The reallocation of the performance reserve was proposed in line with Article 22 (5) of Regulation (EU) No. 1303/2013.</p> <p><u>Ongoing operations</u></p> <p><b>EMFF 2.2.1: Productive Aquaculture Investments at Pisciculture Marine de Malte Limited</b>, Beneficiary: <i>Pisciculture Marine de Malte Ltd.</i> Addendum no.1 to the Grant Agreement was compiled and signed in March 2019. The said addendum amended sections of the Grant Agreement and Annex 1 – Project Description affected by requests for project amendments lodged by the Beneficiary and approved by the Managing Authority following a clarification process. It also addressed considerations by the Audit Authority made in quarter 1 of 2019 during the execution of a system audit on the Managing Authority, concluded via the issuance of a final report in February 2019 following a standard contradictory procedure. On another note, the second reimbursement claim was submitted and processed in quarter 2 of 2019. Two project extension requests were approved on the grounds of Act of God classification factors and unforeseen procurement delays. Cabins [the only pending line item in the project] were being tailor manufactured as of end 2019.</p> <p><b>EMFF 2.3.1: Productive Investments in non-food aquaculture using RAS in AquaBioTech Group</b>, Beneficiary: <i>AquaBioTech Group</i>. Second and third reimbursement claims were submitted and processed in quarters 3 and 4 of 2019. Two project extension requests were approved by the Managing Authority due to the heavy fragmentation and complexity of the procurement for research services involved. A project amendment request was approved, tackling both modifications to some line items already in the Grant Agreement together with the introduction of new ones, mainly brought about by dynamism in clientele demands. No reduction in project scope is anticipated.</p> <p><b>EMFF 2.3.2: Increasing productivity, efficiency and sustainability of Blue-fin tuna fish farming operations</b>, Beneficiary: <i>Malta Fish Farming Ltd.</i> As will be also noted under Section 5 below, the Managing Authority decided to suspend payments in harmony with Article 132 [2] [b] of the Common Provisions Regulations referring</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
	to projects' suspension in case of an investigation. This is due to the ongoing investigation mentioned above.
3 - Fostering the implementation of the CFP	<p><u><i>Calls launched &amp; Evaluation of Project Proposals in 2019</i></u></p> <p>A restricted call for project proposals was issued under Union Priority 3, on the basis of Article 77 – <i>Data Collection</i>. The Department of Fisheries and Aquaculture, being the competent body under Union Priority 3, was invited to submit a project proposal with a maximum total public eligible amount of €1,000,000. The Managing Authority issued the call in September 2019. The DFA submitted an application form by the closing date of the call, i.e. 15 October 2019. The operation entails a continuation of the data collection multiannual programme, this time for years 2020-2021. The project proposal was found admissible by the Project Selection Committee, according to the <i>Admissibility and Selection Criteria</i> approved by the Monitoring Committee in September 2019. Yet, the evaluation of the project proposal was not completed by the end of 2019 by the PSC. In this regard, the evaluation continued in year 2020 and was eventually awarded by the end of Quarter 1.</p> <p>With reference to Article 76 – <i>Control and Enforcement</i>, the project proposal which was submitted by the Department of Fisheries and Aquaculture in year 2018, this being for ‘<i>The supply, delivery, installation and commissioning of a CCTV Network System around Malta and Gozo including a control centre for the Department of Fisheries and Aquaculture</i>’, was expected to be evaluated in 2019, as stated in the Annual Implementation Report for year 2018. The evaluation of the project proposal was delayed, however, since the Managing Authority had to verify that no double financing was involved. In fact, the admissibility check of the project proposal was conducted by the PSC in September 2019 and a clarification letter was sent to the DFA during the same month. Yet, the PSC halted the evaluation of the project proposal due to pending discussions from the DFA’s end.</p> <p><u><i>Ongoing Operations</i></u></p> <p>In order to ensure the effective implementation of the operations which fall under Union Priority 3, regular contact and monitoring was maintained with the Beneficiary organisation, this being the Department of Fisheries and Aquaculture. Management verifications were conducted by the Managing Authority throughout the year, and financial corrections as well as recommendations were made accordingly.</p> <p>During 2019, the implementation of <b>EMFF 6.2.2: <i>Data Collection Multi-Annual Programme 2017-2019</i></b>, which falls under Article 77 - <i>Data Collection</i>, of Regulation [EU] No. 508/2014, was under implementation and in advanced stages.</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>The nine operations awarded under Article 76 – <i>Control and Enforcement</i>, also progressed during 2019. The end date of operation <b>EMFF 6.1.1 c) - <i>The development, purchase, and installation of the components necessary to ensure the traceability of fishery and aquaculture</i></b>, was extended until September 2020 due to public procurement issues encountered. The fisheries sales notes system, which falls under operation EMFF 6.1.1 c) was successfully completed in 2018. On the other hand, the procurement procedure related to the purchase of five hand-pallet trucks was delayed, this being one of the reasons for the DFA’s request to extend the Grant Agreement. Operation <b>EMFF 6.1.1 e) - <i>The Modernisation and purchasing of patrol vessels, aircrafts and helicopters</i></b> also forms part of this Grant Agreement. This operation entails the procurement of two Rigid Hull Inflatable Boats (RHIBs). These were delivered to the Department of Fisheries and Aquaculture in May 2019, following two contract extensions. Payments related to the procurement of the two RHIBs were processed by the end of 2019. Once a closure report is submitted by the Beneficiary, result indicators will be verified by the MA.</p> <p>The other seven operations which fall under Article 76 were also under implementation in 2019, these being:</p> <ul style="list-style-type: none"> <li>• EMFF 6.1.2 a): <i>The purchase, installation and development of technology</i></li> <li>• EMFF 6.1.2 b): <i>The development, purchase and installation of the components to ensure data transmission</i></li> <li>• EMFF 6.1.2 f): <i>The purchase of other control means</i></li> <li>• EMFF 6.1.2 h): <i>Training and exchange programmes</i></li> <li>• EMFF 6.1.2 i): <i>2 Cost Benefit Analysis and 3 Audits to assess the performance and expenditure incurred by the DFA to carry out monitoring, control and surveillance</i></li> <li>• EMFF 6.1.2 j): <i>Seminars and media tools</i></li> <li>• EMFF 6.1.2 k): <i>Operational Costs</i></li> </ul> <p><u><i>Completed Operations</i></u></p> <p>Operation <b>EMFF 6.2.1: <i>Data Collection Framework Multiannual Programme 2014-2016</i></b> was completed by end 2018. In year 2019, several final payments were processed, a Project Closure Report was submitted by the Beneficiary, this being the DFA, and management verifications were conducted by Managing Authority officials. Further management verifications are expected to be conducted in year 2020.</p> <p>The total amount of public eligible funds paid by end 2019 stood at €4,437,259.55 under Union Priority 3, out of the total allocation of €10,240,998 stipulated in the EMFF Operational Programme.</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
5 - Fostering marketing and processing	As reported in the previous Annual Implementation Report, operation <b>EMFF 4.3.1: <i>Nesploraw Flimkien it-Tezori tal-Bahar!</i></b> was fully implemented by end December 2018. Throughout 2019, the Managing Authority concluded its management verifications on the operation. Financial, output and result indicators (both common and programme-specific result indicators) set for this Union Priority were met. By end December 2019, a total amount of €249,957.71 in public eligible costs were processed. All payments were certified and claimed to the European Commission by the end of the year.
