



ANNEX – CITIZEN'S SUMMARY ANNUAL IMPLEMENTATION REPORT 2021 EUROPEAN MARITIME AND FISHERIES FUND (EMFF) 2014-2020

 30^{TH} May 2022 Funds and Programmes Division Ministry for Economy, European Funds and Lands Malta



Maritime and Fisheries Operational Programme 2014-2020 Part-financed by the European Union European Maritime and Fisheries Fund Co-financing rate: 75% EU funds; 25% national funds

Investing in sustainable fisheries and aquaculture



1. Introduction

The European Maritime and Fisheries Fund Operational Programme (EMFF OP) for the 2014-2020 programming period, formally adopted on 3rd March 2015 and as amended in October 2017 (version 3.2), December 2018 (version 4.1) November 2019 (version 5.0) and February 2022 (version 7.2) is based on the following Union Priorities (UPs) and Specific Objectives:

UP1: Promoting environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries.

- Specific Objective 1 Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches (public eligible allocation: €200,000 EMFF share 75%);
- Specific Objective 4 Enhancement of the competitiveness and viability of fisheries and enterprises, including of small-scale coastal fleet, and the improvement of safety and working conditions (public eligible allocation: €12,633,674.67 of which €225,000.00 EMFF share 75%, €793,028.00 EMFF share 50% and €11,615,646.67 EMFF share 75%);
- Specific Objective 5 Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer (public eligible allocation: €146,667 of which €106,667 EMFF share 75% and €40,000 EMFF share 50%);
- Specific Objective 6 Development of professional training, new professional skills and lifelong learning (public eligible allocation: €500,000 EMFF share 75%).

UP2: Fostering environmentally sustainable, resource-efficient, innovative, and competitive and knowledge-based aquaculture.

- Specific Objective 1 Provision of support to strengthen technological development, innovation and knowledge transfer (public eligible allocation: €571,196 EMFF share 75%);
- Specific Objective 2 Enhancement of the competitiveness and viability of aquaculture enterprises, including improvement of safety or working conditions, in particular of SME's (public eligible allocation: €200,000 EMFF share 75%);
- Specific Objective 3 Protection and restoration of aquatic biodiversity and the enhancement of ecosystems related to aquaculture and the promotion of resource-efficient aquaculture (public eligible allocation: €711,509.33EMFF share 75%).

UP3: Fostering the implementation of the Common Fisheries Policy

- Specific Objective 1 Improvement and supply of scientific knowledge as well as the improvement of the collection and management of data (public eligible allocation: €4,426,910 EMFF share 80%);
- Specific Objective 2 Provision of support to monitoring, control and enforcement, thereby enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden (public eligible allocation: €5,814,088 EMFF share 90% with regards to Article 76(2) a to d and f to i and EMFF share 70% with regards to Article 76(2) e

UP5: Fostering marketing and processing

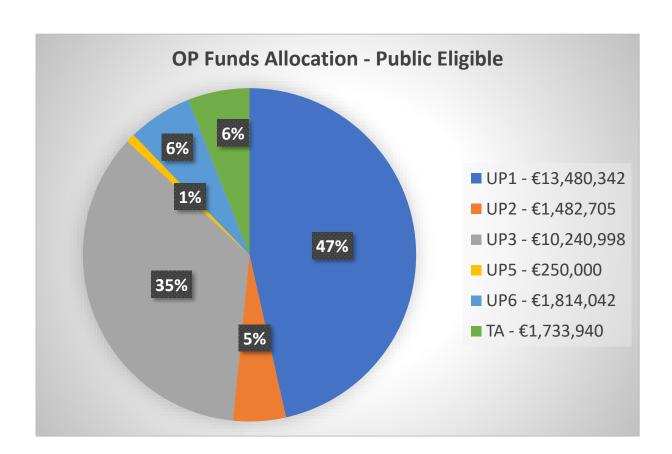
• Specific Objective 1 – Improvement of market organisation for fishery and aquaculture products (public eligible allocation: €250,000 EMFF share 75%).

UP6: Fostering the implementation of the Integrated Maritime Policy

• Specific Objective 1 – Development and implementation of the Integrated Maritime Policy (public eligible allocation: €1,814,042 EMFF share 75%).

