

**Annual implementation report for the Investment for growth and jobs goal
PART A**

IDENTIFICATION OF THE ANNUAL IMPLEMENTATION REPORT

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2. OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME (ARTICLE 50(2) AND 111(3)(A) OF REGULATION (EU) NO 1303/2013)

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

The implementation of the SME Initiative, implemented through a single dedicated Operational Programme originally approved in 2014, continued in 2021 following the increase of the ERDF allocation from €22M to €29M in December 2020 as a mitigating measure in light of the challenges faced by the private sector during the COVID-19 global pandemic. This followed an earlier increase in the ERDF allocation to this Financial Instrument way back in 2019 from €15M to €22M due to the successful uptake of the instrument. As a result of these two increases, the expected portfolio of new loans to be generated by the two selected Financial Intermediaries to SMEs now amounts to €118M. The implementation period was also extended to end December 2023 to continue providing additional timeframes of support to local SMEs through this instrument.

The guarantee is split amongst the two selected financial intermediaries on the basis of the capacity of the respective banks to deploy lending and maximize absorption. The below are the details of the guarantee's agreement based on the Maximum Portfolio Volumes ("MPV") to be generated by the 2 financial intermediaries:

Bank of Valletta MPV – €109.16M

BNF MPV – €8.95M

Thus, the total MPV of the SMEi amounts to €118M.

In terms of impact, thanks to this instrument, up to the end of 2022, a total of €101M in new loans have been originated to SMEs in Malta and Gozo, with €85.9M, or 85% of the committed allocation, being disbursed by December 2022.

In fact, by December 2022, 1,119 guaranteed loans had been disbursed by 939 SMEs by the two selected financial intermediaries. The average guaranteed loan amount of loans granted in 2022 only was of €141,134, as opposed to the average guaranteed loan amount standing at €72,917 in 2021. When taken cumulatively across the years of the SMEi implementation, the average guaranteed loan amount stands at €90,550.

Circa 81% of the SMEs which benefitted from this instrument employed less than 10 employees and 98.6% less than 50. It is of particular interest to note that c. 50% of the SMEs assisted through this instrument were start-ups. In fact, 466 (or 49%) of the 939 SMEs benefitting from financing until end of December 2022 have been established for three years or less.

In 2022, 66 sectors based on the NACE code level 2 received financing. The 5 sectors that benefitted mostly from the SMEi instrument account for 70% of SMEs receiving finance and include **Wholesale and retail trade, repair of motor vehicles; Accommodation and food services activities;**

Manufacturing; Professional, scientific and technical activities; and Transport and storage.

Following the increase of the ERDF allocation to the instrument, also offering the possibility of increasing the portfolio of new loans for working capital relief in the wake of the pandemic, 2.7% of loans being granted was for working capital. The largest percentage of loans granted, standing at 94.8%, were for tangible investments, whereas circa 2.1% were for intangible investments. Business transfer took up 0.4% of the loans granted.

To continue the monitoring of the progress made under this instrument, an Investors' Board (IB) meeting was organised in October. During the meeting, the Annual Operation Report as at end of 2021 was reviewed. EIF provided an update on the progress in terms of the implementation and absorption as at 30 June 2022 as well as an update on the H2020 Operations.

Several other meetings were held by the EIF with the Managing Authority (MA) to discuss and take position on subjects of an operational nature (such as reporting, estimates of absorption) to be addressed in the context of the implementation of the SMEI Malta.

In terms of reporting, the procedure followed by the EIF respected the requirements set out in Article 40(2a) of Regulation (EU) 1303/2013 as amended. Furthermore, the Managing Authority received an Annual Audit Report in line with Annex II of Commission Implementing Regulation (EU) 2019/1140 which report covered the period from 1 July 2021 to 30 June 2022 and was issued by KPMG as EIF's external auditor. As in previous accounting years, with respect to the SME Initiative, the MA relied on the annual financial audits carried out by KPMG Luxembourg for the respective financial year and on the agreed upon procedures carried out by the same audit firm.

