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**GOVERNMENT OF MALTA**  
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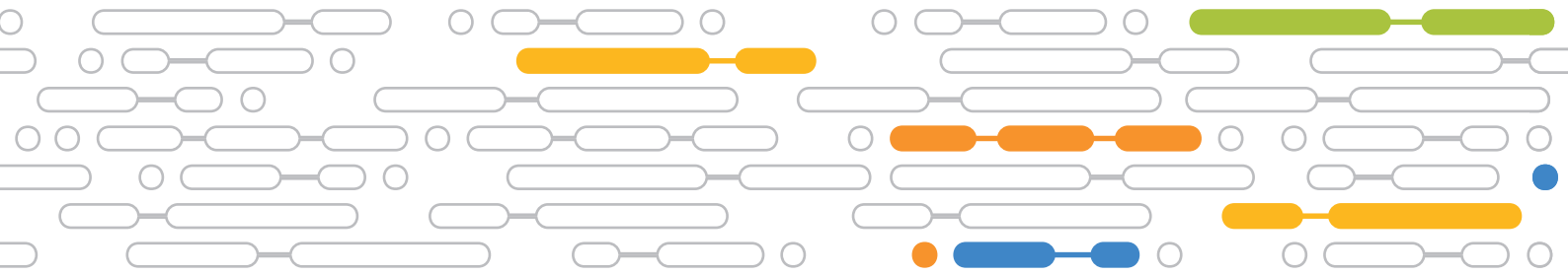
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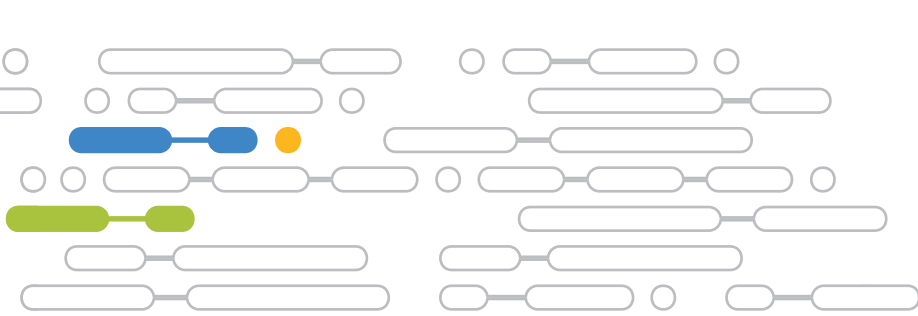
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## List of Acronyms

Acronym	Full Name
AMIF	Asylum, Migration and Integration Fund
AROPE	At-risk-of-poverty or social exclusion
AVRR	Assisted voluntary return and reintegration
C&D	Construction and Demolition
CEDEFOP	European Centre for the Development of Vocational Training
CSR	Country-Specific Recommendation
EHIS	European Health Interview Survey
ELET	Early leaving from education and training
ESF	European Social Fund
EU	European Union
EY	Ernst & Young
FDI	Foreign direct investment
FTE	Full-time equivalent
GDP	Gross Domestic Product
GI	Green Infrastructure
ISCED	International Standard Classification of Education
ITS	Institute of Tourism Studies
LLL	Lifelong Learning
MCAST	Malta College of Arts, Science and Technology
MQF	Malta Qualifications Framework
MSW	Municipal Solid Waste
NACE	Nomenclature of Economic Activities
NEET	Not in Education, Employment, or Training
NMW	National Minimum Wage
NSO	National Statistics Office
OHS	Occupational Health and Safety
OP	Operational Programme
PA	Partnership Agreement
PO	Partner Organisations
R&D	Research and Development
RDTI	Research, Development, Technology and Innovation
RRP	Recovery and Resilience Plan
REACT-EU	Recovery Assistance for Cohesion and the Territories of Europe
SDG	Sustainable Development Goal
SEN	Special Education Needs
SMD	Severe Material Deprivation
SMEs	Small and Medium-sized Enterprises
SRSP	Structural Reform Support Programme
SURE	Support to mitigate Unemployment Risks in an Emergency
TCN	Third Country National
TSI	Technical Support Instrument
VET	Vocational Education and Training





# Introduction





## 1. Introduction

The Multi-Annual Financial Framework 2021-2027 provides an important opportunity for Malta to support investment in its human capital, which remains Malta's most important resource. Such support will primarily be implemented under the European Social Fund Plus (ESF+) Programme, which continues to represent the main funding arm for investment in human resources in Malta. The ESF+ programme will complement other EU funded interventions and investments.

The ESF+ programme, with a total budget (EU+MT share) of some Eur 205 million<sup>1</sup>, will continue building on the support provided under previous programming periods and reflect also the challenges brought about by the COVID-19 pandemic. The latter has impacted labour market stability and the provision of services in various sectors, including health and education and it has also exposed vulnerable groups including people at risk of poverty to increased socioeconomic risk.

Within this context, investment under the ESF+ programme has the objective of strengthening capacities in all sectors falling within the scope of the ESF+ regulation, namely employment, education, health and social sectors, with the objective of improving and adapting services to new and emerging needs.

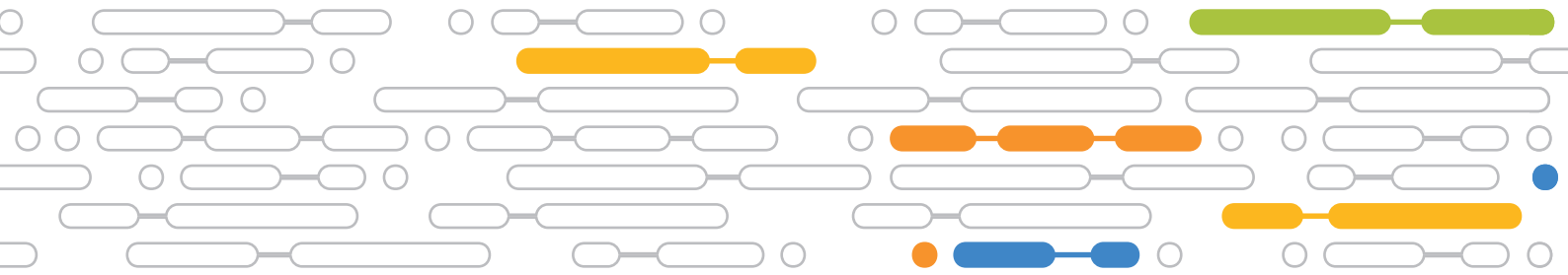
The programme includes the following five (5) priorities:

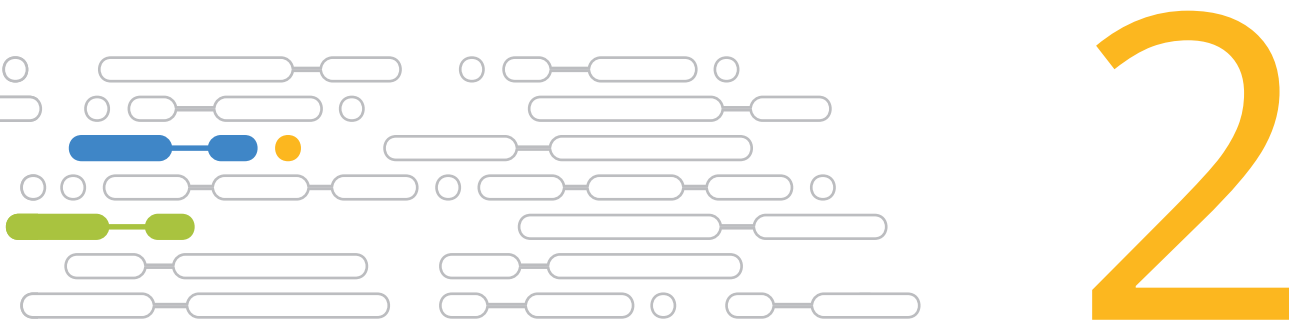
- Priority 1: Enhancing employability and labour market resilience;
- Priority 2: Fostering active inclusion for all;
- Priority 3: Quality and inclusive education and enhanced lifelong learning for growth;
- Priority 4: Addressing material deprivation; and
- Priority 5: Technical Assistance.<sup>2</sup>

ESF+ resources will be mobilised to target the needs of vulnerable, disadvantaged and marginalised groups in a direct manner, particularly children, persons at risk of poverty, exclusion and material deprivation, persons with a disability, as well as youths and foreign nationals, in order to foster inclusion and integration. The programme will also improve, modernise and increase the accessibility of educational provision, strengthen efforts to retain strong and stable employment levels, as well as promote new employment opportunities, including to reduce the gender pay gap.

1 EC Letter ARES (2020) 6606776 of 11 November 2020, amounts in current prices and including technical assistance.

2 This Priority will finance the management and control of the programme (circa Eur 12 million) and hence is not included within this consultation document.





## Development Challenges and Opportunities



## 2. Development Challenges and Opportunities

Malta is one of the most densely populated MS within the EU, having a total area of 316 km<sup>2</sup> and 1,548 people per km<sup>2</sup> in 2018.<sup>3</sup> Population density is ever-increasing as more economic migrants are settling in Malta.<sup>4</sup> In addition, the heavy increase in inbound tourism experienced in Malta since 2014 is another important factor impinging on the country's economy; increasing the pressure on its environment, infrastructure and services. In line with worldwide trends, inbound tourism has suffered a significant setback due to the COVID-19 pandemic.<sup>5</sup>

Malta has a predominantly ageing population, with the share of population aged 65 years or over registering an increase of 4.5% between 2009 and 2019.<sup>6</sup> The economic old-age dependency ratio has also increased from 26.1% to 27.6% between 2014 and 2019. Between 2014 and 2018, the working-age population grew due to the net inward migration.<sup>7</sup> Such factors are all contributing to ease pressures stemming from rising old-age dependency. On the other hand, the number of children and youngsters has decreased, with Malta registering one of the lowest fertility rates in Europe, standing at 1.23% in 2018, in comparison to 1.55% for the same year for the EU-27.<sup>8</sup>

Malta has a small, open, and diversified economy that is highly exposed to international market forces. In 2019, Malta's real GDP growth rate stood at 5.3%, which is substantially higher in comparison to the EU-27's growth rate of 1.5%.<sup>9</sup> The COVID-19 pandemic has had an unprecedented impact on the Maltese economy and its public finances. This required Government intervention to support the economy and ensure that the crisis does not result in long lasting damage to the country's financial sustainability. Throughout 2020, the COVID-19 pandemic started its spread across the international and European communities. Malta has been adopting several containment measures to restrict its spread, resulting in disruptions to the pace of its economic activity. Nevertheless, despite being directly hit by the containment measures adopted in the wake of the COVID-19 pandemic, the performance of the Maltese labour market remained relatively steady.

The measures introduced by Government in response to the pandemic, together with the resilience of the labour market ensured that high levels of employment were retained, with the employment rate standing at 73% in the second quarter of 2020. Furthermore, Malta's unemployment rate in July 2020 stood at 4.3%. Overall, activity rates for people aged 15-64 stood at 76.4% in the second quarter of 2020, an increase of 0.9% compared to the same quarter of 2019.<sup>10</sup>

3 Eurostat: Population Density, <https://ec.europa.eu/eurostat/databrowser/view/tps00003/default/table?lang=en>

4 Ibid.

5 NSO News Release 180/2020, *Inbound Tourism (September 2020)*, p. 1, [https://nso.gov.mt/en/News\\_Releases/Documents/2020/11/News2020\\_180.pdf](https://nso.gov.mt/en/News_Releases/Documents/2020/11/News2020_180.pdf) [accessed 02.12.2020]

6 Eurostat: Population Structure and Ageing, [https://ec.europa.eu/eurostat/statistics-explained/index.php/Population\\_structure\\_and\\_ageing#:~:text=In%202019%2C%20more%20than%20one,from%205.8%20%25%20to%2014.6%20%25.](https://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing#:~:text=In%202019%2C%20more%20than%20one,from%205.8%20%25%20to%2014.6%20%25.)