6 - Fostering the implementation of the Integrated Maritime Policy	<p>Operation <b>EMFF 8.3.1: <i>Marine environmental monitoring: towards effective management of Malta's marine waters,</i></b> contributes to the effective management and sustainable use of marine resources, through sustained environmental monitoring in marine waters. In 2019, as in previous years, contact was maintained between the Managing Authority and the Beneficiary, this being the Environment and Resources Authority (ERA). Regular monitoring and meetings were held 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. By the end of 2019, the implementation and updating of the monitoring programme, as well as the assessment report (which focused on the analysis of monitoring, assessment of environmental status and proposals of environmental targets) were completed.</p> <p>The marine database system, which was developed and made available to relevant stakeholders in December 2018, was further developed and populated with datasets. Discussions were held throughout 2019 to solve issues related to INSPIRE compliance. By end December 2019 such discussions were completed and the final GMLs generated from the database system were approved by the Steering Committee and made available to the relevant stakeholders. In this regard, the activity related to the development of a marine database system, this being Result Indicator 6.3 of the EMFF OP, was completed by the end of 2019.</p> <p>A request for an addendum, dated August 2019, was sought in order to extend the end date of the Grant Agreement so as to include additional monitoring activities which form part of the monitoring programme for the marine environment reported by Malta pursuant to the <i>EU Marine Strategy Framework Directive (MSFD) (2008/56/EC)</i>, amounting to €225,000. Approval was granted by the Managing Authority in September 2019. By the end of 2019 discussions between the MA and ERA were underway to draft and complete the addendum.</p> <p>As per the amendments made to the EMFF Operational Programme, the performance reserve allocated under Union Priority 2 was shifted to Union Priority 6 since the latter was deemed to have successfully achieved its milestones in line with Annex 1 of Commission Decision of 1.7.2019. In this regard, the funds were allocated to EMFF 8.3.1 to increase its added value through 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
	<p>above-mentioned additional activities, all of which are directly linked to the operation and to Article 80.1 (c) of Regulation (EU) No. 508/2014. This is because their implementation will lead to the continuation of other monitoring processes, feeding also into the targets and objectives of EMFF 8.3.1, will lead to a continuous-based monitoring and will also enable a holistic assessment of the status of Malta's marine waters.</p> <p>No payments were processed in year 2019. This was due to some issues experienced by the Beneficiary related to the data and deliverables provided by the contractor, which resulted in two contract extensions. In this regard, ERA was not in a position to disburse the final payment of the relevant contract value. Such data and deliverables were later approved by ERA in December 2019 following repeated surveys by the contractor.</p> <p>The total amount of public eligible funds paid, as well as certified, by end 2019 stood at €1,020,600 under this Union Priority, out of the total allocation of €1,814,042 stipulated in the EMFF Operational Programme.</p> <p><u>Additional outcomes - impacts</u></p> <p>The monitoring undertaken by ERA as part of the EMFF project works towards the achievement of <i>Good Environmental Status</i> (GES) in marine waters as listed in Annex 1 to the <i>EU Marine Strategy Framework Directive</i> (MSFD) (2008/56/EC). GES is defined by 11 descriptors and the monitoring undertaken through operation EMFF 8.3.1 is for the purpose of a number of these 11 MSFD descriptors as per the below:</p> <ul style="list-style-type: none"> <li>• Descriptors 1, 4 and 6 on Biodiversity;</li> <li>• Descriptor 2 on non-indigenous species;</li> <li>• Descriptor 5 on nutrient enrichment;</li> <li>• Descriptors 8 and 9 on contaminants and</li> <li>• Descriptor 10 on marine litter</li> </ul> <p>All the elements of the marine strategy are reviewed every six years after their establishment and the updates should be made available to the public for comments, as per Article 17 and Article 19 of the above-mentioned directive. In this regard, in year 2019, ERA carried out the second cycle of the assessment of the status of the marine environment, and the revision of GES characteristics and the environmental targets that were initially reported by Malta in 2013. The public was invited to submit any feedback or comments on the documents prepared by ERA as part of this public consultation. It is important to point out that, apart from other projects, the reports are based on the data collected through operation EMFF 8.3.1. In fact, most of the monitoring programme was implemented through EMFF 8.3.1 during the period 2017-2019. The implementation of the monitoring programme provided updated datasets that enabled the review of the initial assessment of environmental status for</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
	Malta's marine waters in accordance with the Directive's requirements. <sup>2</sup>
7 - Technical assistance	<p>As in previous years, during 2019 Technical Assistance (TA) funds were used mainly to support the implementation of the EMFF Operational Programme. In 2019, a total of €204,501.21 worth of payment claims (public eligible) were processed by the Managing Authority relating to various operations under this Union Priority, namely in relation to the following:</p> <ul style="list-style-type: none"> <li>• EMFF 7.1.1: <i>Implementation of the Operational Programme</i></li> <li>• EMFF 7.1.2: <i>IT Systems</i></li> <li>• EMFF 7.1.3: <i>Improving administrative capacity</i></li> <li>• EMFF 7.1.4: <i>Communication Activities</i></li> <li>• EMFF 7.1.5: <i>Evaluation</i></li> <li>• EMFF 7.1.9: <i>Other</i></li> </ul> <p>Technical Assistance expenditure was mainly related to salaries, promotional activities and material, logistical expenses of meetings organised by the Managing Authority throughout the year 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 in the local Government Gazette in order to promote the calls launched during 2019, more specifically in relation to the open calls.</p> <p>TA expenditure was utilised to fund the logistical expenses, such as the hiring of venue, interpretation services, the hire of equipment and catering services, of both the fifth Monitoring Committee meeting held on 15 May 2019 and of the FAME Support Unit workshop on <i>CT10 needs assessment 2019</i> held on 28 October 2019. Promotional material was distributed to the Monitoring Committee members. Managing Authority officials also disseminated promotional material at several stands which were put up by the Funds and Programmes Division during Europe day activities held in both Malta and Gozo in May. During such activities, information on the EMFF was also provided to the general public and any queries raised in relation to funding opportunities were addressed.</p> <p>Additionally, TA funds were utilised to procure a significant quantity of promotional activity books concerning the subject of fisheries and aquaculture. In accordance with its communication strategy for the 2014-2020 programming period, the Managing Authority embarks on an annual event in order to reach the general public and disseminate the opportunities provided by and achievements of the Fund. For year 2019, these books, which targeted pupils between 6-10 years of age, were freely distributed to five major public libraries across the Maltese islands in collaboration with Libraries Malta. The intent was to educate the</p>