During the year under review, the MA continued following the findings of the audit mission carried out by DG REGIO and as part of the discussions carried out between the MA and the Auditors, it was agreed that for the upcoming accounting years, the MA will carry out a yearly check of 5% of the transactions which would have been concluded in the previous years. It was also agreed that the sample would include within in at least one transaction involving a newly set-up company and a transaction which would have been checked by the EIF and re-checked for eligibility by the MA. By undertaking this check, the MA would address the recommendation of the Commission Services to satisfy itself about the adequacy and effectiveness of the verifications carried out by the EIF, in particular for the assessment of the SME status. Following an audit carried out by the Audit Authority on work carried out by the MA during the year 2022 to ascertain the eligibility of the enterprises benefitting under the SMEi, it was concluded that the methodology used by the MA to carry out checks on transactions concluded during the previous year was in line with the Audit Commission guidelines and in fact provided a positive audit opinion on the procedure adopted by the MA. As regards the audit sample used by the MA to carry out its checks, the Audit Authority recommended that a two-stage stratified sampling is adopted by further dividing the population between medium-sized, small and micro enterprises.

One of the success factors of the SME Initiative Malta in terms of disbursements can be identified as stemming from the active marketing of the SME Initiative Malta loans that both BoV and BNF have carried out via different channels. Actions taken by the financial intermediaries included articles in the national media, intensive use of online and physical marketing tools (posters, billboards, flyers, online portals, dedicated webpage etc.), as well as the organisation of dedicated workshops and information sessions for the SME community.



3. IMPLEMENTATION OF THE PRIORITY AXIS (ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013)

3.1. Overview of the implementation

ID	Priority axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
1	Enhancing the competitiveness of SMEs in Malta	<p>Up to December 2022 a total of €101M have been committed with drawdown to loans representing circa 85% of the loans committed, or €85.9M. By the end of the year under review, 1,119 loans had been disbursed, with an average amount of €90,550 to 939 SMEs. Circa 81% of the SMEs which benefitted from this instrument employed less than 10 employees and 98.6% less than 50. 49% of the SMEs assisted were start ups.</p> <p>66 sectors, based on the NACE code level 2, received financing. The 5 sectors that benefitted mostly from the SMEi instrument account for 70% of SMEs receiving finance and include Wholesale and retail trade, repair of motor vehicles; Accommodation and food services activities; Manufacturing; Professional, scientific, and technical activities and Transport and storage.</p> <p>94.8% of loans being granted were for tangible investments. Working capital followed at 2.7%, with intangible investment amounting to circa 2.1% and business transfer taking up 0.4% of the loans granted.</p> <p>To continue the monitoring of the progress made under this instrument, an Investors' Board meeting was organised in October 2022.</p>

3.2. Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

Priority axes other than technical assistance

Priority axis	1 - Enhancing the competitiveness of SMEs in Malta
Investment Priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

Table 3A: Common and programme specific output indicators for the ERDF, the ERDF REACT-EU and the Cohesion Fund (by priority axis, investment priority, broken down by category of region for the ERDF) - 1 / 3d

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2022 Total	2022 Men	2022 Women	Observations
F	CO01	Productive investment: Number of enterprises receiving support	Enterprises	Transition	885.00			939.00			An over-achievement of the targets set is being reported.
S	CO01	Productive investment: Number of enterprises receiving support	Enterprises	Transition	885.00			885.00			
F	CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	Transition	885.00			939.00			An over-achievement of the targets set is being reported.
S	CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	Transition	885.00			885.00			
F	1	ERDF amount committed to cover the New Debt Finance portfolio to be built up by the selected Financial Intermediary	EUR	Transition	29,000,000.00			26,100,000.00			While the indicator target in the OP reflects the total ERDF contribution to the Financial Instrument, the amount indicated as « delivered » is taken to exclude the management costs and fees since these are not committed to cover the New Debt finance portfolio. This is the maximum amount that can be delivered with the allocation to the Financial Instrument, less 10% management costs and fees.
S	1	ERDF amount committed to cover the New Debt Finance portfolio to be built up by the selected Financial Intermediary	EUR	Transition	29,000,000.00			29,000,000.00			
F	2	Total amount of underlying New Debt Finance originated by the Financial Intermediary	EUR	Transition	116,000,000.00			85,896,260.00			
S	2	Total amount of underlying New Debt Finance originated by the Financial Intermediary	EUR	Transition	116,000,000.00			118,000,000.00			
F	4	Expected Leverage	x times the ERDF	Transition	4.00			3.30			