7 Ministry for Finance, Economic Policy Department, *Economic Survey (2020)*, p. 35 [https://mf.in.gov.mt/en/The-Budget/Documents/The\\_Budget\\_2021/Economic\\_Survey\\_2020\\_with\\_cover.pdf](https://mf.in.gov.mt/en/The-Budget/Documents/The_Budget_2021/Economic_Survey_2020_with_cover.pdf)

8 Eurostat: Total Fertility Rate, <https://ec.europa.eu/eurostat/databrowser/view/tps00199/default/table?lang=en>

9 Eurostat: Real GDP growth rate - volume, <https://ec.europa.eu/eurostat/databrowser/view/tec00115/default/table?lang=en>

10 Ministry for Finance, *Economic Survey, October 2020*. Source : [https://mf.in.gov.mt/en/The-Budget/Documents/The\\_Budget\\_2021/Economic\\_Survey\\_2020\\_with\\_cover.pdf](https://mf.in.gov.mt/en/The-Budget/Documents/The_Budget_2021/Economic_Survey_2020_with_cover.pdf)

A key measure introduced by Government to encourage job maintenance in the wake of COVID-19 was a Wage Supplement Scheme<sup>11</sup> in March 2020, coupled with various measures to businesses earmarked to support their operations during such a difficult period. Such measures have been supported through the flexibility to allocate savings under the 2014-2020 programmes to COVID-19 related interventions,<sup>12, 13</sup> as well as the SURE initiative<sup>14</sup> and Malta's allocation under REACT-EU<sup>15</sup>.

## Socioeconomic needs

### *Labour Market Analysis*

The performance of the Maltese labour market has experienced significant growth over the past years, with increasing employment rates and low unemployment rates. In this regard, the Europe 2020 target of having 70% of the 20-64 year-olds as employed<sup>16</sup> was successfully reached between 2016 and 2018. In 2020, 12.1% of the employed population worked part-time whilst 87.9% are working full-time.<sup>17</sup> The unemployment rate stood at 3.6% in 2019.<sup>18</sup> This has also been reflected in the results obtained in Sustainable Development Goal 8.<sup>19</sup>

The links between gender and specific types of economic activity is still evident. Employment levels by males is predominant in most economic activities with a high prevalence in manufacturing and construction. Female employment registers higher in finance and insurance; education; and human health and social work.<sup>20</sup> Employment in Gozo increased by 47.5% between 2009-2019; with the highest share of employees working in market services.<sup>21</sup> Similarly, the level of jobseekers has decreased by 79.3% in the past years; from 801 in 2009, to 166 in 2019.<sup>22</sup> The latest economic projections produced by the Ministry for Finance and Employment suggest that the Maltese economy is expected to resume its positive performance and grow by 3.8% in real terms in 2021, provided that the COVID -19 pandemic starts to subside as a result of the vaccine rollout.<sup>23</sup>

### *Employment rates and Gender*

In 2019, Malta had the highest gender employment gap in the EU-27 at 20.7%.<sup>24</sup> In fact in 2019, male employment was 7.5% higher than the EU-27 average, while female employment was 1.5% lower. Nevertheless, Malta's

11 Malta Enterprise, *Wage Supplement*, <https://covid19.maltaenterprise.com/wage-supplement-main/>

12 Regulation (EU) 2020/460, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0460&from=EN>,

13 Regulation (EU) 2020/558, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0558&from=EN>

14 Council Regulation (EU) 2020/672, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0672&from=EN>

15 Regulation (EU) 2020/2221, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R2221&from=EN>

16 Eurostat database: Europe 2020 Overview, <https://ec.europa.eu/eurostat/web/europe-2020-indicators>

17 NSO, Labour Force Survey Q2/2020, p. 5.

18 Eurostat: Total Unemployment Rate, <https://ec.europa.eu/eurostat/databrowser/view/tps00203/default/table?lang=en>

19 Op. cit. Country Report Malta 2020, p. 70

20 NSO Statistics (2019), *Gainfully Occupied Population: December 2018 and January 2019*.

21 Jobsplus, *Total Employment and Labour Supply Trend in Gozo (2009-2019)*, <https://jobsplus.gov.mt/resources/publication-statistics-mt-mt-en-gb/labour-market-information/employmenttrends#title3.6>

22 Jobsplus, *Registered Jobseekers at Jobsplus*; <https://jobsplus.gov.mt/resources/publication-statistics-mt-mt-en-gb/labour-market-information/jobseekers-data>

23 Malta: Draft budgetary plan 2021; 2021\_dbp\_mt\_en.pdf (europa.eu)

24 Eurostat: Gender employment gap in the EU, [https://ec.europa.eu/eurostat/databrowser/view/sdg\\_05\\_30/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/sdg_05_30/default/table?lang=en)



female employment rate has improved from 54.3% to 65.8% since 2014.<sup>25</sup> All age groups have registered improvement, especially in the 25-29 and 30-34 brackets.<sup>26</sup>

In April 2014, Government launched the Free Childcare Scheme,<sup>27</sup> which provides free childcare services to parents/guardians who are either gainfully employed or are still pursuing an education. This scheme, together with other 'making work pay' initiatives<sup>28</sup>, has served as an important contributor towards the increase in female employment rates. However, recent statistics show that in 2018 the gender pay gap stood at nearly 12%.<sup>29</sup> Although the greatest gender pay gap is observed in the 65+ age bracket, it is still noticeably high in other age groups, with the lowest noted in the 15-25 age group. With regards to self-employment, the female component remains comparatively low. There is therefore scope for further efforts to promote self-employment and sustain the increasing growth of female persons in employment.<sup>30</sup>

### *Youth Employment and Elderly Participation in the Labour Market*

In 2019, some 50.7% of the total population of 15-24 year olds were in employment, significantly higher than the EU-27 average of 33.5%.<sup>31</sup> Between 2014 and 2019, the rate for unemployed young people decreased from 10.3% to 8.6%, lower than the 2.5 percentage points decrease registered in EU-27 for the same years.<sup>32</sup> Malta has also registered considerable improvements with regard to youths not in employment, education or training. In this regard, the Youth Guarantee Scheme,<sup>33</sup> launched in 2016, has contributed towards improved employment rates for youths through the provision of good quality opportunities in education, traineeships, or employment. Nevertheless, Malta's efforts to ensure increases in youth employment and decreases in the respective unemployment, need to be sustained in line with the new *Youth Employment Policy* that is currently being developed.

The Mature Workers Scheme<sup>34</sup> launched in 2014, is directed towards employers recruiting personell aged 45-65 who have been registering for work. Although the activity rate for the 55-64 age group has increased since then, the local average of 51.8% is still significantly lower than the EU-27 average of 62.3% in 2019.<sup>35</sup> In this regard, sustaining and increasing employment participation rates for different target groups, especially in terms of female employment and the elderly, remains important.

25 Eurostat: Employment and activity by sex and age - annual data, [https://ec.europa.eu/eurostat/en/web/products-datasets/-/LFSI\\_EMP\\_A](https://ec.europa.eu/eurostat/en/web/products-datasets/-/LFSI_EMP_A)

26 Country Report Malta 2020, Commission Staff Working Document [SWD (2020) 150 final], p. 30 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0517&from=EN>

27 MFED, *Free Childcare Scheme*, <https://education.gov.mt/en/Documents/FCS%20Brochure%20EN.pdf>

28 MFED, Consultation Document '*Making Work Pay*' (2014), <https://education.gov.mt/makingworkpay/Documents/Consultation%20Document%20-%20Making%20Work%20Pay.pdf>

29 NSO News Release 038/2020, International Women's Day (2020), pp: 1, 6, [https://nso.gov.mt/en/News\\_Releases/Documents/2020/03/News2020\\_038.pdf](https://nso.gov.mt/en/News_Releases/Documents/2020/03/News2020_038.pdf)

30 Op. cit. NSO Labour Force Survey Q2/2020 p. 5

31 Eurostat: Activity rate by age, [https://ec.europa.eu/eurostat/web/products-datasets/product?code=tepsr\\_wc160](https://ec.europa.eu/eurostat/web/products-datasets/product?code=tepsr_wc160)

32 Eurostat: Young people neither in employment nor in education and training by sex; <https://ec.europa.eu/eurostat/databrowser/view/tesem150/default/table?lang=en>

33 Jobsplus, *Youth Guarantee Scheme*, <https://jobsplus.gov.mt/schemes-jobseekers/youth-guarantee-scheme>

34 Jobsplus, *Mature Workers Scheme*, <https://jobsplus.gov.mt/schemes-jobseekers/mature-workers-scheme> [accessed 10.07.2020]

35 Op. cit., Eurostat: Activity rate by age,

## Social Cohesion, Poverty and Material Deprivation

Malta has implemented several actions to address its EU 2020 target to lift 6,500 people out of poverty,<sup>36</sup> including further investment in education as a key to social mobility, the exemption of income tax for low income earners, in-work benefits, and free childcare services, amongst others.<sup>37</sup> In 2016, Government launched a measure whereby employers who employ more than 20 people are required to include persons with a disability, amounting to at least 2% of the total workforce.<sup>38</sup> This measure has contributed towards the decrease in people with disability registering for work.

By 2019, the at-risk-of-poverty and social exclusion rate, which is one of the multidimensional poverty criteria towards sustainable development,<sup>39</sup> had declined to 20.1% of the total population from the 23.9% in 2014.<sup>40</sup> Nonetheless, the unemployed in Malta experience a high at-risk-of-poverty and social exclusion (AROPE) rate at 53.5%.<sup>41</sup>

Age and sex variants impinge on the rate of poverty and material deprivation. Across different age cohorts, females are more susceptible to being at-risk-of-poverty and social exclusion, with the lowest rates registered for under 16 years, and the highest for 55+ years. These trends, however, are noticeable across both genders.<sup>42</sup> This suggests a link with variables related to work and employment, such as being part of the labour force and being of employment age.

Furthermore, low education levels experience higher at-risk-of-poverty and social exclusion rate. In 2019, adults with lower education level attainments were at the highest at-risk-of-poverty and social exclusion (28.1%) among adults holding all other International Standard Classification of Education levels, with females at a higher risk (31.9%) than their male counterparts (24.5%).<sup>43</sup> Moreover, the higher the attainment levels of parents, the less is the likelihood that the child will face poverty and social exclusion. In this regard, further development of the education sector is a necessary investment for enhanced inclusion, as well as social integration.

In 2019, AROPE by types of household shows that overall households with dependent children have a higher risk at 17.3%. The type of household that experienced higher rates from 2018 is the 'two adults, three or more dependent children' category reaching a rate of 33.1% in 2019 from 27.3% in 2018. This is followed by households with 'two adults, no dependent children, at least one adult aged 65 or more' category with a rate of 29.6% in 2019 from 25.5% in 2018.<sup>44</sup>

36 Ministry of Finance, *National Reform Programme 2019*, p.50, [https://mfinc.gov.mt/en/Library/Documents/NRP/NRP\\_2019.pdf](https://mfinc.gov.mt/en/Library/Documents/NRP/NRP_2019.pdf)

37 Ministry for the Family, Children's Rights and Social Solidarity, *National Strategic Policy for Poverty and for Social Inclusion 2014-2024*, pp. 6-9, <https://family.gov.mt/en/Documents/Poverty%20Strategy%202014%20English%20Version.pdf>

38 Jobsplus, *Employing Persons with Disability (2017)*, <https://jobsplus.gov.mt/employers-mt-MT-en-GB/employing-persons/employing-persons-disability>

39 Country Report Malta 2020, Commission Staff Working Document [SWD (2020) 150 final], p. 70

40 Eurostat: People at-risk-of-poverty or social exclusion by age and sex, [https://ec.europa.eu/eurostat/web/products-datasets/-/tepsr\\_lm410](https://ec.europa.eu/eurostat/web/products-datasets/-/tepsr_lm410)

41 Eurostat: At-risk-of-poverty rate of unemployed persons, <https://ec.europa.eu/eurostat/databrowser/view/tesem210/default/table?lang=en>

42 Op. cit., Eurostat: People at-risk-of-poverty or social exclusion by age and sex.

43 Eurostat: People at-risk-of-poverty or social exclusion by educational attainment level (population aged 18 and over) [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_peps04&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_peps04&lang=en)

44 NSO, News Release, EU SILC 2019, p. 5, Table 5 [https://nso.gov.mt/en/News\\_Releases/Documents/2020/08/News2020\\_135.pdf](https://nso.gov.mt/en/News_Releases/Documents/2020/08/News2020_135.pdf)



Children are also considered to be one of the main vulnerable groups in terms of poverty and social exclusion, and they tend to have a higher AROPE rate than the general population. In 2019, the AROPE rate for Malta for those younger than 18 stood at 23.6% compared to 20.1% of the total population.<sup>45</sup> In 2019, 23% of the 0-17 age group were AROPE, equivalent to 4% higher than the rate pertaining to the rest of the population.<sup>46</sup>

In 2019, 2.4% of persons with a disability experienced overburden because of housing cost, compared to 2.5% of the population with no disability in Malta.<sup>47</sup> The percentage of people (population aged 16+) with activity limitation struggling to meet their payments in Malta stood at 4.0%, compared to the 3.3% of persons without a disability. The figures are equal to the number of disabled people over 65+ years struggling to meet their payments.<sup>48</sup>

With regard to poverty variations between districts, in the Southern Harbour, Gozo and Comino the level of spending was below the national average line in 2015.<sup>49</sup> In this regard, addressing the specific needs of vulnerable groups remains necessary to enable Malta to move towards a more inclusive society.