<sup>2</sup> [https://era.org.mt/en/Documents/MSFD\\_Art.17\\_Update\\_Malta\\_FINAL.pdf](https://era.org.mt/en/Documents/MSFD_Art.17_Update_Malta_FINAL.pdf)

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>younger generation in order to indirectly inform the elder ones within households, thus taking an innovative approach to outreach.</p> <p>By the end of 2019, a total of €771,005.22 in public eligible funds were disbursed under this Union Priority out of the total TA allocation of €1,733,940.</p>

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

Union priority	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	2019	2018	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)	tonnes	-0.69000	-0.69000	-0.69000	0.00000	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 (%)	%	-10.00000		-10.00000	0.00000	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	FTE	2.00000	0.00000	0.00000	0.00000	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	FTE	260.00000	0.00000	0.00000	0.00000	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	thousand Euros	2.00000	0.00000	0.00000	0.00000	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	FTE	260.00000	0.00000	0.00000	0.00000	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 - 1.1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	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	✓	1.00	1.00	0.00	1.00	0.00	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 - 1.4

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	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		3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
05 - Article 33 Temporary cessation of fishing activities	03	1.10 - N° of projects on temporary cessation		1.00	1.00	1.00	0.00	0.00	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	0.00	5.00	0.00	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 - 1.5

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	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	✓	3.00	4.00	1.00	3.00	0.00	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		1.00	0.00	0.00	0.00	0.00	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 - 1.6

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	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	✓	1.00	1.00	0.00	1.00	0.00	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	2019	2018	2017	2016	2015	2014
1 - Provision of support to strengthen technological development, innovation and knowledge transfer	2.9 - Employment maintained	FTE	153.00000	0.00000	0.00000	0.00000	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	0.00000	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	FTE	153.00000	0.00000	0.00000	0.00000	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 - 2.1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	2016	2015	2014
01 - Article 47 Innovation	03	2.1 - N° of projects on innovation, advisory services		1.00	0.00	0.00	0.00	0.00	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 - 2.2

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	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	✓	1.00	1.00	0.00	1.00	0.00	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 - 2.3

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	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	✓	1.00	2.00	0.00	2.00	0.00	0.00	0.00	0.00

Union priority	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	2019	2018	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	%	100.00000		100.00000	0.00000	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	number	150.00000	0.00000	0.00000	0.00000	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	%	100.00000		0.00000	0.00000	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 - 3.1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	2016	2015	2014
01 - Article 77 Data collection	06	3.2 - N° of projects on supporting the collection, management and use of data	✓	2.00	2.00	0.00	1.00	1.00	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 - 3.2

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	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	✓	11.00	9.00	0.00	9.00	0.00	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	2019	2018	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	thousand Euros	1,000.00000	1,216.94500	1,216.94500	0.00000	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	tonnes	200.00000	280.64	280.64	0.00000	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	Kgs	0.50000	257.54	257.54	0.00000	0.00000	0.00000	0.00000	0.00000