Technical Assistance (TA)

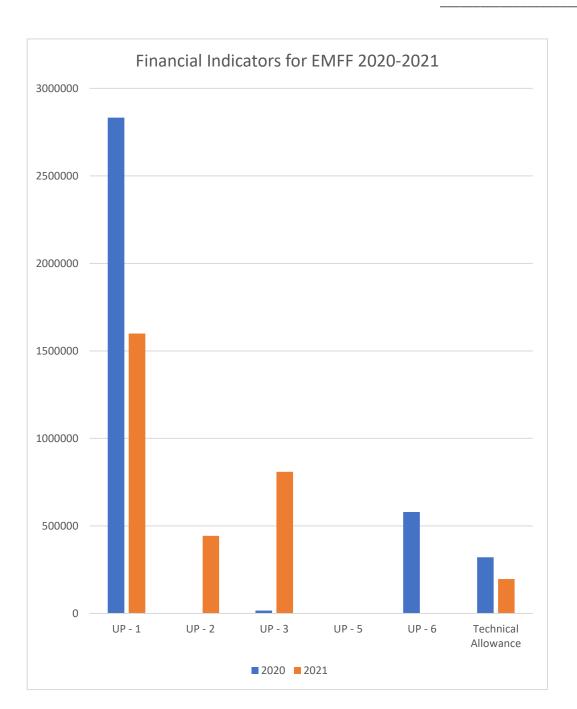
Public eligible allocation: €1,733,940 EMFF share 75%.

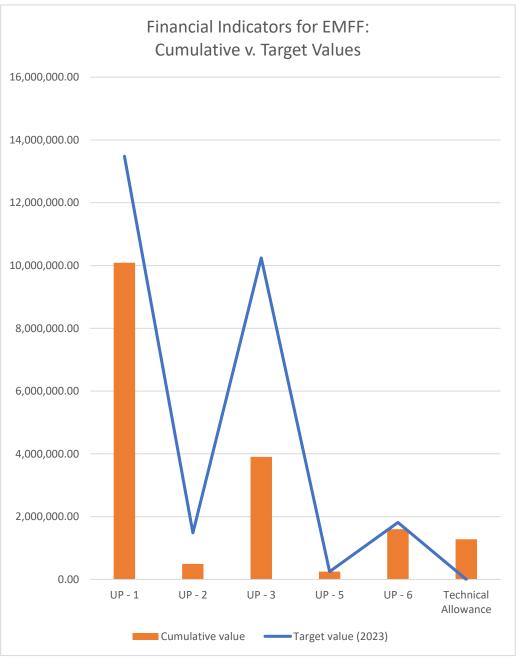


2. Overview of the Implementation of the EMFF Operational Programme 2020

The Managing Authority (MA) is hereby presenting:







In year 2021, 2 Statement of Expenditures by Fund were submitted. One completed for accounting year ending 30 June 2021, amounting to €1,151,981.73 (EMFF share) submitted to the EC on 6 August 2021; whereas the other completed for accounting year ending 30 June 2022, amounting to €1,115,429.83 (EMFF share) submitted to the EC on 22 November 2021.

Under UP1, out of twelve operations, 10 operations were completed, whilst two operations were under implementation by end 2021. The total public eligible amount paid by the end of the year stood at €10,381,540.97, marking a 13.6% increase from the previous year (2020). Out of this, a total amount of €10,223,474.05 has been verified by the MA and effectively certified.

Under UP2, one operation, out of three was completed. The total public eligible amount paid by end 2021 stood at €511,072.98, out of the total allocation of €1,482,706.00 listed in the EMFF OP, marking a 3.4% increase from the previous year (2020). Out of this, a total amount of €511,072.98 has been verified by the MA and effectively certified.

By the end of the same year, the total public eligible amount paid under UP3 was €5,645,989.96, out of a total allocation of €10,240,998 as stipulated in the EMFF operational Programme, with various operations still under implementation. This marks an increase of 11.6% from the previous year (2020). Out of this, a total amount of €4,076,381.68 has been verified by the MA and effectively certified.

The only operation which falls under UP5 was completed in 2018 with a total public eligible amount of €249,957.71 in payments. Out of this, a total amount of €248,501.29 has been verified by the MA and effectively certified.