In 2019, the material deprivation rate for Malta (8.4%) compared well with the EU-27 rate (12.0%).<sup>50</sup> Regarding severe material deprivation, which is one of the multidimensional poverty criteria towards sustainable development,<sup>51</sup> Malta's rate (3.1%) was lower than the EU-27 average (7.1%).<sup>52</sup> Malta has registered progress on Sustainable Development Goal (SDG) 1.<sup>53</sup> Moreover, females in Malta registered a higher deprivation rate than their male counterparts.

In 2019, 5.9% of the population could not afford an everyday meal with protein or vegetables.<sup>54</sup> Food deprivation has severe and broad implications across all age groups. These include: medical, social and economic problems which might hinder educational achievements as well as attaining and retaining a job that discourages dependency on welfare schemes and enables a better quality of life.<sup>55</sup> Additional initiatives are therefore necessary to ensure the sustainable integration of persons suffering from material deprivation into society and to ensure basic livelihood and wellbeing.

45 Ibid. p.10.

46 NSO News Release: *World Children's Day 2019*, p. 1, [https://nso.gov.mt/en/News\\_Releases/View\\_by\\_Unit/Unit\\_C1/Living\\_Conditions\\_and\\_Culture\\_Statistics/Documents/2019/News2019\\_188.pdf](https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C1/Living_Conditions_and_Culture_Statistics/Documents/2019/News2019_188.pdf)

47 Eurostat. (2019). Disability statistics – housing conditions, [https://ec.europa.eu/eurostat/databrowser/view/hlth\\_dhc060/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/hlth_dhc060/default/table?lang=en)

48 Eurostat. (2019). Disability statistics - financial situation, [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Disability\\_statistics\\_-\\_financial\\_situation](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Disability_statistics_-_financial_situation)

49 NSO, (2015). *Household Budgetary Survey*. Malta: NSO, p. 9, [https://nso.gov.mt/en/publicatons/Publications\\_by\\_Unit/Documents/C1\\_Living\\_Conditions\\_and\\_Culture\\_Statistics/HBS%20Publication%202015.pdf](https://nso.gov.mt/en/publicatons/Publications_by_Unit/Documents/C1_Living_Conditions_and_Culture_Statistics/HBS%20Publication%202015.pdf)

50 Eurostat: Material Deprivation rate by sex - EU-SILC survey, <https://ec.europa.eu/eurostat/databrowser/view/tessi080/default/table?lang=en>

51 Country Report Malta 2020, Commission Staff Working Document [SWD (2020) 150 final], p. 70

52 Eurostat: Severe material deprivation rate by age and sex, [https://ec.europa.eu/eurostat/databrowser/view/yth\\_incl\\_090/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/yth_incl_090/default/table?lang=en)

53 Country Report Malta 2020, Commission Staff Working Document [SWD (2020) 150 final], p. 70

54 NSO Data: EU-SILC 2019: Estimates of Material Deprivation and Housing Problems [043/2020] [https://nso.gov.mt/en/News\\_Releases/Documents/2020/03/News2020\\_043.pdf](https://nso.gov.mt/en/News_Releases/Documents/2020/03/News2020_043.pdf)

55 FEAD Operational Programme 2014-2020

## TCNs and economic migrants

Over recent years, the percentage of foreign nationals in Malta has increased exponentially.<sup>56</sup> In 2018, Malta had the highest rate in the EU-27 of migration influxes, with 56 immigrants per 1000 inhabitants.<sup>57</sup> In 2018, the amount of employed foreign nationals in Malta and Gozo amounted to 67,596 persons, with almost 53% from EU member states, 46% TCNs and 1% from EFTA countries.<sup>58</sup>

Although wages, income and living conditions of TCNs in Malta, including disposable income, education and employment opportunities, and housing, are found to be more favourable than in other EU countries, some cohorts, especially those employed in sectors such as construction and tourism are associated with relative poverty.<sup>59</sup>

## Education and Training

As outlined in the EC's 2021 *Ageing Report*, Malta's demographic growth is expected to continue in the next decade resulting in the enhanced need for increased, digitalised and labour-market relevant provision of schooling, in order to sustain Malta's economy as well as continue fostering a culture of education and lifelong learning (LLL).<sup>60</sup> Improvements in ESL, tertiary education attainment levels and LLL have been registered in recent years, as also attested by improvements registered in SDG 4 (*Quality Education*), however further efforts are required as outlined below.

### Early School Leaving (ESL)

Although in 2019 the ESL rate in Malta was still lagging behind the EU-27 average at 17.2%, Malta has registered a reduction of over 3.7 percentage points since 2014.<sup>61</sup> Since 2014, several actions have been launched, including the mainstreaming of vocational and applied subjects within the lower secondary school system, referred to as the 'My Journey' Reform,<sup>62</sup> aiming at reducing dropout rates through different pedagogies in compulsory schooling. Concurrently, the introduction of new revised syllabi has also contributed towards positive trends in this area.<sup>63</sup> Engagement at primary level was further enhanced through the introduction of digital technologies and e-content. A targeted approach towards primary students with low literacy skills was also supported through out-of-class sessions during school hours.

Notwithstanding the progress achieved so far, additional support for young persons to obtain the necessary skills to enter and move within the labour market and to continue pursuing further education remain vital.

56 Environment & Resources Authority (ERA). (2018). State of the Environment Report 2018: Summary Report, p. 19, [https://era.org.mt/en/Documents/ERA%20-%20STATE%20OF%20THE%20ENV%20REPORT\\_V2.pdf](https://era.org.mt/en/Documents/ERA%20-%20STATE%20OF%20THE%20ENV%20REPORT_V2.pdf)

57 Eurostat: Migration and Migrant Population Statistics, <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/1275.pdf>

58 Jobsplus, *Type of Employment of Foreign Nationals (2009-2019)*, [https://jobsplus.gov.mt/resources/publication-statistics-mt-mt-en-gb/labour-market-information/foreigners-data#:~:text=1.1%20Type%20of%20Employment%20of%20Foreign%20Nationals%20\(2009%2D2019\),-Employed%20foreign%20nationals&text=As%20at%20end%20of%20December,were%20in%20part%2Dtime%20employment,](https://jobsplus.gov.mt/resources/publication-statistics-mt-mt-en-gb/labour-market-information/foreigners-data#:~:text=1.1%20Type%20of%20Employment%20of%20Foreign%20Nationals%20(2009%2D2019),-Employed%20foreign%20nationals&text=As%20at%20end%20of%20December,were%20in%20part%2Dtime%20employment,)

59 OECD/European Union (2018). TCNs' integration in the European Union. *Settling In 2018: Indicators of Immigrant Integration*, pp. 104,108, 164, 242, 244, 246, Paris / Brussels: OECD, <https://doi.org/10.1787/9789264307216-en>,

60 EC (2020), *The 2021 Ageing Report: Underlying Assumptions and Projection Methodologies* [https://ec.europa.eu/info/sites/info/files/economy-finance/ip142\\_en.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/ip142_en.pdf)

61 Eurostat: Early leavers from education and training by sex and labour status, [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=edat\\_ifse\\_14&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=edat_ifse_14&lang=en)

62 MFED, My Journey Reform, <http://www.myjourney.edu.mt/wp-content/uploads/2017/02/MY-JOURNEY-BOOKLET-WEB-UPLOAD-24FEB17.pdf>

63 Ministry for Education and Employment, Directorate for Quality and Standards in Education, *Design of Learning Outcomes Framework, Associated Learning and Assessment Programmes (ESF Project 1.228)*; <http://www.schoolslearningoutcomes.edu.mt/en/>

### *Further and Higher Education (FHE)*

The provision of quality and recognised VET programmes in Malta has changed the education landscape dramatically and has given alternative options for young people.<sup>64</sup> Tertiary educational attainment has also improved considerably over recent years, with Malta achieving its Europe 2020 target of 34.7% in 2018. Participation in credit mobility programmes requires further improvement, where in 2018 Malta still ranked low at 5.4%.<sup>65</sup> In this regard, and despite the progress achieved, more efforts are needed to improve access and quality of FHE.<sup>66</sup>

With respect to persons with disability, in Malta there are limited specific education support programmes after the compulsory schooling age is surpassed. Although the national setup for FHE is not exclusive and does not in its own right create obstacles, efforts to further integrate and cater for the needs of this cohort are necessary.

### *Adult Learning*

In Malta, adult learning and participation rates in education and training registered increases from 16.5% in 2014 to the 19.1% in 2019.<sup>67</sup> On the other hand, in 2019, Malta had the 2<sup>nd</sup> highest percentage of adults with lower secondary education at 44.2%.<sup>68</sup> To this end, support to improve the skills of low skilled adults remains important, as also outlined in the Country Report for Malta (2020).

### *Skills Gap*

Despite the expansion of the labour force in recent years, ensuring that employers can retrain and retain skilled workers is of utmost importance. Furthermore, an increase in researchers and human capital capable of initiating and directing research initiatives is dependent on an education system which fosters transversal skills of creativity, critical thinking, productivity, and problem-solving. Improving the learning journey through a more student-centred pedagogy for the provision of quality education and addressing labour market skills gaps is therefore important.

The European Green Deal is also expected to have an impact on the employment market and the required skills. Eurostat reports that 'Employment in environmental goods and services sector'<sup>69</sup> are limited for Malta, however, it also indicates a percentage increase in this sector between 2014-2016.<sup>70</sup> Having the right skills is critical to make the transition to a low-carbon economy, with the emphasis placed on improving current skills and training to provide new green skills.<sup>71</sup> A growing low carbon economy can only flourish if employees have the right skills to meet the demands that the industry will face in future.

64 DB Nomics, *Pupils enrolled in upper secondary education by programme orientation, sex, type of institution and intensity of participation*, [https://db.nomics.world/Eurostat/educ\\_uoe\\_enrs04](https://db.nomics.world/Eurostat/educ_uoe_enrs04)

65 JRC computation based on Eurostat/ UIS/OECD Data in European Commission (2019) *Education and Training Monitor: Country Analysis (Malta)*

66 Eurostat: Educational Attainment Statistics, [https://ec.europa.eu/eurostat/statistics-explained/index.php/Educational\\_attainment\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Educational_attainment_statistics)

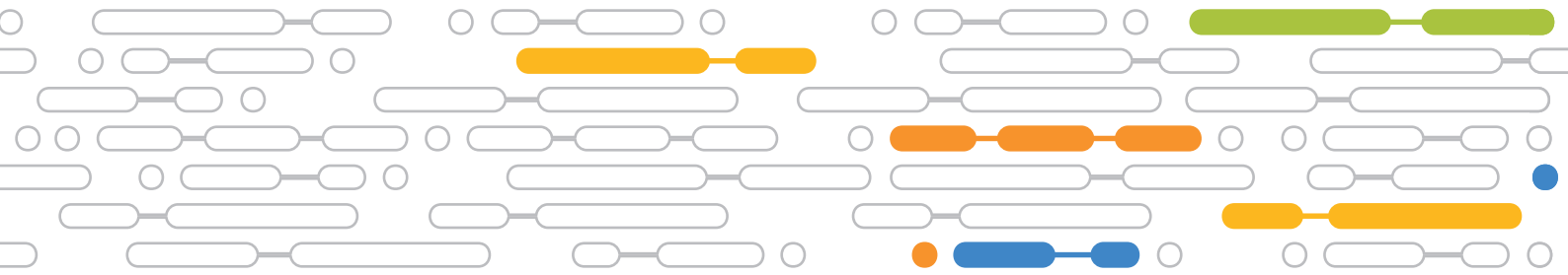
67 Eurostat, 'Participation rate in education and training (last 4 weeks) by sex, age and occupation', [https://ec.europa.eu/eurostat/web/products-datasets/product?code=trng\\_lfs\\_10](https://ec.europa.eu/eurostat/web/products-datasets/product?code=trng_lfs_10)

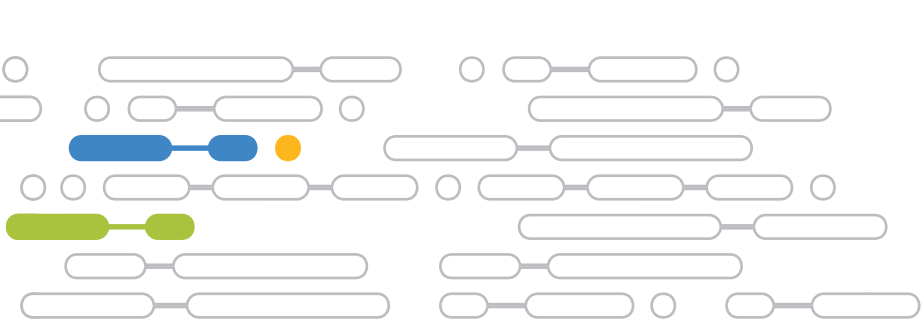
68 Eurostat: At lower secondary educational attainment by age <https://ec.europa.eu/eurostat/databrowser/view/tps00197/default/table?lang=en>

69 Eurostat, *Employment in the Environmental Goods and Services Sector*, [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=env\\_ac\\_egss1&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=env_ac_egss1&lang=en)

70 (when compared to the undulating pattern for the EU-27)

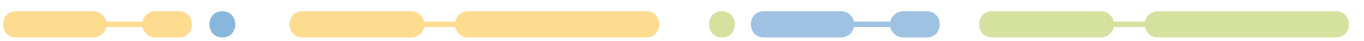
71 European Centre for the Development of Vocational Training (CEDEFOP), *Skills for the Green Jobs*, 2010, <https://www.cedefop.europa.eu/en/publications-and-resources/publications/3057>





# 3

## Strategy and Complementarity



### 3. Strategy and Complementarity

This Programme will directly contribute towards the achievement of the social dimension which strategically targets priority areas aimed to meet both EU and national objectives relating to employment, education, social inclusion and material deprivation.

