

Operational Programme I Cohesion Policy 2007-2013

Investing in Competitiveness for a Better Quality of Life

Proposed Changes to Operational Programme I

Monitoring Committee
15th November 2013



Background

The change is being proposed:

- To address difficulties faced in the implementation of the Operational Programme
- To address needs identified within the framework of Malta's EU 2020 targets
- To align priority themes, intervention activities, and indicators with projects now that the programme is almost fully committed

Overview of the Proposed Changes

- Revision of the indicative Earmarked Categories of Intervention to reflect approved and planned actions
- Revision of the JEREMIE allocation; revision of indicators (Axis 1)
- Minor changes to reflect actual implementation (Axes 2 and 3)
- Decrease in funding (€16 million); revision of indicators (Axis 4)
- Revision of text; revision of indicators (Axis 5)
- Increase in funding (€16 million); revision of indicators (Axis 6)
- Revision of impact indicators (Table 4.7)
- Other updates

Proposed Changes in detail

Changes to Categorisation Table

- Further alignment of Priority Themes with projects and activities approved so far and calls launched/planned
- Increase in the allocation of the Form of Finance related to JEREMIE
- Further alignment of Economic Activity codes with projects and activities approved so far and envisaged new projects
- Inclusion of new Economic Activity codes to better report on actual implementation

Proposed Changes in detail (cont)

Changes to Priority Axis 1

- Revision to the Focus Area (Financial Engineering) to reflect the top-up of €2 million



Proposed Changes in detail (cont)

Changes to Priority Axis 1 (cont)

- Revised Output and Result targets:

Indicator	Current target	Proposed target
No. of new / upgraded industrial zone projects by the end of 2015	5	7
No. of SMEs benefitting from JEREMIE Financial Instruments	500	600
No. of start-up businesses supported (core indicator)	40	20
No. of SMEs assisted in environmentally sensitive technologies, operating systems and processes	35	15
No. of enterprises involved in networking and new collaboration with other businesses and academia (core indicator)	10	30
Investment Induced through JEREMIE Financial Instruments	€40 m	€51.5 m

Proposed Changes in detail (cont)

Changes to Priority Axis 2

- Revised Output and Result targets:

Indicator	Current target	Proposed target
No. of marketing measures to penetrate/develop new/established niche markets	4	2

Proposed Changes in detail (cont)

Changes to Priority Axis 3

- Revised Output and Result targets:

Indicator	Current target	Proposed target
Sq m of new/refurbished infrastructure	76,200	57,889
Reduction in journey time (minutes)	5	10

Proposed Changes in detail (cont)

Changes to Priority Axis 4

- Revision to the Financial Allocation from €121 million (of which €102,850,000 Community Funding) to €105 million (of which €89,250,000 Community Funding)



Proposed Changes in detail (cont)

Changes to Priority Axis 4 (cont)

- Revised Output and Result targets:

Indicator	Current target	Proposed target
Annual penetration rate of installed PV and micro-wind starting in 2008 (kWp/annum)	1,500	18,000
No. of studies	1	2
Total annual electricity generated from small scale PV and micro-wind installations (MWh/annum)	14,000	24,000
Total energy savings (MWh/annum)	40,000	10,000
Reduction greenhouse emissions (CO ₂ and equivalents, kt) (core)	3	15

Proposed Changes in detail (cont)

Changes to Priority Axis 5

- Inclusion of the possibility of financing water-related infrastructure by the introduction of 4 new Indicators related to the Focus Area (Water)
- Revision to the status classification of coastal waters as defined in Directive 2006/7/EC
- Removal of 1 waste indicator (solid) to remove double-counting of target being measured in the core indicator (waste projects)

Proposed Changes in detail (cont)

Changes to Priority Axis 5 (cont)

- Revised Output and Result targets:

Indicator	Current target	Proposed target
No. of landfills rehabilitated	4	3
No. of waste projects (core indicator)	2	3
No. of water projects	New	1
Status of coastal waters in the South of Malta	From Class 3 to Class 1	From Sufficient to Excellent
Compliance of Reverse Osmosis desalination plants with the Drinking Water Quality Directive	New	Full
Power consumption reduction (KWhrs/annum)	New	600,000
Population affected by improved water networks	New	30,000

Proposed Changes in detail (cont)

Changes to Priority Axis 6

- Revision to the Financial Allocation from €149 million (of which €126,650,000 Community Funding) to €165 million (of which €140,250,000 Community Funding)



Proposed Changes in detail (cont)

Changes to Priority Axis 6 (cont)

- Revised Output and Result targets:

Indicator	Current target	Proposed target
No. of constructed learning, training and other support facilities	6	10
No. of projects (health) (core indicator)	2	4
Sq m of modernised learning and training facilities refurbished (with new equipment) within intervention areas	18,200	19,000
Sq m of newly constructed learning, training and other support facilities within intervention areas	20,000	50,000
No. of new services offered in the health sector	3	5

Proposed Changes in detail (cont)

- Impact Indicators

Current Indicator	Revised Indicator	Justification
<p>% Increase in RTDi expenditure as a percentage of GDP</p> <p>from 0.3% (2004) to 0.75% (2013)</p>	<p>% Increase in R&D expenditure as a percentage of GDP</p> <p>from 0.52% (2004) to 0.85% (2013)</p>	<p>Alignment of statistical data</p>
<p>% Increase of manufactured export earnings</p> <p>An increase from 2.7% (2007) to 3.2% (2013) (annual growth) in manufacturing exports (nominal)</p>	<p>% Increase of manufactured export earnings</p> <p>An average growth rate of 2.7%</p>	<p>Alignment of statistical data</p>
<p>Environment weighted average</p> <p>Over 500% increase</p>	<p>Over 450% increase</p>	<p>To correct the target in line with the approved OP</p>

SEA Screening

Conclusions of SEA screening:

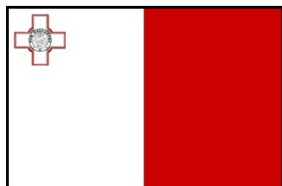
- An SEA is not required because the changes to the OP are unlikely to have significant environmental effects
- Planned interventions are not anticipated to generate significant environmental effects on a national scale even if they would have localised temporary impacts
- Reduction of budget allocation in PA 4 does not negatively affect the indicators of PA 4, which on the contrary have actually improved in terms of environmental benefits

Concluding Remarks

Monitoring Committee approval for the proposed changes to the OP is being sought in line with the explanations provided above and the documentation as circulated to the Monitoring Committee



Thank You



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Investing in Competitiveness for a Better Quality of Life

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