By end 2021, the total public eligible amount paid under UP6 stood at €1,670,811.55, from an allocation of €1,814,042.00 as stipulated within the EMFF Operational Programme, with one operation in advanced stages, marking 4.4% increase from the previous year (2020).

With regards to Technical Assistance, the total of €1,323,105.77 worth of payments was processed by end 2021, out of the total TA allocation of €1,733,940, marking 20.2% increase from the previous year (2020). Out of this, a total amount of €1,316,594.08 has been verified by the MA and effectively certified.

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SOE No.1: €1,151,981.77 SOE No.2: €1,115,430.03

3. Progress made towards Milestone Indicators in 2021

(i) Union Priority 1:

Ongoing operations:

EMFF 1.23.6: *Upgrading of Mågarr Gozo and Marsaxlokk Malta fishing ports* Beneficiary: *Infrastructure Malta*

The co-financing of the refurbishment and upgrading of the Marfa breakwater was added as a new component to this project in quarter 3 of 2021, in view of the availability of funds garnered via substantial savings from another project under the same UP, namely the construction of a breakwater at Qrejten point in the port of Marsaxlokk. The original grant amount did not cover the whole project expenses and the equipment component (procurement of pontoons) was apportioned to reflect fisheries versus non-fisheries usage. During the summer period of 2021, works at Marfa were suspended due to hotel business in the vicinity, and the same issue is expected to arise in summer 2022 since the project is still ongoing with an end date until December 2022. A temporary publicity billboard was set up along a nearby busy arterial road for major visibility. The payments processed in 2021 covered both project management and works, whilst management verifications were underway.

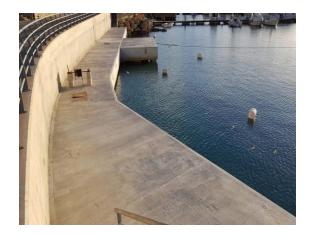




Photo no.1: Finalised concrete works on the berthing perimeter at Mgarr Gozo Photo no.2: Ongoing renovation works on the Marfa quay.

EMFF 1.9.1: *Temporary cessation of fishing activities* Beneficiary: *Department for Fisheries and Aquaculture*

The first temporary cessation scheme was launched in Q4 of 2019. Through this, 26 applications were selected during the selection process. Following this, a second scheme was launched in November 2020 through which 43 applications were submitted with 28 of them being selected. The third and final scheme was launched in October 2021 with the submission of 37 applications. This time 25 of these were selected. Payments related to the third scheme were processed by Q1 of 2022. Similarly to previous years, application forms underwent scrutiny from the selection committee at the DFA. Such checks included those on the information and declarations submitted which determine the eligibility of the chosen applicants.

Completed operations

EMFF 1.16.1: A scientific study to improve trawl gear selectivity: Beneficiary: Department for Fisheries and Aquaculture

As reported in the previous AIR, this operation was completed in year 2019.

EMFF 1.20.1, EMFF 1.20.2 and EMFF 1.20.3: Beneficiary: Fishers

All these operations falling under Article 41.1 of the EMFF Regulation were completed in year 2018 with payments being certified by the end of the same year. A closure report was prepared in year 2020, in view of the result indicator referring to a change in net profits. Through the involvement of the MA and its verifications, it was noted that the pertinent result indicator was reached. Hence all operations reached the result indicator as stipulated through the respective grant agreements.

EMFF 1.20.4: Beneficiary: *Fishers*

This operation which also falls under Article 41.1 was concluded in year 2020. Physical on the spot checks are to be conducted by the MA. The positive business impact resulting from this EU funded project will be possible to determine once a closure report is submitted by the beneficiary following the registration of 2021 financials.

EMFF 1.23.1: The construction and finishing of an office on the fish landing site in the Marsaxlokk designated port Beneficiary: Department for Fisheries and Aquaculture

The Marsaxlokk Landing Office saw its inauguration in September 2020 following a closure report submitted by the DFA. The DFA informed the MA that the target for result indicator I.8: FTE Employment maintained, which was set at 1116 FTE at grant agreement stage, can only be confirmed whether it was achieved or not in year 2022 since data is published on an N+2 basis. This means that data will be collected in 2021 and published in year 2022. In view of this however, the DFA also noted that it is unlikely that the result indicator has been met since there was a decrease of 522 FTEs between 2014 and 2020. Through the next AIR, clearer and more realistic data can be reported.