Within the Programme, four (4) thematic priorities have been identified, upon which resources shall be focused to address Malta's challenges as well as the management of the Programme.<sup>72</sup> These priorities have a total budget (EU+MT share) of some Eur 193 million and are:

- Priority 1: Enhancing employability and labour market resilience;
- Priority 2: Fostering active inclusion for all;
- Priority 3: Quality and inclusive education and enhanced lifelong learning for growth; and
- Priority 4: Addressing material deprivation.

Investments supported under the ESF+ shall particularly aim to foster an inclusive social environment in line with the European Pillar of Social Rights, foster an environment conducive to a healthy labour workforce and sustain a new generation of quality education provision, whilst addressing the challenges faced by the current low-skilled adult population.

#### *Development needs of Gozo*

The ESF+ Programme will also aim to address territorial disparities between Malta and Gozo. Building on previous programming periods, Government remains committed to earmarking for Gozo at least 10% of the ESF+ Programme. Initiatives foreseen for this purpose will be horizontal across the programme, although complementary targeted investments are not excluded.

These initiatives will particularly complement the horizontal and specifically targeted investments in Gozo to be supported under European Regional Development Fund (ERDF).

#### *Complementarity with Funds and Instruments*

Complementarity between funds under the Common Provisions Regulation (CPR) and other EU and national funding instruments will be sought to ensure coordination between different actions and maximisation of resources. ESF+ measures will act as the main fund providing education and training as well as inclusion measures. ESF+ measures will therefore complement ERDF interventions, primarily under the innovative and smart dimension and social dimension, and Recovery and Resilience Plan (RRP) investments, in terms of providing the necessary combination of infrastructure and skills to enable jobs and growth; access to and improved education, health and social services, R&I and entrepreneurship; the digital transition, together with measures to foster inclusion. Furthermore, it will also complement interventions under the greener, low-carbon dimension of the ERDF and Cohesion Fund (CF), the Just Transition Fund (JTF) and RRP investments in terms of providing training, reskilling opportunities and pedagogies towards a green economy. ESF+ resources will also complement cross-border and transnational programmes in areas related to green and digital cooperation, as well as the social dimension.

In addition, ESF+ interventions will complement interventions under Asylum, Migration and Integration Fund

<sup>72</sup> These thematic priorities exclude Technical Assistance.

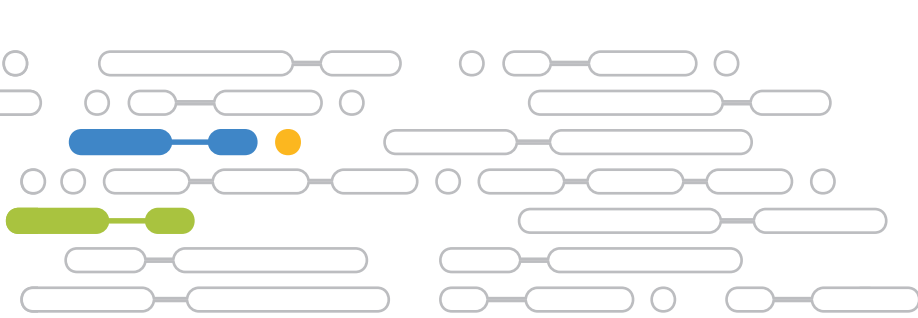
(AMIF): whereby the migration fund will target the integration of migrants and TCNs at reception stage, whilst the ESF+ will focus on the longer-term integration and inclusiveness of various vulnerable target groups, including TCNs. The delineation of interventions under these two funding instruments will ensure that EU funds will continue to be maximised in this area.

Interventions undertaken under the ESF+ will also seek to complement Malta's priorities in respect of the Common Agricultural Policy Strategic Plan (CAP SP) and European Maritime, Fisheries and Aquaculture Fund (EMFAF) Programmes. Complementary actions are envisaged in the promotion of research and training in fisheries, aquaculture, agriculture, and rural development.

In addition, Government will seek to maximise the potential synergies with other initiatives such as ERASMUS+ in terms of mobility and the European Globalisation Adjustment Fund for Displaced Workers (EGF) in relation to unexpected restructuring events which might impact employment in a significant manner. Whilst support under the Technical Support Instrument (TSI) will be sought as the main source for supporting reforms and capacity building, complementarities with ESF+ are also envisaged in terms of the implementation of measures that may emanate from TSI projects.







# 4

## Priority Areas



## 4. Priority Areas

### 4.1 Priority 1: Enhancing employability and labour market resilience

#### *4.1.1 Improving access to employment and supporting activation measures for jobseekers, in particular young people, the long-term unemployed and disadvantaged groups, inactive people, as well as through the promotion of self-employment and the social economy*

Despite the positive performance experienced in employment rates over the past years leading to the achievement of the Europe 2020 targets, persistent gaps still exist amongst certain categories of job seekers, specifically youths, women, the elderly, unemployed and low skilled, which calls for additional measures that improve access to employment. This ties in with 2020 CSR 2, which calls for Malta to consolidate short-time work arrangements, unemployment protection and quality of education and skills. It also contributes towards principles 3 and 4 of the European Pillar of Social Rights, targeting equal opportunities and active support to employment.

The focus shall be directed to all jobseekers, including disadvantaged groups to ensure that those most in need receive the necessary support. This will be undertaken to:

- support the job seekers that are struggling in accessing the labour market;
- address the persistent gender employment gaps;
- focus on sustaining youth employability;
- give a further boost to the employment rate of the elderly and low skilled adults given that rates are still lower than the EU-27 average;
- facilitate access to employment to the unemployed and low skilled considering that the unemployed and adults with lower education attainment levels have higher AROPE;
- improve employability prospects of the long-term unemployed through work and training programmes;
- support training towards green and digital jobs;
- promote female entrepreneurship; and
- alleviate the impact of COVID-19 on the labour market through job maintenance with activation measures.

#### *The related types of actions*

The ESF+ Programme will support activities aimed at improving the employment rate by sustaining the rates of those already in employment and by facilitating access to the unemployed, including long-term unemployed and the inactive, youths and disadvantaged people. Such measures will primarily focus on the provision of support schemes, which shall also address emerging challenges ensuing from the COVID-19 pandemic.

Despite the considerable improvement achieved, challenges persist for certain employment categories. The discrepancy between the Maltese employment rate and its EU-27 equivalent displays an increase in the 35-39 year bracket, exacerbated further in the 40+ bracket.<sup>73</sup> In this regard, further efforts are required to ensure that economic improvements are for the benefit of all, including disadvantaged people. Support will be in line with Malta's draft Labour Market Policy, which aims to consolidate best practices from the current policy and address new emerging challenges.<sup>74</sup>

### ***Sustainable integration of young people in the labour market***

Whilst positive results have been achieved in terms of youth employment and NEETs, this Programme will continue enabling and supporting young persons to have the opportunity to play an economic and social role in society. In this regard, actions combating the disadvantages that youths face at the start of their career will be funded. The ESF+ will build on the success of the current Youth Guarantee initiative. This provides opportunities and support for youths in furthering their learning experience beyond compulsory schooling through education, training and employment-related initiatives. These can be complemented by research and capacity building measures for enhanced sustainable integration and active participation. It will contribute towards the investment in young people who have been particularly hard hit by the socioeconomic crisis following the COVID-19 pandemic.

This investment will also support the development and implementation of measures, actively involving young people and youth organisations in skills developing. These will enhance youths' learning and employment prospects.

Interventions undertaken will be complemented by measures implemented under the Education Priority. This foresees investment in improving the learning journey within and beyond compulsory schooling, including capacity building measures to improve education systems and structures. Complementarily, this requires the active involvement of key players, including the national employment agency and employers for enhanced labour market experiences aiming to assist youth in their transition to adulthood.

### ***Work exposure measures***

The ESF+ Programme will support measures directed towards facilitating access to employment and improving job mobility prospects. Building on the Training for Employment initiatives implemented under the 2014-2020 period, the funded actions will be directed towards the provision of financial incentives supporting individuals in acquiring relevant labour market skills and competencies through direct labour market exposure. This should facilitate access to and retention of quality employment as well as encourage job mobility.

Furthermore, actions supporting jobseeker mobility to and from other EU countries in line with the parameters of EURES may also be supported.

### ***Fostering skills in the green and digital sectors***

This Programme will serve as the main capacity building EU funding instrument which will complement interventions under various other EU funds and national initiatives with the objective of fostering green and digital transitions. These are in line with the short to medium term EU ambitions under the Green Deal and the European Digital Strategy, amongst others.

<sup>73</sup> Op. cit. Country Report Malta 2019

<sup>74</sup> Ministry for Finance and Employment, Draft Labour Market Policy, [https://finance.gov.mt/en/Press\\_Releases/Documents/Is-Suq%20tax-Xog%20C4%A7ol%20-%20C4%A6arsa%20Lura%20u%20It-Triq%20%27il%20Quddiem.pdf](https://finance.gov.mt/en/Press_Releases/Documents/Is-Suq%20tax-Xog%20C4%A7ol%20-%20C4%A6arsa%20Lura%20u%20It-Triq%20%27il%20Quddiem.pdf),



Malta is already advanced in terms of the digital transition and ranks in 5<sup>th</sup> overall place in the DES index in digital performance. Furthermore, Malta has transitioned from coal and heavy fossil fuel oil powered electricity generation to lower carbon emitting mechanisms which will continue to require upskilling of the workforce to adapt to new technologies. In this regard, the foreseen green and digital transitions are expected to be incremental transitions aimed to facilitate the transition and sustain a more digitalised evolution of different sectors of the economy. Nevertheless, the uptake of new digital technologies, the shift towards zero carbon buildings, green transport and clean energy generation, amongst others, require upskilling and reskilling to ensure that the skills of the workforce remain relevant and abreast with economic development needs. Within this context, the ESF+ will support training programmes related to these sectors to fully exploit and maximise the transition process foreseen in the future.

### ***Incentives for employment creation***

Incentives for vulnerable groups will also be supported by building on the successes of the Access to Employment Scheme. Enhanced incentives for specific target groups, including older workers and women, are also foreseen. These are expected to contribute towards the integration, retention and progression of disadvantaged groups in the labour market, as well as aid in preventing inflows into long-term unemployment.

This Programme will also support actions facilitating access to self-employment including for jobseekers and inactive people, through the provision of learning, mentoring and funding programmes. Furthermore, support will also be provided to target low skilled adults, particularly the long-term unemployed thus increasing the respective labour market participation rates. Capacity building measures for mentors and others working in the field are also foreseen. Business creation shall also focus on female entrepreneurship, to encourage female participation across various strands of the labour market ladder.

Moreover, the ESF+ will further build on the performance of the Work Programme Initiative under 2014-2020, with the aim of enabling the long-term unemployed to move into and within the labour market. This investment aims to empower this cohort through the provision of individual profiling, training and work placement, thereby bridging the gap between labour market needs and the skills and competences of the long-term unemployed.