Specific objective	1 - Improvement of market organisation for fishery and aquaculture products
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Table 2: Output indicators for EMFF - 5.1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	2016	2015	2014
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	0.00	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	0.00	1.00	0.00	0.00	0.00	0.00

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	2019	2018	2017	2016	2015	2014
1 - Development and implementation of the Integrated Maritime Policy	6.3 - Development of a database on the marine environment	number	1.00000	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000

Specific objective	1 - Development and implementation of the Integrated Maritime Policy
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Table 2: Output indicators for EMFF - 6.1

Selected relevant measures	Thematic objective	Output indicator	Included into the performance framework	Target value (2023)	Cumulative value	2019	2018	2017	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	✓	1.00	1.00	0.00	0.00	1.00	0.00	0.00	0.00

Table 3: Financial indicators for EMFF

<b>Union priority</b>	<b>Milestone (2018)</b>	<b>Target value (2023)</b>	<b>Cumulative value</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	2,000,000.00	11,577,239.00	5,695,730.91	2,046,339.49	3,649,391.42	0.00	0.00	0.00	0.00
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	500,000.00	3,092,781.00	50,708.07	0.00	50,708.07	0.00	0.00	0.00	0.00
3 - Fostering the implementation of the CFP	3,000,000.00	10,240,997.00	3,081,901.91	0.00	2,902,471.91	179,430.00	0.00	0.00	0.00
5 - Fostering marketing and processing	150,000.00	469,771.00	248,501.29	45,494.65	203,006.64	0.00	0.00	0.00	0.00
6 - Fostering the implementation of the Integrated Maritime Policy	500,000.00	1,814,042.00	1,020,600.00	0.00	700,600.00	320,000.00	0.00	0.00	0.00
7 - Technical assistance			760,236.08	193,733.46	299,503.16	266,999.46	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%	500,000.00	500,000.00	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	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)	10,005,572.00	7,504,179.00	3,001,671.60	75.00%	10,376,125.52	10,376,125.52	103.70%
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)	106,666.67	80,000.00	80,000.00	75.00%	73,431.29	44,480.72	41.70%
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, 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)	500,000.00	375,000.00	0.00	75.00%	500,000.00	500,000.00	100.00%
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	571,196.00	428,397.00	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%	105,511.19	52,755.59	26.38%
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	2,321,584.00	1,741,188.00	696,475.20	75.00%	8,192,513.28	2,602,973.07	112.12%
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%	4,101,749.40	4,101,749.40	92.65%
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	5,814,087.14	5,150,123.00	0.00	88.58%	4,096,779.63	4,096,779.63	70.46%
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	1,814,041.33	1,360,531.00	544,212.40	75.00%	1,825,000.00	1,825,000.00	100.60%
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%	1,715,043.73	1,715,043.73	98.91%
<b>Total</b>				<b>28,928,768.14</b>	<b>22,627,422.00</b>	<b>4,562,359.20</b>	<b>78.22%</b>	<b>31,936,154.04</b>	<b>26,264,907.66</b>	<b>90.79%</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	190,491.54	190,491.54	95.25%	57,147.46	1.00
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)	0.00	0.00	0.00	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	100,000.00	0.00	0.00	0.00%	0.00	1.00
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)	3,112,837.66	5,207,670.13	5,207,670.13	52.05%	1,562,301.04	5.00
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)	33,360.54	71,448.03	43,814.31	41.08%	32,860.73	4.00
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	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	0.00
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	1.00
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	0.00	0.00	0.00	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	15,826.68	35,650.79	17,825.39	8.91%	5,347.62	1.00
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	780,891.92	65,765.36	32,882.68	1.42%	9,864.80	2.00
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	0.00	2,089,982.59	2,089,982.59	47.21%	0.00	2.00
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	0.00	991,919.32	991,919.32	17.06%	0.00	9.00
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	0.00
5 - Fostering marketing and processing	1 - Improvement of market organisation for fishery and aquaculture products	03	03 - Article 68 Marketing measures	0.00	248,501.29	248,501.29	99.40%	0.00	1.00
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	547,500.00	1,020,600.00	1,020,600.00	56.26%	306,180.00	1.00
7 - Technical assistance	1 - Technical assistance		01 - Article 78 Technical assistance at the initiative of the Member States	0.00	760,236.08	760,236.08	43.84%	0.00	6.00
<b>Total</b>				<b>4,650,416.80</b>	<b>10,936,020.06</b>	<b>10,857,678.26</b>	<b>37.53%</b>	<b>1,973,701.65</b>	<b>34.00</b>



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

Union priority	Eligible expenditure within the EMFF incurred in operations implemented outside the programme area declared by the beneficiary to the managing authority (EUR)	Share of the EMFF support to the union priority at the time of adoption of the programme (%)
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	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 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 negatively affecting the performance of the programme were encountered by Malta. The considerable effort executed by both the MA and project beneficiaries in 2018 with regards to the Performance Framework targets, paved the way for substantial certified disbursement over and above the decommitment threshold for 2019.

In order to address the commitment of funds and the achievement of output and financial indicators to be met by 2023, a total of five calls for project proposals were issued in 2019 as mentioned above in section 3 of this report. These calls were partly a re-issuance of earlier calls already made available in preceding years as a result of limited uptake by potential applicants – reference is hereby being made to co-financing prospects for [a] modernisation of onboard equipment, [b] diversification of income and [c] innovation in aquaculture. Meanwhile, a call tackling the temporary cessation of fishing activities was issued for the first time under the aegis of EMFF in collaboration with the pertinent governmental entity; this kind of assistance was formerly covered through national funds. Finally, the fifth call [restricted] revolved around the legal obligation of data collection for the period 2020-2021. Re-issuance of Article 47 restricted call was due to a preceding unsuccessful application attempt by the responsible Department.