This project also contributed towards reaching a National Simplification Measure SM.35/2020 titled 'Isir konsolidament tas-servizzi offruti fil-qasam tas-Sajd. Is-servizzi kollha lill-klijent ser jibdew jingħataw minn post wieħed. Għal dan il-għan ser jinfetħu żewġ uffiċini wieħed fit-Tramuntana u l-ieħor fin-Nofsinhar ta' Malta. B'hekk jiġi evitat kull skariġġ għas-sajjeda, by ensuring the placement of a permanent staff member in the office. This further ensured the provision of the DFA's services to the community.





Photos above: Inauguration event in September 2020.

EMFF 1.23.2: Refurbishment and upgrading of slipways in the port of Marsaxlokk Beneficiary: Infrastructure Malta

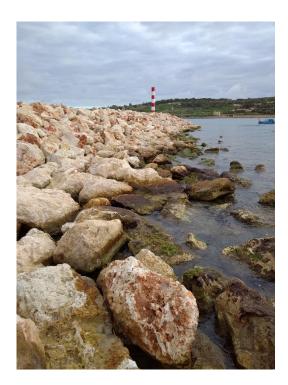
This operation was completed in 2019. Through the submitted closure report, Transport Malta explained that the project has provided necessary refurbished and upgraded infrastructure to improve access to Malta's largest designated port. These slipways similar to other port investments and infrastructural projects, ensure better access to all local fishers. These slipways ensure the smooth movement of vessels to and from the sea. This project also resulted in better working conditions to those who make us of same slipways. The beneficiary explained that it is too early to recognise the benefits that indirectly the project would have on the FTE in the fisheries sector. Additionally, the effects of Covid-19 on the fisheries sector are yet to be determined.



Photo above: An example of finalised works on one slipway.

EMFF 1.23.3: Construction of a breakwater at Qrejten point in the port of Marsaxlokk Beneficiary: Infrastructure Malta

This operation was fully completed by end 2021 inclusive of management verifications and closure reporting. It was firstly showcased to the general public during an inauguration event in January of the same year. The operation was publicized on the Beneficiary's website, through ministerial press conferences and generic European Funds promotional brochures issued by the Office of the Prime Minister in May 2021 featuring a photo of the completed breakwater taken during project inauguration. Two permanent publicity plaques have been installed at both accessible ends of the breakwater prior to the inauguration as was stipulated in the GA, the MA's Communication Strategy and the MA's Visual Identity Guidelines 2014-2020. The successful completion of the project led the MA to choose it as part of a roaming exhibition featuring success stories, organised by the Planning and Priorities Coordination Division (PPCD). This was part and parcel of the MA's annual publicity obligations. Due to significant savings on the works contract, funds were transferred by the MA onto the larger project EMFF 1.23.6 within the same UP, also being implemented by Infrastructure Malta.



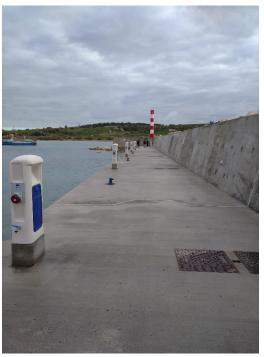


Photo no.1: Outer part of the new breakwater featuring upper coralline limestone quarried from the Rabat-Dingli uplands.

Photo no.2: Inner part of the structure amounting to almost 6000 tonnes of concrete and equipped with amenities as well as navigational apparel.

EMFF 1.23.5: Upgrading of the fisheries infrastructure of Gozo Beneficiary: Ministry for Gozo

An extension to the GA's validity until 31 December 2021 was granted to the Ministry for Gozo on account of unforeseen procurement delays in relation to the biggest project component involving the procurement of five amphibious boat trailers and a towing vehicle for use in the major designated port of Mgarr. Through such component, which was physically completed by end of year, all lengths of boats using Mgarr as an operation base will be catered for, be they artisanal *luzzu* or medium to large *lanec*. By quarter 1 of 2021, a CCTV system, three service pillars and LED lighting were installed at the Mgarr dry-standing area. Moreover, an old winch was replaced with a modern more energy efficient model.