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2022 Total	2022 Men	2022 Women	Observations
			contribution								
S	4	Expected Leverage	x times the ERDF contribution	Transition	4.00			4.00			
F	CV21	Financial Instrument support to SMEs for working capital	EUR	Transition	3,200,000.00			2,715,250.00			
S	CV21	Financial Instrument support to SMEs for working capital	EUR	Transition	3,200,000.00			3,200,000.00			
F	CV23	Number of SMEs with repayable working capital	Enterprises	Transition	110.00			44.00			
S	CV23	Number of SMEs with repayable working capital	Enterprises	Transition	110.00			110.00			

(1) S=Cumulative value — outputs to be delivered by selected operations [forecast provided by beneficiaries], F=Cumulative value — outputs delivered by operations [actual achievement]

(1)	ID	Indicator	2021 Total	2021 Men	2021 Women	2020 Total	2020 Men	2020 Women	2019 Total	2019 Men	2019 Women
F	CO01	Productive investment: Number of enterprises receiving support	828.00			745.00			680.00		
S	CO01	Productive investment: Number of enterprises receiving support	885.00			885.00			670.00		
F	CO03	Productive investment: Number of enterprises receiving financial support other than grants	828.00			745.00			680.00		
S	CO03	Productive investment: Number of enterprises receiving financial support other than grants	885.00			885.00			670.00		
F	1	ERDF amount committed to cover the New Debt Finance portfolio to be built up by the selected Financial Intermediary	26,100,000.00			19,800,000.00			19,800,000.00		
S	1	ERDF amount committed to cover the New Debt Finance portfolio to be built up by the selected Financial Intermediary	29,000,000.00			29,000,000.00			22,000,000.00		
F	2	Total amount of underlying New Debt Finance originated by the Financial Intermediary	81,057,405.32			73,862,234.00			67,563,084.00		
S	2	Total amount of underlying New Debt Finance originated by the Financial Intermediary	118,000,000.00			116,000,000.00			88,000,000.00		
F	4	Expected Leverage	2.80			3.40			3.00		
S	4	Expected Leverage	4.00			4.00			4.00		
F	CV21	Financial Instrument support to SMEs for working capital	1,648,150.00			1,298,750.00			0.00		
S	CV21	Financial Instrument support to SMEs for working capital	3,200,000.00			3,200,000.00			0.00		
F	CV23	Number of SMEs with repayable working capital	30.00			24.00			0.00		
S	CV23	Number of SMEs with repayable working capital	110.00			110.00			0.00		

(1)	ID	Indicator	2018 Total	2018 Men	2018 Women	2017 Total	2017 Men	2017 Women	2016 Total	2016 Men	2016 Women
F	CO01	Productive investment: Number of enterprises receiving support	592.00			449.00			259.00		
S	CO01	Productive investment: Number of enterprises receiving support	670.00			845.00			845.00		
F	CO03	Productive investment: Number of enterprises receiving financial support other than grants	592.00			449.00			259.00		
S	CO03	Productive investment: Number of enterprises receiving financial support other than grants	670.00			845.00			845.00		
F	1	ERDF amount committed to cover the New Debt Finance portfolio to be built up by the selected Financial Intermediary	14,849,625.00			14,849,625.00			14,849,625.00		
S	1	ERDF amount committed to cover the New Debt Finance portfolio to be built up by the selected Financial Intermediary	22,000,000.00			15,000,000.00			15,000,000.00		
F	2	Total amount of underlying New Debt Finance originated by the Financial Intermediary	60,286,804.00			48,003,418.00			31,606,617.00		
S	2	Total amount of underlying New Debt Finance originated by the Financial Intermediary	88,000,000.00			60,000,000.00			60,000,000.00		

(1)	ID	Indicator	2018 Total	2018 Men	2018 Women	2017 Total	2017 Men	2017 Women	2016 Total	2016 Men	2016 Women
F	4	Expected Leverage	3.20			2.30			2.30		
S	4	Expected Leverage	4.06			4.00			4.00		
F	CV21	Financial Instrument support to SMEs for working capital	0.00			0.00			0.00		
S	CV21	Financial Instrument support to SMEs for working capital	0.00			0.00			0.00		
F	CV23	Number of SMEs with repayable working capital	0.00			0.00			0.00		
S	CV23	Number of SMEs with repayable working capital	0.00			0.00			0.00		