Bearing in mind the above, the original proposed OP amendments under UP1 were related to the exclusion from the Performance Framework of Article 33 measures and a reduction in the number of operations planned. Article 33 [temporary cessation of fishing activities] target value for 2023 was reduced to 1. It should be noted that at OP adoption stage [March 2015], 10 operations were planned to be implemented, targeting fishers as direct beneficiaries [calls were to be issued by the MA directly to fishers]. However, following further discussions held with the EC and representatives from the Department of Fisheries and Aquaculture [DFA], in order to facilitate matters and reduce administrative burden on fishers, a restricted call was issued aimed at the same Department as the competent body, to implement the operation targeting eligible fishers through a subsidiary open call. This means that although one operation was planned to be implemented, in real terms it shall be constituted by multiple actions in respect of multiple vessel owners profiting from temporary cessation as final beneficiaries, subject to availability of funds and the fulfilment of related admissibility and selection criteria. Restricted call in question was launched in November 2019, and the DFA as the successful applicant, later issued its own call to fishers in December of that year. The complete absorption of allocated funds is expected. Allocation of funds as listed within Section 8.2 of the OP shall remain untouched since this is not deemed as affected by the amendment [same number of fishers are still being targeted as final beneficiaries]. Extra calls will be considered if funds are not fully absorbed.

The first amendment in Section 7.1 of the OP relates to the re-allocation of performance reserve originally allocated under UP2 with a value of €214,041.00 [EU+MT share] on to UP6, in view of the Commission Decision dated 01/07/2019 determining for Malta and for the EMFF, the Union Priorities which have achieved their milestones. Since in accordance with Annex II of this Decision, UP2 did not achieve its milestones [owing to exogenous factors], the UP2 performance reserve was deducted from the same UP and shifted to UP6. The latter has been deemed as successfully achieving its milestones in line with Annex I of the said Decision. This performance reserve re-allocation was proposed in line with Article 22 [5] of the Common Provisions Regulation, as it exceeds the Financial Perspectives threshold.

The second amendment relates to the increase in target value for 2023 under UP3 owing to the budgetary shift between measures. Due to the fact that funds are being shifted between measures of different co-financing rates [from 90% EU share co-financing to 70% co-financing], this shall result in an increase in national funds [MT share] required to cover the remaining co-financing share and therefore an increase in target value for 2023 of circa €25,061.00 [MT share only]. This financial re-allocation of the performance reserve did not require a change in output indicators since output indicators under both UP2 and UP6 have been achieved and the increase in budget under UP6 is expected to be absorbed by the operation already being implemented. Same applies for UP3, the number of operations being targeted for 2023 shall remain as originally planned.

With respect to the performance reserve funds shifted to UP6, these shall be allocated to the existing EMFF 8.3.1 operation to increase its added value through additional activities to be implemented, all of

which are directly linked to the said operation and to Article 80.1 [c] of Regulation [EU] No. 508/2014 since their implementation will lead to the continuation of other monitoring processes, feeding also into the targets and objectives of EMFF 8.3.1 operation. The activities will be implementing the monitoring methodologies reported for Malta for marine biological elements which were not previously covered by the existing EMFF 8.3.1 operation and will be leading to a continuous-based monitoring and enabling a holistic assessment of the status of Malta's waters.

This amendment reflects revised budgetary allocations/shifts between measures under both UP1 and UP2 towards end 2018, whereby further resources were allocated to measures contributing to climate change objectives with a 40% coefficient [Article 43.1 Fishing ports and Article 48 Productive investments]. This resulted in an increase of circa €61,141.20 Union contribution to climate change.

A shift of €112,777.00 [public eligible] was proposed, featuring allocated funds from the measures to be implemented within Articles 76 [2] [a-d and f-l] to the measure under Article 76 [2] [e]. This budgetary shift was required in order to provide the necessary financial allocation for the operation under Article 76.2 [e] to be implemented.

Following the uncontested adoption of the suggested OP amendments by the Fund's MC on 15 May 2019, a request for the revision of the OP [version 4.1] was subsequently made to the Commission services soon after, substantiated with the necessary justifications and a situational analysis. The subsequent OP version 5.0 was adopted by the EC in November 2019.

Vis-à-vis the targets and indicators to be reached by 2023, considerable MA effort was undertaken as per previous years to maintain contact with involved parties, monitoring the implementation of awarded operations and address challenges, mainly on account of difficulties with procurement processes and unforeseen circumstances [private beneficiaries].

## **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).

The MA came across no information on post-award serious infringements by those three fishers benefiting from operations for the modernization of onboard equipment – this complemented the clean status quo encountered during checks at project selection stage. Moreover, in 2019, physical management verifications combined with the expert services of a third-party engineer, were executed by the MA, and all necessary assurances were obtained. All claimed expenditure was confirmed as installed and operational. The Audit Authority worked on its own checks with regards to these projects; all audit queries were duly answered and no issues with post-award serious infringements were flagged.

One application under the same modernization measure was submitted by a part-time fisher under another call – award dated January 2019. Section 1.5 of the Application Form required applicants to provide a copy of all notification letters issued by the competent authority in respect of serious infringements, whereby penalty points would be assigned to that specific fishing license. The MA’s double-checking exercise with the DFA corroborated the fisher’s clear status.