On the other hand, infrastructural works at the smaller designated port of Xlendi were completed and inaugurated back in 2020. In terms of publicity, the Beneficiary's website was updated with the latest developments, whilst ministerial press conferences were held in order to formally launch and inaugurate the Mgarr investments. Co-financing stickers were provided by the MA and affixed to Mgarr equipment, including trailers. Management verifications were underway throughout 2021 – closure paperwork was concluded as well. Modest savings on all project components, including due to unapproved variations on the Xlendi contract led to a shift of funds onto the larger operation EMFF 1.23.6.



Electrical services installation at the Mgarr Gozo designated port.



Mechanical services installation within the same area.



Front view of amphibious boat trailer no.5.



Rear view of towing vehicle.

EMFF 1.4.1: *Training for fishers* Beneficiary: *Department for Fisheries and Aquaculture*

Following an implementation extension due to the Covid-19 pandemic, this project was completed in March 2021. Through this project there were over 400 participants who benefitted; however, it is still not confirmed whether the result indicator of 260 (FTE) as stipulated in the Grant Agreement has been met or not. As explained by the beneficiary in the project's closure report, this is since data is published on an N+2 basis. This means that such result can be clearly assessed in year 2023. Nevertheless, by looking at previous reports, the DFA asserts that such indicator has more than likely been achieved. This will be confirmed once the *Annual Economic Report on the EU fishing fleet* is published.

(ii) Union Priority 2:

As explained in AIR 2020, the MA terminated the support for project implemented by the MFF Ltd. (EMFF 2.3.2). Savings generated through the termination of this project were shifted from UP2 to UP1. The total of these savings and unspent funds amounted to €1,207,556 (EMFF share).

Ongoing operations:

EMFF 2.1.1: Development of new, innovative aquaculture technologies and facilitate knowledge transfer in AquaBioTech Group. Beneficiary: AquaBioTech Group.

The principal goal of this project is that of creating a physical space from where the beneficiary organisation would be able to implement research and innovation activities through a structured cooperation platform also involving students from Malta's higher education system as the next generation of aquaculture experts.

A request to extend the operation's implementation deadline beyond 31 August 2022 was submitted:

- The construction contractor's unsettling abandonment of the project evidently in pursuit of more profitable ventures.
- The Covid-19 pandemic resulting in contracted suppliers not being able to carry out timely works on site.

In view of the above, no reimbursement costs were submitted in 2021.

EMFF 2.3.1: Productive Investments in non-food aquaculture using RAS in AquaBioTech Group. Beneficiary: AquaBioTech Group.

The Beneficiary encountered challenges owing to COVID-19 force majeure whereby contracted suppliers were not able to carry timely work on site. Due to this obstacle, the project's implementation deadline was extended as necessary. No new reimbursement claims were submitted in 2021. Reporting difficulties on the dedicated database with regards to the

certification of previous reimbursement claims, were tackled with the help of the Malta Information Technology Agency (MITA).





Photo no.1: Lighting equipment.

Photo no.2: Main electrical panel.

Completed operations:

EMFF 2.2.1: *Productive Aquaculture Investments at Pisciculture Marine de Malte Ltd.* Beneficiary: *Pisciculture Marine de Malte Ltd.*

The operation's original implementation deadline was extended following a request justified on the grounds to modify modernisation targets and also owing to the COVID-19 force majeure that hindered the timely delivery of a new aquaculture boat from Greece. Although the project was physically completed by end 2021, final management verifications and submission of closure reporting were pending. In terms of publicity, a permanent plaque was attached at the entrance to the Beneficiary's land base in Selmun I/o Mellieħa, as was stipulated in the GA. In 2021, payment claims were related to cabins, contractual payment for a new aquaculture boat, publicity material and consultancy services. Management verifications were held throughout the year. Reporting difficulties on the dedicated database with regards to the certification of previous reimbursement claims were tackled with the help of MITA.





Photo no.1: Rear view of new aquaculture boat upon arrival in Malta. Photo no.2: One of two cabins for installation on exiting aquaculture boats.