### ***Enhancing job maintenance***

This Programme may also support short-term work schemes, in the form of a wage supplement with activation measures, to ensure employment and skills preservation. Measures will target undertakings that have been negatively affected during and in the immediate aftermath of the COVID-19 pandemic. Investment will be directed towards ensuring a sustained, effective recovery of the Maltese economy, whilst supporting people by preventing unnecessary labour shedding and the consequent losses in human capital. The short-time work schemes supported under the ESF+ Programme will be accompanied by activation measures, such as targeted training and upskilling/re-skilling which will be tailored to reflect the needs of the labour market.

### ***The main target groups***

The target groups are:

- job seekers / workers and inactive people, including women, low-skilled adults and older workers;
- youths;
- professionals and other workers in the field of employment, including persons working with young people, social partners and voluntary organisations; and
- employers.

Investment shall be directed towards persons facing challenges in the labour market that can benefit from employability support programmes to improve their prospects in the labour market. These include amongst others: inactive people, the unemployed, persons facing labour market challenges, persons aiming at improving their employment prospects, persons who are far from the labour market and persons who are more difficult to employ. Specific attention will be directed towards youth and women with the aim of increasing their labour market participation rates. Targeting employers is also an important dimension within the context of employability. Capacity building measures directed towards those working in the field as well as social partners and civil society organisations, may also be supported.

#### *4.1.2. Promoting a gender-balanced labour market participation, equal working conditions, and a better work-life balance including through access to care for dependent persons*

In recent years, female employment trends have been on the increase. However, whilst females tend to outperform males in terms of educational achievement, this is not translated into an equal representation in the labour market.

Government has been at the forefront of the promotion of equal opportunities through reforms aimed at improving women's economic independence, including through the review of unequal taxation and refund practices, and has also been actively facilitating women's return to work through the free childcare scheme. The latter has been particularly important considering that the childbearing age cohort of women is particularly affected in terms of full-time employment. Such measures have significantly increased the number of children attending childcare from 1,745 in 2013 to 6,413 in 2019.

Whilst these measures helped achieve an improved gender balanced labour market, Government is committed to further facilitate the entry into the labour market of women to continue fostering improved gender balance. Furthermore, since women are often the primary carers of dependant persons, such support is also necessary, to shift away from gender bias in instances of care responsibilities. This is in line with the new labour market strategy that will be in place by 2021 whereby preliminary indications include the need to upskill and re-skill the Maltese workforce, including low skilled workers, addressing pay inequalities and gender imbalance as well as promoting skills development in automation and other technological advancements, amongst others.<sup>75</sup> This also ties with the second principle of the European Pillar of Social Rights on 'gender equality'.

Over the years, Government has also been promoting work-life balance by acting as an example for improved working flexibilities. This is particularly important considering that Government remains the largest employer in Malta. Nevertheless, further efforts are required to continue promoting such flexibilities which are ever more relevant within the context of the COVID-19 pandemic.

#### *The related types of actions*

The ESF+ Programme will support activities aimed at achieving a more balanced labour market, with a primary focus on women given the lower female participation rate in the labour market as compared to men. Considerable progress has been achieved in the employment rates of women, also due to the introduction of free childcare provision and other measures aimed at facilitating an improved work/life balance, however disparities still exist which call for directed action to further contribute towards the narrowing of gaps.

<sup>75</sup> Labour Market – Looking back and the road ahead, Ministry for Finance and Employment, January 2021



List of potential interventions:

### ***Facilitating female participation in the labour market and promoting gender balance***

Taking into consideration the lower participation of women in the Maltese labour market, the ESF+ Programme will be directed towards measures addressing equal opportunities through a gender targeting approach. The goal is to provide women with the necessary resources and support measures to be active citizens, whilst also aiming at attaining a labour market which is more balanced and to reduce the gender pay gap. This will build on the positive trends in educational achievement whereby women tend to fair better than men on average.

Furthermore, women play an important role in the care of dependents, involving both children and the elderly. This, at times, hinders the active participation of females in the labour market. By means of the ESF+ Programme, initiatives directed at encouraging the involvement of women, including carers, in the workforce is foreseen. Furthermore, efforts to support women in a targeted manner and hence addressing gender biased poverty pertaining to the participation in the labour market, are also envisaged. Such efforts will also foster an improved balance between work and personal life which is particularly important for the female cohort since they remain the primary caregivers as outlined in the needs section of this programme.

Complementary to this are efforts towards the promotion and implementation of family friendly and work-life balance measures, including research activities, campaigns and information sessions, together with implementation measures contributing towards an improved work-life balance for the wellbeing of the labour force.

The ESF+ Programme shall also contribute toward addressing the stereotype notions within Malta's gender employment perceptions which is a key element in dealing with some of the challenges that the labour market is facing, both in terms of levels of overall employment rates and equal opportunities. In this regard, research and targeted support measures including campaigns, are necessary to continue to foster and develop a culturally integrating society and to provide further insights into how these challenges can be addressed. Within this context, the aim is to primarily support women in the constraints they face in relation to labour market inequalities and imbalances, complementing actions supported under the Social Priority under this programme. In line with the draft *Gender Equality and Mainstreaming Strategy*, actions promoting gender equality may include, amongst others, outreach programmes targeted at upskilling women from vulnerable groups; the development and roll out of training, mentoring and leadership programmes for women in areas such as: entrepreneurship, information and communications technology (ICT), artificial intelligence (AI), blockchain technology, finance and science (especially in career paths which are predominantly male), management; and specialised training for professionals working in health and social services to ensure effective service provision to vulnerable women.

#### *The main target groups*

The target groups are:

- employees;
- employers; and
- women.

Investment shall be focused on gender targeting women as a means of promoting addressing the current gap that exist in terms of equal opportunities and active participation between men and women. Employers have also been identified as a target group as they play an important role in achieving an equal and just society.

Capacity building measures directed towards those working in the field as well as social partners and civil society organisations, may also be supported.

#### 4.1.a Indicative Financial Allocation

The indicative total funding (EU+MT share) for this Priority amounts to €57 million.





## 4.2 Priority 2: Fostering active inclusion for all

### 4.2.1 Fostering active inclusion with a view to promoting equal opportunities, non-discrimination and active participation, and improving employability, in particular for disadvantaged groups

Alleviating the needs of people facing different forms of disadvantages is at the core of Malta's ESF+ Programme. Despite the progress that has been registered over the years, active inclusion measures remain important in ensuring that everyone has better opportunities in life.

In this regard, through this intervention, action is necessary to empower vulnerable people and facilitate their sustainable integration for improved active participation in society. Investment through this initiative is necessary as a result of the persistent challenges that exist, including:

- different vulnerable groups are faced with different disadvantages calling for targeted support measures for an inclusive society ensuring that no one is left behind;
- women are more susceptible to AROPE across all age groups;
- families with dependent children and families with low levels of education have higher AROPE, which impacts on the life chances of children;
- children tend to have higher AROPE than the rest of the population; and
- persons with a disability face considerable changes in terms of inclusion and face financial constraints to live independently.

In this context, measures aimed at addressing lacunas which limit the active participation of vulnerable individuals, including persons with disability, through specific measures that enhance their active social participation and increase their economic independence are deemed necessary. Combating stigmas, inequalities and discriminations are also considered key to facilitate active inclusion.

Specific focus shall also be directed towards children and young persons, also within the context of the Child Guarantee, in order to widen their opportunities, given that they are potentially one of the main vulnerable groups in terms of poverty and social exclusion. These initiatives contribute towards principles 4, 11 and 17 of the European Pillar of Social Rights targeting active support to employment, childcare and support to children, and the inclusion of people with disabilities.

#### *The related types of actions*

This initiative aims towards enhancing active inclusion for all while providing vulnerable individuals with opportunities towards a better quality of life.

#### **Empowering vulnerable groups**

Empowering vulnerable people by increasing their skills, competences and wellbeing to improve their life chances leading towards economic independence will be supported. This is outlined in the strategic vision entitled *Striving for Excellence: Driving Social Innovation through Regulation (2020-2027)*.<sup>76</sup>

In this regard, this Programme foresees support towards tailor-made initiatives, together with relevant training

<sup>76</sup> Social Care Standards Authority *Striving for Excellence: Driving Social Innovation through Regulation Strategic Vision 2020-2027* [https://scca.gov.mt/en/Documents/Publications/SCSA\\_Vision\\_ENG.pdf](https://scca.gov.mt/en/Documents/Publications/SCSA_Vision_ENG.pdf)

and support services. This will enable vulnerable groups, including children and their parents, vulnerable youths at high risk of social exclusion and beneficiaries of social housing, to improve their lives. The focus will also be directed towards young people who require after-care services after being in alternative care or in other precarious situations. This Programme shall therefore support interventions including the development of specific tools and the implementation of support programmes. This will include active ageing measures for the elderly as well as for persons with inhibiting health morbidities. Furthermore, strengthening and empowering families in vulnerable situations will also be supported.

Investments will also address basic skills acquisition, including reskilling and upskilling, together with the provision of second chance opportunities for persons who have not acquired qualifications through the formal education cycle. This will also facilitate both horizontal and vertical mobility within socioeconomic and labour market sectors. Within this context, the regular assessment of initiatives remains critical to ensure that learning programmes remain relevant.

### ***Enhancing active inclusion for persons with a disability***

Government is committed towards enhancing active inclusion prospects for persons with a disability and using public support to encourage the employment of such disadvantaged workers. In addition, whilst acknowledging that disability is not homogenous, there will also be a focus on the provision of tailored services enhancing the employment prospects of persons with a disability. Support measures could cover generic and specific training services to achieve skills relevant for work and independent living, work exposure support, as well as guidance and mentoring services.

The undertaking of research activities and capacity building of support structures remain key elements which could lead to an improved performance in service delivery. Such initiatives shall build upon the support provided under the ESF 2014-2020, which yielded good results for participants and staff members.

Enhancing accessibility to information is also one of the objectives of the *Malta's 2021-2030 National Strategy on the Rights of Disabled Persons*<sup>77</sup>. This needs to be coupled with training for persons with disability to facilitate and promote such accessibility. In this context, enhancing society's general awareness whilst focusing on the abilities of persons with disabilities to reinforce active inclusion, could be instrumental in contributing to the right to live a dignified life. Such efforts will also complement initiatives for the further integration of persons with a disability within the labour market as well as efforts to foster community-based services.

### ***Improving life chances, including of disadvantaged children and young persons***

As outlined in the Eurocities report, child poverty is often a result of an accumulation of multiple factors, including limited opportunities, risk of discrimination, violence, and unequal access to important health and education services.<sup>78</sup>

In Malta, educational provision is free including childcare services for employed persons and students. Student grants are also provided at further and higher education level (including VET) from which disadvantaged persons benefit at higher rates. Malta's health system is also comprehensive with public health care services and emergency dental care available free of charge. Furthermore, elective services such as dental care, spectacles and hearing aids are provided free of charge to children under the age of 16, police and armed forces personnel and those on low incomes.<sup>79</sup> A series of additional social benefits tailored for persons with low incomes, homeless persons or persons with a disability are also available.<sup>80</sup>

77 Draft for Public Consultation: Freedom to Live, National Strategy on the Rights of Disabled Persons.

78 Eurocities, Fighting child poverty in European Cities, 2020

79 State of health in the EU, Malta country health profile 2019.

80 [https://www.servizz.gov.mt/mt/Pages/Inklu\\_joni\\_-Ugwaljanza-u-\\_arsien-So\\_jali/\\_arsien-So\\_jali/default.aspx](https://www.servizz.gov.mt/mt/Pages/Inklu_joni_-Ugwaljanza-u-_arsien-So_jali/_arsien-So_jali/default.aspx)



Building on Malta's comprehensive systems, this investment aims to alleviate negative social inheritances. The focus is primarily on children and young persons who are in alternative care, children with disabilities as well as children living in precarious family situations or at risk of poverty. Meaningful support could also be addressed within the context of the Child Guarantee Initiative, for measures pertaining to healthcare, sports and education, amongst others<sup>81</sup>. This will complement initiatives under this priority as well as the Education and Material Deprivation priorities.

Within the context of the COVID-19 pandemic, several actions were undertaken by Government to support families and children at higher risk of social exclusion.<sup>82</sup> Within this context, actions envisaged include improving access, broadening the services provided particularly by health and education related services, carrying out research studies, providing therapeutic services, conducting training, carrying out awareness campaigns as well as other relevant support services. Additionally, early identification of at-risk children and the implementation of the right forms of support, as well as the provision of support via community outreach through schools, will be coupled with positive parenting to foster stability in the family. The adoption of a family-centred approach to identify risk and protective factors is imperative, in strengthening families and improving social cohesion.