With regards to the call for applications issued in quarter 4 2019 by the DFA on behalf of the MA under Article 33 Temporary cessation, verifications have clearly shown that the eligible applicants do not have recorded incidents of serious infringements under Article 10 [1] of Regulation [EU] No. 508/2014. This admissibility check was undertaken in a dual manner. Firstly, two sections were developed to address this requirement. In Article 6.2 of the Grant Agreement signed between the DFA and the successful applicant, the latter was requested to declare to the best of his/her knowledge and belief, conformity with the criteria listed under Article 10 [1] [a-c] and additionally declare that no fraud was committed in their individual application. Secondly, by way of MA follow-up of the declared non-infringement, the DFA was formally contacted in its capacity as the competent body and requested to provide data on whether infringements were recorded for these vessel owners since 2013. Feedback was in the negative.

Concerning aquaculture operation EMFF 2.2.2 [which for the record had its coding changed to 2.3.2 for administrative purposes], upon EC recommendations, the MA decided to suspend payments in harmony with Article 132 [2] [b] of the Common Provisions Regulations referring to projects’ suspension in case of an investigation. The MA will keep the Commission updated with any developments – there are none to report at this stage. Internal discussions with stakeholders are still underway about the manoeuvring of related UP2 funds.

In relation to durability conditions, since checks for the fulfilment of Article 10 [1] of the Fund-specific Regulation for the above-mentioned operations were completed in 2018 and 2019, and given that these operations were mostly ongoing or still reaching their completion [even in terms of non-immediate result indicators such as Net profits for operations under Article 41.1] by end 2019, verifications on durability conditions will be undertaken at a later stage.

**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 2014-2020 programming period. This was addressed in past calls 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] No. 508/2014, support shall be granted to vessels up to 12 meters in overall length, provided that the new or modernised engine does not have more power in KW than the current engine.’ However, no engine-related calls were issued in 2019 following liaison with cooperatives about fishers’ investment appetite. Should further calls be issued in 2020, 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 2019, similarly to the calls issued in the preceding years, a list of selected operations in line with Annex V of the Fund-specific Regulation was duly published online. The list of operations in accordance with the said Annex and Article 199 [2] of the said Regulation is available online on the MA's dedicated website [1].

As mentioned previously in this report, the promotion of open calls for applications was embarked upon via various means including publication of informative adverts on all local Sunday newspapers without distinction [be it pre-announcements and adverts proper in the aftermath of issuance], and publication on the MA's webpage [2]. Press conferences and Press Releases through the Department of Information, targeting the promotion of new calls and operations underway, were also held in Malta and the sister island of Gozo, so as to inform the public at large with the co-financed investments being implemented and the intertwined benefits to the country's fishing sector. An example of a Press Release published for operation EMFF 1.23. under UP1, can be accessed by means of the following weblink [3].

Furthermore, <http://www.eufundsmalta.gov.mt/> [as a subsidiary webpage to <http://eufunds.gov.mt>] also makes available open calls for applications which can be accessed by way of a facility called Maltapps, a mobile application enabling public access to 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%2010\\_12\\_2019.pdf](https://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%20links%20and%20downloads/Information%20and%20Publicity/List%20of%20Operations%2010_12_2019.pdf)

[2]

<https://eufunds.gov.mt/enEU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Pages/News-and-Events.aspx>

[3]

<https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2019/May/04/pr190949.aspx>

**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, the Interim Evaluation for the EMFF OP was conducted by a third-party consulting enterprise as scheduled; the final report was concluded by May 2019. The latter can be viewed on the weblink below. The MA assumed a coordination role.

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

A detailed summary of the outcomes and recommendations is being presented hereunder. MA team meetings will involve discussion on implementing suggestions where possible.

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Analytical focus on three main pillars: [1] the relevance of the OP objectives, [2] the effectiveness of OP implementation and management, and [3] the effectiveness of implemented measures.

The evaluation has found that the OP continues to be of relevance to the sector particularly with respect to its overarching objective that revolves around the need to ensure the survival of the Maltese fishing and aquaculture industries and their long-term sustainability. Furthermore, the socio-economic situation as highlighted in the SWOT analysis on the sector that was carried out back in 2013 and on which the original 2014-2020 OP was drafted is still very relevant today in terms of the need to: [1] ensure that the fishers attain enough income for an adequate quality of life, [2] strengthen the whole value chain, [3] undertake infrastructure investment, and [3] invest further in the aquaculture sector.

*The effectiveness of OP implementation and management*

[1] Ongoing efforts:

The MA's endeavours in relation to guidance and monitoring include: [a] MA assistance both prior and throughout project implementation, [b] bilateral meetings, [c] progress reports, and [d] informal ongoing assistance as and when required. Further efforts undertaken relate to: [e] Monitoring Committee meetings, [f] written procedures, and [g] training. Furthermore, 36 Project Selection Committee meetings were held, which numbers and timeframes required reflect call deadlines as follows: 5 in 2016, 12 in 2017 and 17 in 2018. 2 other meetings were held in 2019 as at time of reporting.

[2.0] Specific calls:

Efforts in this respect are various and include: [a] drafting of Application Forms bearing in mind target beneficiaries and administrative burden vis-à-vis regulatory, reporting and binding requirements to be met, [b] pre-launch and post-launch campaigns, [c] information sessions held with potential applicants, [d] SMS notifications were sent to fishers or aquaculture producers, [d] printed adverts, [e] the MA's website, including new mobile application, was updated with open call information whilst also promoting ongoing operations, [f] guidance to interested applicants as required, and [g] one-to-one meetings.

[2.1] Restricted calls:



A review of applications submitted and awarded as at end of year 2018 evidences that a total of 13 calls were issued, and a total of 17 applications were received for different measures. The calls targeted: Article 39 [1 call issued], Article 43 [3 calls issued], Article 29.1 [1 call issued], Article 47 [2 calls issued], Article 77 [2 calls issued], Article 76 [3 calls issued] and Article 80.1c [1 call issued]. Of these: 14 were awarded [one of these operations was withdrawn by the applicant], 2 were still under evaluation and 1 application was not awarded as it was deemed inadmissible.