(iii) Union Priority 3

Ongoing operations:

Operations EMFF 6.1.1(c) – The development, purchase and installation of the components necessary to ensure the traceability of fishery and aquaculture products and EMFF 6.1.1 (e) – The modernization and purchasing of patrol vessels, aircrafts and helicopters. Both of these operations were extended until the end of quarter 1 of 2023. Both of them are part of one grant agreement and although one of the two is completed the beneficiary requested an extension on the other operation to include an offshore RHIB into the project, which then was modified to include two coastal RHIBs apart from the offshore one. The activities which are completed are the ones relating to operation EMFF 6.1.1(c) mainly the five hand palletizers.

With regards to operation EMFF6.1.1(c), a total of four RHIBS will be invested in: the two offshore ones as per the original grant agreement and two coastal ones entered into the project through the change request mentioned above.

During year 2021 other control operations were also being implemented with some line items being fully implemented by the second half of the year and others still being implemented.

EMFF 6.1.2 (a): *The purchase, installation, and development of technology.* Although some items of this operation have been completed others are still under implementation.

EMFF 6.1.2 (b): The development, purchase and installation of the components to ensure data transmission. This operation is under implementation with further GPRS transmissions being included in quarter four of 2021, while some components have been fully implemented.

EMFF 6.1.2 (f): The purchase of other control means. This operation is still under implementation, with some tenders still to be issued and components which are still to be purchased.

EMFF 6.1.2 (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. This operation has been completed in the first quarter of 2022.

EMFF 6.1.2 (j): *Seminars and media tools.* This media campaign for this operation was awarded in August 2020, with TV and radio adverts broadcasted in 2020 and 2021. Due to the Covid-19 pandemic, some seminars had to be rescheduled with the last one being held in quarter 1 of 2022.



Photo: Introduction to one of the seminars.

EMFF 6.1.2 (k): *Operational Costs.* The beneficiary has requested an extension until quarter 1 of 2023 which was approved by the MA. This means that this operation is now still underway. A new component was also added to this operation.

As reported last year, payments with regards to all control operations were put on hold by the beneficiary and the MA with no funds being certified to the EC in both 2020 and 2021. The reason behind this is to safeguard funds both on a union level as well at a national leve, in light of the infringement procedure against Malta opened by the EC following shortcomings detected in the Maltese control system over Bluefin Tuna (BFT) farms. The expenditure claims under these operations will remain on hold until this infringement is lifted.

EMFF 6.2.3: *Data Collection Multi-annual Programme 2020-2021.* This operation is currently under implementation and disbursement is well underway.

Completed Operations:

EMFF 6.2.1: Data Collection Framework Multiannual Programme 2014-2016 was completed by end 2018, as already reported in the previous AIR, with management verifications being concluded in 2021.

EMFF 6.2.2: *Data Collection Multi-annual Programme 2017-2019,* was completed in year 2021. A closure report was submitted by the beneficiary in year 2021.

EMFF 6.1.2 (h): *Training and exchange programmes.* This operation was completed in year 2020.

(iv) Union Priority 5:

Completed operations:

EMFF 4.3.1: *Nesploraw flimkien it-Teżori tal-baħar.* As reported in the previous AIR, this operation was fully implemented by end December 2018. Financial, output and result indicators (both common and programme-specific result indicators) set for this UP were met.

(v) Union Priority 6:

Ongoing operations:

EMFF 8.3.1: Marine environmental monitoring: towards effective management of Malta's marine waters. Beneficiary: Environmental and Resources Authority

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As per previous years, there was good communication between the MA and the beneficiary to ensure regular monitoring and discuss the state-of-play of the project during its implementation. Progress reports were compiled in line with Grant Agreement requirements. Due to unprecedented delays, the beneficiary requested an extension to the Grant Agreement till June 2022 which was accepted by the MA.