### ***Creating equal opportunities***

Creating equal and inclusive opportunities for all is also a key dimension. To this end, research studies, focusing on understanding better how persons experiencing diverse difficulties arising from their vulnerable situations may be supported. Within this context, the aim is to primarily support vulnerable people in the constraints they face in relation to labour market inequalities and imbalances, complementing actions supported under the Employment Priority.

### ***Fostering a culture of social entrepreneurship***

This initiative may support social entrepreneurship and the development of social enterprises. It will provide opportunities to support competitiveness with a view to better contributing towards the socio-economy and to ensure the success of such social enterprises.

The focus is to support social entrepreneurship that could be done through the development and roll out of social programmes and the introduction of appropriate support measures. This is considered important to continue fostering social cohesion and will aim to build on Malta's strong sense of community and sustain a culture of solidarity.

81 In line with Malta's Draft Early childhood education and Care policy Framework and the Educational Inclusion Policy (Draft), amongst others.

82 Eurochild report: Growing up in lockdown: Europe's children in the age of COVID-19, 2020.

### *The main target groups*

The target groups to be supported are the vulnerable groups, persons facing social exclusion and persons facing discrimination, covering, amongst others:

- persons with a disability;
- children and young people;
- women;
- older persons;
- low-skilled adults;
- unemployed;
- working poor;
- parents/guardians;
- employers;
- voluntary organisations; and
- general public.

In this regard, the focus is to target persons that are vulnerable and / or are facing social exclusion challenges as well as those who might suffer from any form of discrimination, whilst supporting equal opportunities interventions in order to strengthen social inclusion. Employers, parents/guardians and general public have also been identified as a target group as they all play an important role in achieving an equal and just society. Capacity building measures directed towards those working in the field as well as social partners and civil society organisations, may also be supported.

#### *4.2.2. Promoting the socioeconomic integration of third country nationals, including migrants*

Malta relies on a positive net inward migration of TCNs and economic migrants to sustain its economic growth. As a result, it is becoming more ethnically, culturally and linguistically diverse. As outlined in the *Migrant Integration Strategy and Action Plan*<sup>83</sup> the continued facilitation of socioeconomic integration across ethnicities and cultures remains important to achieve social cohesion. In this regard, it is important to channel investment to facilitate social integration as well as integration in the labour market.

Whilst such needs will be primarily addressed through the AMIF programme, the ESF+ shall continue to serve as an overarching funding pillar which supports economic integration in a holistic manner.

### *The related types of actions*

The ESF+ Programme will be mobilised to facilitate the socioeconomic integration of TCNs, including through initiatives steered by public entities and voluntary organisations. Whilst support will mostly be funded under the AMIF Programme, whereby which will primarily target the integration of migrants and TCNs at reception stage, the ESF+ will focus on the longer-term integration and inclusiveness of various vulnerable target groups, including TCNs.

The proposed interventions are complemented by national initiatives targeting TCNs. Refugees are entitled to the same employment and educational opportunities as any Maltese citizen.<sup>84</sup> Employment licences are issued by Jobsplus, offering labour market opportunities to those in possession. These grant access to all employment benefits, including employment insurance, pension, and access to all vacancies available on the

83 Ministry for European Affairs and Equality, *Integration=Belonging Migrant Integration Strategy and Action Plan Vision 2020*, <https://meae.gov.mt/en/Documents/migrant%20integration-EN.pdf>

84 Aditus Foundation, Asylum Information Database (AIDA) 2019, <https://www.asylumineurope.org/reports/country/malta>,



local labour market. Furthermore, TCNs are entitled to participate in the training programmes offered by Jobsplus. In cases of migrants who are still considered asylum seekers, a Job Brokerage Office has been set-up in Marsa, adjacent to the Initial Reception Centre, which seeks to facilitate short-term exposure placements. In an effort towards skills acquisition, the 'Skills Kit' offered at MCAST is available free of charge to TCNs and asylum seekers in several sectors.

Regarding access to education and educational facilities, all beneficiaries of international protection are entitled to compulsory and free state education till the age of 16. Moreover, Government has introduced the 'I Belong' programme, part of the *National Strategy for Integration*. This programme enables beneficiaries of international protection to participate in language acquisition (Maltese and English), including cultural orientation courses, in order to aid their integration process. Additionally, the Ministry responsible for Education provides all migrant parents with information on childcare and schooling options, including internet and hardware accessibility; a need that was highlighted during the COVID-19 pandemic.

MCAST has introduced the Skills Kit, which is available free of charge to refugees and beneficiaries of subsidiary protection, whereby these are entitled to acquire skills in the following sectors: beauty, hairdressing, basic web design, care, animal welfare, cultures, etc. The Migrant Learners Unit, within the Ministry responsible for Education, provides basic language training to migrant children, facilitating their entry and integration into mainstream education. This project was financed by AMIF under the 2014-2020 Programme and will continue to be provided by the Unit after the financing period. Additionally, continued professional development opportunities in literacy skills to TCNs shall be offered through the 2021-2027 AMIF Programme.

List of potential interventions:

### ***Facilitating the socioeconomic integration of foreign workers***

Malta is increasingly becoming more ethnically, culturally and linguistically diverse. In this regard, due attention will be given towards supporting measures contributing to the vision of belonging, in line with *Malta's Migrant Integration Strategy and Action Plan* launched in December 2017<sup>85</sup>. Awareness-raising campaigns and events shall include amongst others, campaigns educating citizens about migration and integration and enabling them to find out how they can participate in the integration process will be given prominence. Measures to overcome segregation, prejudice and discrimination against TCNs and economic migrants will also be supported.

Complementary to this, the mainstreaming of integration policies and measures in relevant policy portfolios and levels of government and public services, may also be supported. Moreover, research activities focusing on the integration needs of TCNs will also be considered.

In addition, the ESF+ Programme will fund measures facilitating access towards labour market integration, inclusive support schemes and other support measures contributing towards the ultimate goal of belonging. The latter could encompass lifelong learning and integration programmes, as well as equipping a pool of cultural mediators and health liaison officers with the necessary skills to strengthen their integration role. Such measures will aim to build on the support provided under the AMF Programme 2014-2020 as well as the establishment of the Migrant Learners Unit which has been supported through the SRSP<sup>86</sup>. Such initiatives will further enhance the migrant learners' participation in lifelong learning to enable them to become active members of society.

85 Ministry for European Affairs and Equality, *Migrant Integration Strategy and Action Plan Vision 2020*, <https://meae.gov.mt/en/Documents/migrant%20integration-EN.pdf>

86 The Structural Reform Support Programme has been replaced by the Technical Support Instrument (TSI).

### *The main target groups*

The target groups to be supported are:

- migrant workers including TCNs and economic migrants;
- employers; and
- general public.

Investment will be directed towards the migrants as well as employers in order to facilitate their socioeconomic integration. Action directed towards the general public will also be targeted to address migrant perception issues which may impact their inclusion process. Capacity building measures directed towards those working in the field as well as social partners and civil society organisations, may also be supported.

#### *4.2.3 Enhancing the equal and timely access to quality services, including services that promote person-centred care (including healthcare), access to social protection, with a particular focus on children and disadvantaged groups, improve accessibility including for persons with disabilities, and ensure the effectiveness and resilience of healthcare systems and long-term care services*

An inclusive society requires the availability of robust health, care and social protection systems that are accessible in order to ensure that they can support those that are mostly in need.

In this regard, the need for improved social protection, health, and long-term care services, including the prevention of health determinants and inequalities remains important. Investment is necessary to contribute towards the resilience of the health care system as called for in the 2020 CSR 1, including training and capacity building measures of professionals in the field, and the enhancement of service provision. Such investment will be complemented by similar interventions in the care and social fields for the country to be equipped with relevant and updated quality systems safeguarding vulnerable, disadvantaged and deprived persons. These initiatives relate to principles 12, 16, 18 and 20 of the European Pillar of Social Rights targeting social protection, healthcare, long-term care, and access to essential services.

### *The related types of actions*

The actions that the ESF+ will support include the improvement of social services, the accessibility of healthcare systems and the sustainability of long-term care, also in view of new exigencies arising from the COVID-19 pandemic. Interventions will also be steered towards improving social protection systems, in order to better respond to individual needs.

List of potential interventions:

#### ***Improving the effectiveness and resilience of healthcare systems and long-term care services***

The ESF+ Programme will support investment directed towards the capacity building of the systems and structures within the health and care services with the objective to provide the highest possible standard. In this regard, funds will be steered towards the upgrading of the skills and competencies of professionals and other workers within the health and care sector in view of the constant challenges that the sector faces, both as a result of the dynamics of an ageing population as well as emerging new challenges, such as the COVID-19 pandemic.



Training is important to keep up with the constant medical and technological advances as well as to maintain a patient-centred approach towards the provision of holistic health and care services. In this regard, there will be a focus on a health and care sector having a multiskilled and adaptable workforce that supports Government's various health-related initiatives. Interventions in health will be in line with the ambitions of the new *Health Systems Strategy 2030*, which is currently being developed, whilst capacity building needs in the social field are outlined in the *Poverty Strategy (2024)* that is being implemented.

Furthermore, the ESF+ Programme shall also focus on measures contributing towards reducing health inequalities, primarily through actions promoting healthier lifestyles and improved well-being including through prevention campaigns. Research, encompassing gender, age, disability and genetics, will also be considered with the aim of attaining a better understanding of the local scenario and traits leading towards the improvement of data collection within the context of health inequalities.

### ***Enhancing social protection systems***

The strengthening of the social protection systems and structures is a necessary pillar in Government's mission to improve the integration chances for vulnerable people, including children. As a result, the ESF+ Programme will also seek to improve the effectiveness and resilience of social protection systems through capacity building measures to enhance service provision.

In this context, the Programme will focus on the training and upskilling of professionals, carers and other service providers of social protection services to better address the needs of individuals in all areas of their practice. Initiatives directed towards persons working with vulnerable groups (including, amongst others, professionals working with persons with disability and children) will be supported so as to update their skills and knowledge, as well as their ability to deal with emerging as well as complex situations, thereby contributing towards the provision of effective social services meeting contemporary requirements.

Equally important is the need to invest in capacity building measures focusing on improving child protection services as well as other social welfare, justice and law enforcement services, with a view to providing a more child-friendly approach. Government also notes that, similar to health and care workers, persons engaged in the social field are constantly faced with problematic and unpredictable situations. Therefore, investment in their wellbeing to help them in their mission to truly make a difference in the lives of less fortunate people may also be supported.

### ***Supporting the active role of voluntary organisations***

Voluntary organisations and social partners play an active role in the area of inclusion whereby they act as a channel for socially excluded persons to enable them to enter the labour market and achieve improved social standards. In this regard, Government will support voluntary organisations and social partners in their efforts to reach out to vulnerable groups. This will aim to promote the social inclusion of persons who find themselves at risk of poverty and material deprivation.

### *The main target groups*

The main target groups are:

- health and care service providers;
- social protection service providers;
- social partners and voluntary organisations; and
- workers' and employers' organisations.

These investments will target the systems and structures that make up Malta's health, care and social protection systems in order to have robust systems in place to address socioeconomic challenges. In this regard, the approach is to target the stakeholders that work in the relevant fields. These include health, care and social service providers with the aim of improving the quality of the services provided. Capacity building measures directed towards those working in the field as well as social partners and civil society organisations, may also be supported.

#### **4.2.a Indicative Financial Allocation**

The indicative total funding (EU+MT share) for this Priority amounts to €53 million.





### 4.3. Priority 3: Quality and inclusive education and enhanced lifelong learning for growth

#### 4.3.1 Promoting quality and inclusive education and training, in particular for disadvantaged groups, from early childhood education and care through general and vocational education and training, and to tertiary level, as well as adult education and learning

Malta has registered considerable progress in the field of education and training, with improved ESL rates, improved tertiary education attainment levels and ever-increasing adult participation in education and training. Notwithstanding, the 2020 CSR 2 still calls for Malta to invest in the quality of education and skills, in view of:

- increasing demographic growth putting further pressures on the education and training systems;
- an ESL rate which is still higher than the EU-27 average;
- tertiary education attainment levels which are still lower than the EU average;
- limited education support programmes for persons with disability following compulsory schooling;
- high percentage of adults with low education attainment.

By means of the ESF+ Programme, efforts aimed at ensuring a comprehensive approach towards improving the learning journey for all, through inclusive education and enhanced or additional opportunities, shall be supported. This Programme shall therefore see that new learning methods, which require the strengthening of a digitalised education experience within compulsory schooling are adopted. The reduction of ESL remains another important priority, as well as the need to develop more student-centred education for a more inclusive and high-performing education system at different levels. This also ties in with the need to further increase tertiary education attainment levels in order to sustain Malta's efforts over the last years, whilst steering society towards skills that are required by the labour market, especially in STEM subjects.