#### [2.2] Open calls:

10 calls were launched targeting: Article 41.1 [3 calls issued], Article 41.2 [1 call issued], Article 30 [3 calls issued], Article 48 [2 calls issued] and Article 68 [1 call issued]. Of these: 15 applications were submitted – 10 applications under Article 41.1, 1 application under Article 30, 3 applications under Article 48 and 1 application under Article 68, of which 7 were awarded. Rejected applications related to inadmissibility. No applications were received for 3 of these calls [2 related to diversification of income and 1 related to the replacement or modernisation of engines].

A review of inadmissible applications under Article 41.1 [sum of 6 applications] showed that the proposed investments were ineligible due to restrictions imposed by the eligibility of costs determined in Articles 13 to 16 of Regulation [EU] 2015/531. Others provided incomplete applications [numbering 2], with one application being submitted after the set deadline.

With reference to calls targeting fishers under Article 41.1, the needs of some of these fishers cannot be met through the said Article in view of the conditions imposed. Moreover, some of these fishers may be misinterpreting the eligibility criteria of this measure, notwithstanding the MA's various continual efforts to guide applicants accordingly. It should be noted that in relation to achievement of planned operations under this measure, 3 operations were implemented as at time of reporting [thus fulfilling targets set for 2023], with an additional operation awarded in 2019, under implementation as at time of reporting [hence exceeding expected 2023 target].

#### [3] Administrative process and administrative burden:

Positive efforts were undertaken by the MA to facilitate matters for all applicants: [a] distinguishing between obligatory and required documentation at application stage, [b] applications being translated to Maltese to address language barriers targeting fishers, [c] accepting applications in handwritten format to remove additional burden and barriers for funding access. Between 25% to 100% of awarded operations under Article 41.1 would not have been deemed as admissible or else would not have been submitted at all as proposals, if these mitigating actions were not taken by the MA.

A review of the application process indicates that: [a] information requested is meaningful and comprises the basic necessities which determine admissibility and eligibility in line with regulatory requirements, [b] fishers and aquaculture operators still perceive the application process as discouraging and feel that the administrative burden remains considerable.

Discussions with fishers evidenced that: [a] Their need for assistance in compiling an Application Form, [b] the involvement of external consultants such as accountants was rather costly and not always proved useful, [c] efforts undertaken by the MA to train individuals [from the customer care offices of stakeholder ministries] to assist fishers with submission of applications were not sufficient, [d] rolling calls and the possibility of such service being made available for a lengthier period of time may result in the provision of more meaningful assistance.

The evaluation however shows that reference to the administrative burden generally relates to regulatory requirements and sound financial management of operations.

#### *The MA's Human Resources [HR] function*

While the MA structure is deemed to be opportune, it is imperative that current vacancies are filled.

#### *Management and control systems at Funds and Programme Division*

The evaluation and audit reporting on the topic in question showed: [a] adequate separation of functions and adequate systems for reporting and monitoring where the responsible authority entrusts execution of tasks to another body, [b] appropriate selection of operations with all projects reviewed being satisfactory and effective with only some improvements needed, [c] provides adequate information to beneficiaries, [d] there is an effective system in place to ensure that all documents regarding expenditure and audits are held to ensure an adequate audit trail.

### *State of play at time of reporting*

Overall, Malta exceeded its pre-set targets. Public expenditure paid for: [a] UP1 stood at €3.65m, equivalent to 182% of the 2018 target, [b] UP3 stood at €3m, equivalent to 103% of the 2018 target, [c] UP5 stood at €0.2m or 135% of the 2018 target, [d] UP6 resulted in 204% of the 2018 target. Regarding UP2 – factors that have contributed to achievement of output indicators but the non-achievement of the financial indicator [as explained in the AIR 2018], with the MA confident that the 2023 targets would nonetheless be achieved. A review of results as of May 2019 in relation to the 2023 targets further confirm that Malta is overall in line to reach the set targets, particularly with respect to financial expenditure.

UP5 targets may be achievable if a shift in fund allocation from storage aid can be obtained.

### *Recommendations*

[1.0] At Operational level – calls

[1.1] Timing:

Timing can be an issue for the target audience to apply: [a] fishers highlighted their limitations to submit applications during the fishing season, this being between the months of April and October. That said, the first three calls issued for fishers targeting Articles 30, 41.1 and 41.2 were issued in mid-October with a closing deadline on the end of November. In addition, although two of these calls were again re-issued [Articles 30 and 41.1] in January, only one application was received, and [b] fishers may have not sought assistance since required investments were already undertaken by the time of calls' issuance.

It is opportune for the MA to undertake a rolling call approach as undertaken in 2019 especially for calls issued for fishers, where applicable. It should be noted however, that a major factor impacting the lack of demand and inadmissibility experienced under calls targeting fishers relates to the eligibility requirements making fishers ineligible to apply for certain calls.

[1.2] Planning:

Steps were taken by the MA to help address this issue whereby in January 2017, pre-announcements and a pre-launch for calls including an information session targeting fishers were undertaken. Such a stance also aids beneficiaries by further promoting the calls, ensuring a wider and timely outreach and provides beneficiaries with enough timeframes for planning project proposals prior to the calls being issued. The rolling call approach would enable potential beneficiaries to better organise themselves and plan better when seeking to apply. Discussions with the fishing cooperatives evidenced that such an approach was viewed positively by fishers.

[1.3] Hands-on involvement:

Discussions with fishing cooperatives have evidenced that the target audience does not comprehend the necessity for certain call requirements and the need for some information requested. It is being advised that the MA considers organising a working group that incorporates influential individuals from each cooperative [or person/s of trust from each cooperative] in the drafting of calls, where necessary. This will enable the target audience to own a call and subsequently be more aware of the requirements [and equally important better understand the importance of certain requests for information].