(vi) Technical Assistance:

During 2021, Technical Assistance (TA) funds were used mainly to support the implementation of the EMFF OP. In 2021 a total of €222,657.64 public eligible worth of payment claims were processed by the MA relating to various operations under this UP, namely in relation to the following:

EMFF 7.1.1: Implementation of the Operational Programme

EMFF 7.1.2: IT Systems

EMFF 7.1.3: Improving administrative capacity

EMFF 7.1.4: Communication Activities

EMFF 7.1.5: Evaluation

EMFF 7.1.6: Studies

EMFF 7.1.9: Other

TA expenditure was mainly related to salaries, promotional activities and material (for future distribution to fishers and stakeholders), logistical expenses of meeting organised by the MA throughout the year and other related payment claims.

TA expenditure was utilised to fund logistical expenses such as the hiring of venue, the hiring of equipment and catering services, of both the seventh Monitoring Committee meeting held on 29 October 2021 and of the Annual Review Meeting held on 10 November 2021.

Notwithstanding the limitations imposed by the pandemic, the EMFF MA adapted its methods of outreach to ensure that the regulatory obligations are still met. In accordance with its Communication Strategy for the 2014-2020 programming period, the Managing Authority embarks on an annual event to reach the general public and disseminate the opportunities provided by and achievements of the Fund. For year 2021, TA funds were utilised to advertise the EMFF through a roaming exhibition showcasing success stories across multiple European Funds. The chosen EMFF project for promotion was EMFF 1.23.3 Construction of a breakwater at Qrejten Point in the port of Marsaxlokk given that it was physically fully completed by the time of PPCD's participation request.

4. Evaluation Activities

In year 2021, the MA held its annual review meeting together with EC representatives. Meeting took place on the 10th of November whilst the seventh meeting of the Monitoring Committee (MC) was held on the 29th of October 2021. During the MC an update on the implementation of the EMFF OP, as well as an update on EMFAF programming, were provided to all MC members. The AIR for year 2020 was already adopted by the MC via a written procedure back in May 2021.

In October 2021, the MA also proposed an amendment to the OP, as well as an amendment to the Terms of References of the MC. The amendments to the OP were related to:

- (i) the shift of funds from UP2 to UP1 due to unspent funds garnered through the withdrawal of the MFF Ltd. operation as a result of an ongoing magisterial enquiry and an MA decision to withhold the certification of the payment claim which had been uploaded on the EMFF database system. Investments financed through measures under Article 43.1 (UP1) are higher than the original allocated amount, and therefore, given their value-added to the sector, and in order to absorb 100% of the EMFF funds allocated under the Programme, a total of €1,207,556 (EMFF share) were shifted from UP2;
- (ii) the shift of fund support from UP 5 Article 67 (Storage Aid) towards a temporary cessation measure aimed at mitigating the effects of the COVID-19 pandemic. The shift of funds from Article 67 to Article 33 (1)(d) amount to €219,771 (EMFF share). Such amendment resulted in an increase of circa €87,908.40 in EMFF contribution to climate change (40% co-efficient for Article 33 temporary cessation of fishing activities). The compensation will be calculated according to the Temporary Cessation methodology, and only those fishers who were not at all assisted in 2020 through any scheme are eligible to participate.

The amendment to the Terms of Reference of the MC was related to Article 7: Written Procedures, whereby MC members must give their opinion in writing within 5 working days when it comes to urgent written procedures.

The above-mentioned amendments were proposed to the MC members via written procedure and were both approved on 12 November 2021. Following this, these were submitted to the EC and formally approved in February 2022 and therefore OP Version 7.2 was adopted. The above-mentioned amendments were reflected in Sections 3.3, 4.6, 7.1, 8.2 and 9.1 of the Operational Programme.

5. Information and Publicity

The MA's online website was regularly updated throughout the year in order to meet the regulatory requirements, such as the list of selected operations as laid down in Article 119 of Regulation (EU) No. 508/2014. The MA ensured that the webpage included the necessary information and documentation such as regulations, publications, reports, supporting documentation and other documents pertaining to upcoming calls.

Further to the above, the MA ensured that general publicity promoting the EMFF is kept constant as in previous years. For year 2021, TA funds were utilised to advertise the EMFF through a roaming exhibition showcasing success stories across multiple European Funds. One EMFF operation, the *Construction of a breakwater at Qrejten Point in the port of Marsaxlokk* (EMFF 1.23.3) was chosen to be showcased in this exhibition given that it was physically fully completed.



Photo above: Exhibit for the moving exhibition promoting EMFF projects