Quality education calls for strengthened education systems and structures, including through capacity building measures. Assessment of current programmes, the implementation of innovative content and pedagogies by means of the development of new courses and teaching practice cycles remain core at improving the quality of the education experience. These initiatives contribute towards principle 1 of the European Pillar of Social Rights regarding education, training and employment.

#### *The related types of actions*

This Programme will increase efforts to bring the desired levels of education outcomes at par with EU levels. The focus of the interventions shall be aimed at reducing ESL rates and increasing participation in FHE. Actions include improving the quality of education and providing further and enhanced opportunities, whilst ensuring a cohesive approach towards inclusive education, also in view of developments ensuing from the COVID-19 pandemic.

#### **Promoting inclusive and quality education and reducing ESL**

Malta has progressed in narrowing the gap with the EU average on the rate of ESL. A key investment entailed the introduction of a structured vocational pathway, through the implementation of vocational subjects in secondary schooling. Moving forward, this Programme will address other measures identified by national strategies as necessary to reduce ESL in Malta.<sup>87</sup> Such initiatives include preventive and active measures across the whole education cycle, starting from early education and care. Thus, the introduction of innovative teaching and learning tools, including through the use of digital technologies and the creation of multisensory

<sup>87</sup> MFED, *Early Leaving from Education and Training Policy (2030)* (Draft).

environments remains at the forefront of this journey.

The 2014-2020 ESF investment *One Tablet Per Child* project<sup>88</sup> equipped public school pupils with enhanced technological skills and know-how, whilst also providing educators with the necessary tools and training. Government will continue supporting fair and equal opportunity and access to technology in public schools, in line with national strategies.<sup>89,90</sup> The pandemic has reconfirmed the absolute need for students to have personal devices to help them continue with their learning with the least of interruptions.

Further integration of digital technologies as part of the national curriculum within compulsory schooling (with a focus on secondary schools) is foreseen. This primarily through the provision of portable technologies, relevant e-content and software platforms to the students and schools to enhance teaching and learning. This approach aims to create a holistic digital education learning experience. This has become an immediate priority especially within the context of the COVID-19 pandemic which has seen a shift towards e-learning.

Government is committed to support the adaptation of pedagogical tools. Thus, this initiative will steer investment towards the digital transformation of the education system which will focus on the adaptation of the curriculum towards digital learning; the acquisition of the necessary equipment and software to carry and deliver this content; teacher and pupil / student training on the use of the digital learning platform/tools; and the undertaking of specific investments (including the provision of adaptations or specific tools) to address special education needs, including for persons with a disability, for the effective use of the digital platform for all.

This will reduce stigma and inequalities for children who come from low income or disadvantaged backgrounds, thus bringing down barriers to social cohesion from a very young age.<sup>91</sup> The training of educators will provide clearer guidelines when it comes to teaching remotely as outlined in the Eurochild report on the impacts of the pandemic on children<sup>92</sup>.

### ***Inclusive Education pathways***

Through Government's national policies<sup>93,94</sup> a comprehensive, structured and harmonised guide to educators, professionals and parents is provided; leading to a more effective and efficient education system. In addition, Government is striving to promote the setting up of an inclusive environment which ensures that all learners have the opportunity to obtain the necessary skills towards active citizenship. The ESF+ will support the implementation of actions contributing towards the policy benchmarks set out in order to guarantee equality in proper access to education.<sup>95</sup>

This investment will also support initiatives aimed at making education resources available for vulnerable

88 MFED, *Education Excellence 2030*.

89 MFED, *A National Literacy Strategy for all in Malta and Gozo 2021-2030* (Draft).

90 MFED, *National Strategy for Digital Education and Transversal Skills* (Draft).

91 MFED, *Inclusion Policy* (Draft).

92 Eurochild report: *Growing up in lockdown: Europe's children in the age of COVID-19, 2020*.

93 MFED, *A Policy on Inclusive Education in Schools: Route to Quality Inclusion*; [https://meae.gov.mt/en/Public\\_Consultations/MEDE/Documents/A%20Policy%20on%20Inclusive%20Education%20in%20Schools%20-%20Route%20to%20Quality%20Inclusion%E2%80%8B.pdf](https://meae.gov.mt/en/Public_Consultations/MEDE/Documents/A%20Policy%20on%20Inclusive%20Education%20in%20Schools%20-%20Route%20to%20Quality%20Inclusion%E2%80%8B.pdf)

94 MFED, *A National Inclusive Education Framework*, [https://meae.gov.mt/en/Public\\_Consultations/MEDE/Documents/MEDE\\_Inclusion\\_Framework\\_A4\\_v2.pdf](https://meae.gov.mt/en/Public_Consultations/MEDE/Documents/MEDE_Inclusion_Framework_A4_v2.pdf)

95 MFED 2020, *Education Excellence 2030*.



groups to ensure quality inclusive education, including the provision of education material in appropriate modes and formats that best suit the respective needs. Addressing accessibility issues, not only in terms of infrastructure but also in terms of availability of information, including education material is critical.<sup>96</sup> Further actions shall include awareness campaigns discouraging bullying in an effort to foster increased inclusion.

### ***Enhancing higher education through the provision of scholarships***

Increased participation in quality tertiary education remains important to compete and meet the challenges of high value-added and knowledge-intensive markets as well as the transition to the green economy. In this regard, additional investment in enhancing FHE will be supported by encouraging and facilitating equal access to education.<sup>97</sup>

Attracting individuals from lower education backgrounds and those who discontinued their education after compulsory schooling, remains a priority. In this context, the Programme will be directed towards the provision of scholarships in terms of grants and financial instruments to provide assistance for graduate and postgraduate studies. These scholarship grants and loans have yielded promising results during the 2014-2020 Programming period and Government will continue encouraging the uptake of tertiary education through such financial aid.

### ***Addressing skills gaps***

The ESF+ Programme will support the development of education and training programmes supporting the transition to the green and digital economy, the emerging requirements of the Industry 4.0, including automation and other technological advancements and the creative industry and ICT sectors, amongst others. These currently face skills shortages, hindering business development and the proliferation of employment in technology-driven economy. Vocational and higher education will be supported to adapt to the emergence of environmentally friendly technologies, in an effort to reduce skills mismatches and foster a generation of professionals. These will be complemented by the establishment of new teaching pedagogies, enhancement of accreditation systems and the creation of new and innovative content, as necessary. Such a transformative education path is necessary to ensure our education system is developing in parallel with the country's socio-economic and environmental transformation and will facilitate and sustain the economy in various sectors such as health, tourism and manufacturing, amongst others.

### ***Improving the quality and effectiveness of education and training systems***

Capacity building measures for professional development programmes at all levels of the education and training cycle are needed to keep upgrading competences and skills. In this context, this Programme shall support workers in education and training to keep upgrading and adapting their skills, competencies and knowledge in line with changing and emerging programmes and pedagogies. Such investment is necessary to stimulate student engagement and to act as an enabler for education attainment levels. Investment may also support the mobility of teachers, trainers and other learning staff to improve the overall quality of the education experience, whilst ensuring complementarity with the Erasmus+.

The continuous development of professionals and other workers delivering and administering further and higher education (FHE) programmes is central in increasing participation rates and the quality of FHE systems.

<sup>96</sup> Infrastructural investments fall outside the scope of this programme.

<sup>97</sup> National Commission for FHE, *2030 Strategic Vision for FHE in Malta* (Draft).

### *The main target groups*

- pupils / students;
- individuals aiming to further their education; and
- professionals / employees in the education sector.

Interventions under this objective will target children and young people, including those facing difficulties within the education process as well as the wider pupil/student population. Within the context of improving the quality and relevance of the student / pupil experience, education service providers will also be supported. Capacity building measures directed towards those working in the field as well as social partners and civil society organisations, may also be supported.

#### *4.3.2 Promoting lifelong learning, in particular, flexible upskilling and reskilling opportunities for all taking into account entrepreneurial and digital skills, better anticipating change and new skills requirements based on labour market needs and promoting professional mobility*

In recent years, Malta has seen a positive shift towards adult learning and participation rates in education and training. However, a high percentage of adults with low education attainment persists. In this regard and as outlined in the 2020 CSR 2, further efforts to increase the take up of education and training amongst the adult population are necessary. This is also necessary in view that the contribution of SMEs to upskilling employees remains below EU average, including the low uptake of existing support schemes.<sup>98</sup>

In this regard, further investment is required to steer society towards a lifelong learning culture and to support employers in retraining and retaining skilled workers, including foreign workers. Government has invested in various schemes to address this, including investment in enterprise-led training, with the aim of meeting current and future skills needs. However, the existing skills gap in various sectors calls for the need to address any skills mismatch, partly through the adaptation and upgrading of skills, including in ICT and the green and digital transitions, which are considered necessary to support a future-looking, technology-driven economy.

### *The related types of actions*

The actions that the ESF+ Programme will address focus on enhancing access to lifelong learning for the labour force with the aim of upgrading competencies, skills, and qualifications, fostering employability and adaptability. It will seek to support the implementation of actions in line with *Malta's Draft National Lifelong Learning Strategy*<sup>99</sup> which is driven by its vision for adult education that delivers economic development, social and civic participation, personal fulfilment and wellbeing, whilst keeping in mind any actions necessary due to the COVID-19 pandemic.

Interventions will be directed towards individuals at different stages of their lives wishing to upgrade their skills, competences, and knowledge through different means, whether through formal, non-formal and informal learning, thereby covering different levels of the learning cycle. Interventions will range from addressing basic skills, improving employment prospects, supporting enterprises for growth, and providing for postdoctoral research and fellowship programmes.

98 Country Report Malta 2020, Commission Staff Working Document [SWD (2020) 150 final], p. 30 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0517&from=EN>, [accessed 01.12.2020]

99 MFED, *National Strategy for Lifelong Learning (2030)* (Draft).



List of potential interventions:

### ***Training programmes to support lifelong learning***

Measures aimed at fostering lifelong learning amongst public service employees will also be supported through the ESF+ with the aim of enabling individuals to gain additional skills. This will aim to widen employees' career path possibilities as well as provide better mobility prospects across the labour market. In this regard, this initiative will support actions covering the delivery and implementation of training and education programmes supporting the adaptation and upgrading of skills of the workforce, in order to meet labour market challenges.

Lifelong learning programmes could also support the delivery of community learning, with the aim of facilitating and promoting alternative, locally coordinated adult education programmes at community level. Investment in this lifelong learning measure will be complemented by capacity building support for lifelong learning structures and systems, which is covered under this same Priority. This approach will provide for a comprehensive improvement in education and training structures and systems for the benefit of all learners.

### ***Promoting the adaptation of enterprises and entrepreneurs through training aid***

The ESF+ Programme will provide opportunities for learning beyond compulsory schooling and formal academic and vocational streams. It will therefore finance actions aimed at increasing the participation in continuous education and learning leading to a competitive and flexible workforce. Following the positive return on investment from the *Investing in Skills* scheme, further actions will be directed towards improving and upgrading the skills of individuals within the private sector. Furthermore, as part of the shift towards green and digital transitions, fostering lifelong learning is deemed to play a key role in creating the necessary awareness and upskilling in the environmental and digital sectors. In this regard, efforts to promote lifelong learning as a means of fostering the green and digital transitions will also be promoted.

### ***Investing in postdoctoral research and fellowships***

For a coordinated effort between the ERDF and the ESF+ programmes to address the innovative and smart dimension, ESF+ resources will support investment in human capital, focusing on increasing the capability for research and innovation thus contributing towards the creation of a stronger knowledge base. In this regard, the ESF+ Programme will fund postdoctoral research and fellowship programmes primarily in the areas contributing towards the ambitions of *Malta's Draft Smart Specialisation Strategy*, as well as green and digital sectors, amongst others, with the objective to foster economic growth and competitiveness.<sup>100</sup> As ESF+ types of interventions, the proposed measures will focus on various research areas, including arts and culture, amongst others. This will foster a research-oriented environment and bolster education attainment.

### ***The main target groups***

The target groups to be supported are:

- employees;
- unemployed;
- inactive;
- enterprises; and
- researchers.