[1.4] Train the trainer:

It is being recommended that the MA considers involving individuals closer to the cooperatives and fishers [persons trusted by both parts] in the compilation of Application Forms. This would ensure that

cooperatives' members are well versed into the requirements of the call and facilitate matters for them to act as 'assistants' in aiding their colleagues. Furthermore, they would be the primary point of call with trivial issues, thereby alleviating pressure from on the MA, where possible. It is important that the MA remains the main point of contact for direct guidance to applicants should guidance still need to be sought by fishers. External representatives providing such assistance need to ensure that the information provided is in line with the guidance already provided by the MA.

[1.5] Database:

Discussions with the MA and with fishers show that a primary tool for informing fishers on calls, is SMS notifications. In view of the importance and effectiveness of this medium, and following the limitations encountered following the GDPR regulations, it is being suggested that the MA once again seeks ways and means to obtain consent from fishers and continues to build its database of this important target audience to maintain its contact with them through this medium. In view of the ongoing assistance and support provided by the two local cooperatives throughout this evaluation process, the evaluators are confident that these could be roped in to assist the MA in the compilation of same.

[1.6] Publicity:

Discussions with both the stakeholders and beneficiaries highlighted an issue with respect to the publicity requirements and with understanding the current ESIF Visual Identity Guidelines. The MA ought to consider issuing its own VIGs with the aim of shortening the length of the document, thus potentially making the document more user friendly for EMFF beneficiaries.

[2] At Operational level – the MC:

A review of actual participants has indicated that fishing cooperatives were not always present for such meetings, with the main reason being inopportune timing of the event [due to the fishing season]. It is proposed that in so far as is possible, the MA should seek to organise the event when most opportune for such target audience – who have indicated that ideally such events are held between October and March. Further analysis of the functions and responsibilities of the MC shows that in reality it is very difficult to target opportune timing since the winter months in Malta are still characterised by good fishing days in terms of weather permitting conditions and that the timeframes of these meetings are actually determined by the MC's functions and/or responsibilities and EMFF programme management timeframes, processes and requirements in line with Article 113 of Regulation [EU] No. 508/2014.

[3] EMFF 2021-2027 programming period:

Discussions with the Department of Contracts [DOC] have highlighted the importance for stakeholders to draw up yearly plans of their anticipated endeavours [with respect to the issuing of calls for tenders] and to subsequently notify the Department accordingly so that they can better plan their work. Since public procurement processes are subject to several factors which may impinge on its effectiveness such as the identification, timely planning and implementation of operations by beneficiaries, the identification of concrete project proposals at OP drafting stage could enable application of this recommendation for the upcoming programming period. This will result in a more streamlined approach with respect to the issuing of tenders; a more efficient and effective approach that minimises delays.

Apart from training that is provided to entities within public office, it is also opportune to create 'train the trainer' courses such that there is knowledge transfer within the departments of public entities. This will ensure that knowledge is not lost once individuals move on to a different department or industry.

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During quarters 1 and 2 of 2019, the MA compiled its fourth EMFF AIR in accordance with regulations and the dedicated template. The fifth meeting of MC was held on the 15/05/2019, whereby an update on the implementation of the OP was provided to Committee members. Proposed amendments to the OP were discussed in detail within the local context - these were adopted successfully. Changes implemented in the OP also led to changes in the Admissibility and Selection Criteria.

Evaluation and monitoring activities were carried out by the MA during 2019, to assess the progress of the OP in terms of taking stocks of: [a] calls issued, [b] operations awarded, [c] projects' implementation

status, [d] indicators to be achieved, and [e] evaluating and implementing means of address in relation to challenges being faced. The Annual Review Meeting and Joint Annual Review Meeting were held in November 2019, during which the state-of-implementation of the OP, 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 were discussed and a way forward agreed upon.

Throughout the reporting year, Project Progress Reports covering ongoing operations were submitted by the beneficiaries upon a template prepared by the MA. Assistance with the filling-in of said template was provided. Bilateral and generic meetings were also held with the aim of providing stakeholders with a clear status of operations, the basis for informed decision making.

On 09/10/2019, the FAME Support Unit Annual Stakeholders Meeting was held in Brussels, Belgium – this was attended by two MA representatives. The FAME Support Unit organises a stakeholder meeting annually so that communication among stakeholders [MAs, the European Commission, evaluators and other experts] is strengthened. The aim of this meeting was to discuss emerging issues and opportunities related to EMFF post-2020, and discuss the implementation of the EMFF 2014-2020, specifically lessons learnt. The setting enabled exchange and communication among the Fund’s stakeholders and the meeting covered a broader range of topics.

On 28/10/2019, FAME SU representatives held a workshop in Malta with MA personnel entitled CT10 Needs Assessment 2019. The topics covered included: [a] programming processes, [b] the intervention logic in terms of policy objectives/priorities/ specific objectives, [c] from the SWOT exercise to actions, and [d] output and result indicators within the ambit of links between objectives, type of actions, target groups and timing aspects.

**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)**

**NOT APPLICABLE TO THE LOCAL CONTEXT**

<b>NOTE</b>	In IRs 2017, 2019, 2020, 2021 and 2022 the following sections and their sub-sections will <b><u>not be editable</u></b> . They are shown in the print, but are not shown in the web: 11, 12, 13, 14, 15
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**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**

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

**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.**

**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.**

**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.**

**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.

**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.

**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)

**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

**NOT APPLICABLE TO THE LOCAL CONTEXT**

- 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)