<sup>100</sup> Malta Council for Science and Technology *Malta's Smart Specialisation Strategy, 2021-2027 – draft for public consultation.*

The target groups that will be supported are those individuals that need more education, knowledge, skills and competencies to actively participate in the labour market as well as those persons seeking to remain labour market competitive or improve their employment prospects. In general these include the employed (and their employers), the unemployed and the inactive. Capacity building measures directed towards those working in the field as well as social partners and civil society organisations, may also be supported.

#### 4.3.a Indicative Financial Allocation

The indicative total funding (EU+MT share) for this Priority amounts to €77 million.



## 4.4. Priority 4: Addressing material deprivation

### 4.4.1 Addressing material deprivation through food and/or basic material assistance to the most deprived persons, including children

In line with the *National Strategic Policy for Poverty Reduction and Social Inclusion*<sup>101</sup> both Malta's material deprivation and severe material deprivation rates have experienced a decreasing trend since 2014. Despite Malta having a high adequacy of social benefits in alleviating the risk of poverty there are still pockets in society suffering from material deprivation, which for certain categories, including single earner households, women, elderly, persons with disability, low skilled, non-EU nationals and children of low skilled and foreign parents, is more predominant. The COVID-19 pandemic has also further impacted these vulnerable groups.

Food deprivation has severe and broad implications across society. Apart from proving to be a long-term economic setback, the under or malnourishment of persons, including children, is also a medical and social problem. Food deprivation in youths and adults significantly reduces the potential for attaining a level of education or skills that would allow them to attain and/or retain a job that halts the inevitable dependency on welfare schemes. In this regard, actions envisaged through the ESF+ Programme include the provision of food supplies, taking into account the nutritive criteria of the food pyramid for a healthy diet, whilst addressing the challenge of food perishability through the identification of food with a long shelf-life with the objective of minimising food wastage. Such measures shall ensure the sustainable integration of persons suffering from material deprivation, in an attempt to break the cycle of poverty and contribute to the reduction of the number of people facing material deprivation.

Whilst support will primarily address food deprivation, support across the other interventions under this Programme shall serve as accompanying measures in order to provide a holistic framework of support towards the most materially deprived.

#### *Types of support*

The material deprivation to be supported is food deprivation. This Programme aims to provide the most deprived households with periodic distribution of food items to alleviate the risk of poverty prevalent amongst these targeted individuals and help them improve their standard of living. The COVID-19 pandemic has also further impacted these vulnerable groups.

The financial situation of such households will be taken into consideration, in accordance with pre-established selection criteria. The intervention will aim to support persons at risk of material deprivation in line with the overarching ambitions of the *National Strategic Policy for Poverty Reduction*<sup>102</sup>. Building on the successful implementation of the FEAD Programme under the 2014-2020 programming period, the type of support envisaged will continue to focus on the provision of food items. Whilst during the 2014-2020 period actual food packages were being distributed to households, for the post-2020 period, the possibility of introducing vouchers is also being considered.

From the experience acquired during the 2014-2020 period, an indicative list of food items will be considered. The list may be updated from time to time to take into account emerging needs and policy updates, including the provision of support of other material goods aiming to provide basic human needs to the most deprived.

101 Ministry for the Family, Children's Rights and Social Solidarity, *National Strategic Policy on Poverty Reduction and Social Inclusion 2014-2024*, <https://family.gov.mt/en/Documents/Poverty%20Strategy%2014%20English%20Version.pdf>

102 National Strategic Policy for Poverty Reduction, 2014-2024.

The following are the types of actions that will be considered eligible:

### ***Purchase of food by the beneficiary***

This covers the storage, transport and distribution of food by the beneficiary to the end recipients.

### ***Use of vouchers as appropriate***

Should the voucher system be deemed as feasible the creation, development, implementation and monitoring of the voucher system and ancillary service requirements which is currently being explored may be supported.

### ***Complementarities with other Priority Areas under this Programme***

Interventions will be supported by complementary initiatives under the social dimension within this Programme where efforts to reinforce the social services structure, break the poverty cycle and improve the prospects of children at risk of poverty are foreseen.

Whilst support will primarily aim to address food deprivation, support across the other Priorities of the Programme shall serve as accompanying measures in order to provide a holistic framework of support towards the most materially deprived. More specifically, these will include initiatives targeting children, youth under the Social Priority of this Programme. Furthermore, food provision will also be complemented by the provision of school fruit and milk schemes under the Common Agricultural Policy. Such schemes aim to provide healthy food to school children, including those at risk of material deprivation.

### ***Main target groups***

The below provides an indicative list of target groups that will be considered for the implementation of this measure:

- Households in receipt of a disability pension (Disability Assistance, Severe Disability Assistance, Increased Severe Disability Assistance and Visual Impairment Assistance) and who are not in employment;
- Families who have 2 or more children under the age of 18 years and whose income does not exceed the National Minimum Wage;
- Households eligible for a non-contributory means tested Age Pension;
- Households in receipt of a non-contributory benefit;
- Families who receive non-contributory benefit and pass the Means Test and have 2 or more children under the age of 16 years;
- Families who have 2 or more children under the age of 18 years old and have an income of less than 80% of the National Minimum Wage; and
- Households in receipt of the Energy Benefit.





### *Description of the national or regional schemes of support*

This Priority is expected to complement national measures outlined below, in line with the *National Strategic Policy for Poverty Reduction and Social Inclusion*.<sup>103</sup>

#### **Real income and social benefits**

These are provided for under the Social Security Non-Contributory Scheme through the provision of financial assistance to those satisfying the conditions determined through relevant pre-established criteria, including specific categories of the population with limited financial means. Various initiatives were undertaken between 2017 – 2019 to improve availability and assessment for eligibility, including changes made to the Carers Allowance, Increased Carers Allowance, Disability Pension, and Disability Assistance, among others.

#### **Tapering of benefits**

As of 2018, the tapering of benefits for persons who enter the labour market after having registered for work for more than one year has continued to contribute towards the alleviation of poverty. When these persons enter the labour force, the unemployment benefit is not fully and immediately terminated, but decreases gradually over a period of three years.

#### **In-Work Benefit**

In 2015, the in-work benefit was introduced for families with children under 23 years of age having an income that falls within specific brackets for married couples and single parents. In 2016, this was eventually extended to married couples, of whom only one person is in gainful employment.

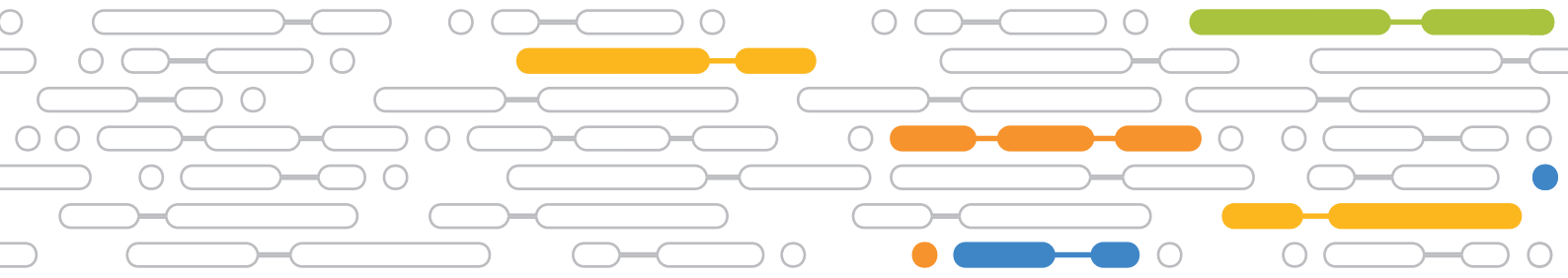
#### **Other national measures addressing risk of poverty and social exclusion, including:**

- Increase in the minimum wage (2017);
- Full Pension Entitlement to those elderly persons who continue working beyond retirement age;
- Senior Citizen's Grant whereby a €300 annual allowance is paid out to persons aged 78 years and over (in 2014) and 75 years and over (in 2015 and 2016) who are still living in the community. During 2017 – 2019, the yearly average of beneficiaries was 31,401;
- Bonus to retirees (mostly women) aged between 62 and 74 years and who are not entitled to a pension. This bonus was paid out to 13,073 persons in 2017, 12,496 persons in 2018 and 12,669 in 2019; and
- The promotion of financial capability was sustained through various initiatives undertaken since 2017 (GEMMA) aimed at empowering different population cohorts and vulnerable groups through financial literacy education.

#### **4.4.a Indicative Financial Allocation**

The indicative total funding (EU+MT share) for this Priority amounts to €5 million.

<sup>103</sup> Ministry for the Family, Children's Rights and Social Solidarity, *National Strategic Policy for Poverty and for Social Inclusion 2014-2024* <https://family.gov.mt/en/Documents/Poverty%20Strategy%202014%20English%20Version.pdf>





# 5

## Partnership



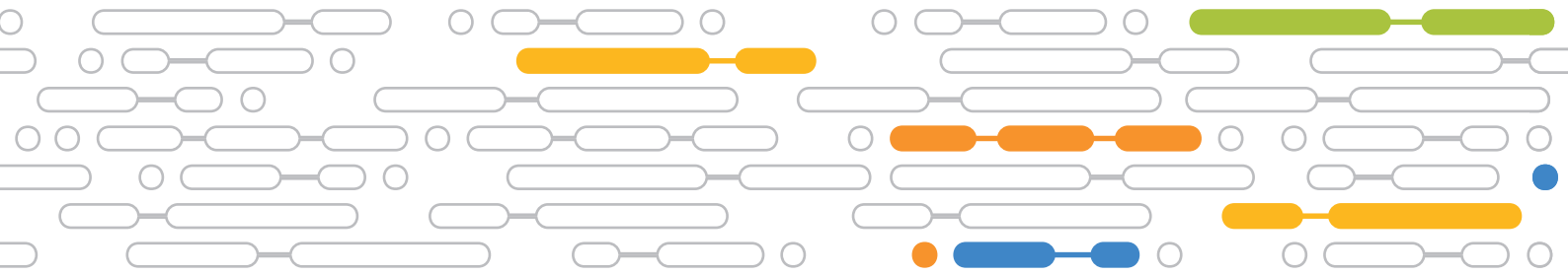
## 5. Partnership

Malta is committed to ensuring that the principles of partnership and multi-level governance are adhered to. In this regard, various non-governmental organisations were involved in the key stakeholders' consultation process leading to the formulation of this document in order to ensure the participation of social partners and civil society organisations in the delivery of employment, education and social inclusion policies to be supported by the ESF+.

In this regard, a series of consultative committee meetings were held primarily in 2020 which included key stakeholders, such as Government entities, public authorities representing local Government and urban policies, economic and social partners, relevant bodies representing civil society, environmental partners, as well as bodies responsible for promoting social inclusion, fundamental rights, youths, rights of persons with disabilities, gender equality and non-discrimination. Experts presented participants with their research findings on the development challenges and investment needs in the different thematic areas, and a technical overview on EU funding and the regulatory framework. This was followed by discussion and other follow-up engagements as necessary with a view to solicit feedback, insights and opinions of participants on the different themes. The outcome of these meetings was taken into consideration in the drafting of this ESF+ Programme public consultation document.

As indicated previously, in order to strengthen social dialogue throughout the implementation of the programme, the ESF+ Programme will support the capacity building of social partners, civil society, voluntary organisations, workers' and employers' organisations duly registered under respective legislation, to enable them to contribute towards the formulation of national social, education and employment policies. Such support will be through various means including training, studies, networking measures and activities jointly undertaken by the social partners, amongst others.

The indicative total funding (EU+MT share) amounts to €1 million.





# 6

## Next Steps





## 6. Next Steps

This document presents the basis on which the ESF+ Programme 2021-2027 will be drafted and forms part of the programming process of the European Union funding that Malta will be investing within the coming years.

The identified investments will be directed towards priority measures with the objective to address the country's development needs and challenges within the context of the ESF+ regulation. The investments are also in line with the European Pillar of Social Rights, the Country Specific Recommendations and relevant Sustainable Development Goals. Interventions are aimed to enhance competitiveness through education, workforce development and job creation, including in emerging industries, whilst fostering social wellbeing and a healthy society.

As part of the partnership principle and multi-level governance, all stakeholders and the general public are encouraged to participate in this consultation process.

Interested parties are invited to put forward their views, suggestions and comments in reaction to this document by **Monday 30<sup>th</sup> August 2021**.

Additional information may be viewed on [www.eufunds.gov.mt](http://www.eufunds.gov.mt).

Written feedback may be submitted on Email: [consultationesfplus@gov.mt](mailto:consultationesfplus@gov.mt) or by post addressed to the Director General, Strategy and Implementation Division, EU Funds Section, 32, House of Catalunya, Marsamxett Road, Valletta, VLT 1850.