(1)	ID	Indicator	2015 Total	2015 Men	2015 Women	2014 Total	2014 Men	2014 Women
F	CO01	Productive investment: Number of enterprises receiving support	0.00			0.00		
S	CO01	Productive investment: Number of enterprises receiving support	0.00			0.00		
F	CO03	Productive investment: Number of enterprises receiving financial support other than grants	0.00			0.00		
S	CO03	Productive investment: Number of enterprises receiving financial support other than grants	0.00			0.00		
F	1	ERDF amount committed to cover the New Debt Finance portfolio to be built up by the selected Financial Intermediary	0.00			0.00		
S	1	ERDF amount committed to cover the New Debt Finance portfolio to be built up by the selected Financial Intermediary	0.00			0.00		
F	2	Total amount of underlying New Debt Finance originated by the Financial Intermediary	0.00			0.00		
S	2	Total amount of underlying New Debt Finance originated by the Financial Intermediary	0.00			0.00		
F	4	Expected Leverage	0.00			0.00		
S	4	Expected Leverage	0.00			0.00		
F	CV21	Financial Instrument support to SMEs for working capital	0.00			0.00		
S	CV21	Financial Instrument support to SMEs for working capital	0.00			0.00		
F	CV23	Number of SMEs with repayable working capital	0.00			0.00		
S	CV23	Number of SMEs with repayable working capital	0.00			0.00		

Priority axis	1 - Enhancing the competitiveness of SMEs in Malta
Investment Priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
Specific objective	1 - Facilitating access to finance for SMEs through the implementation of an uncapped guarantee instrument.

Table 1: Result indicators for the ERDF, the ERDF REACT-EU and the Cohesion Fund (by priority axis and specific objective); applies also to Technical Assistance priority axis

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value 2023	2022 Total	2022 Qualitative	Observations
1	% of unsuccessful enterprises in obtaining loan finance	%	Transition	8.70	2010	7.50			This indicator will be reported in the Final Implementation Report.
2	Value Added	Millions	Transition	2,415.00	2013	4,664.00			This amount is in billions and reflects data publicly available from Eurostat. The cumulative final indicator target achieved will be reported in the Final Implementation Report.

ID	Indicator	2021 Total	2021 Qualitative	2020 Total	2020 Qualitative	2019 Total	2019 Qualitative	2018 Total	2018 Qualitative
1	% of unsuccessful enterprises in obtaining loan finance	0.00							
2	Value Added	4,927.00				5,747.00		5,283.00	

ID	Indicator	2017 Total	2017 Qualitative	2016 Total	2016 Qualitative	2015 Total	2015 Qualitative	2014 Total	2014 Qualitative
1	% of unsuccessful enterprises in obtaining loan finance					0.00		0.00	
2	Value Added	4,127.00		3,837.00		0.00		0.00	

Priority axes for technical assistance

Table 3B: Number of enterprises supported by the operational programme net of multiple support to the same enterprises

Indicator	Number of enterprises supported by OP net of multiple support
CO01 - Productive investment: Number of enterprises receiving support	939
CO03 - Productive investment: Number of enterprises receiving financial support other than grants	939

Table 5: Information on the milestones and targets defined in the performance framework

Priority axis	Ind type	ID	Indicator	Measurement unit	Fund	Category of region	2022 Cum total	2022 Cum men	2022 Cum women	2022 Annual total	2022 Annual total men	2022 Annual total women
Priority axis	Ind type	ID	Indicator	Measurement unit	Fund	Category of region	2021 Cum total	2020 Cum total	2019 Cum total	Observations		
Priority axis	Ind type	ID	Indicator	Measurement unit	Fund	Category of region	2018 Cum total	2017 Cum total	2016 Cum total	2015 Cum total	2014 Cum total	
Priority axis	Ind type	ID	Indicator	Measurement unit	Fund	Category of region	Milestone for 2018 total	Milestone for 2018 men	Milestone for 2018 women	Final target (2023) total	Final target (2023) men	Final target (2023) women

3.4 Financial data (Article 50(2) of Regulation (EU) No 1303/2013)

Table 6: Financial information at priority axis and programme level

(as set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 (Model for the transmission of financial data))

Priority axis	Fund	Category of region	Calculation basis	Total fund	Co-financing rate	Total eligible cost of operations selected for support	Proportion of the total allocation covered with selected operations	Public eligible cost of operations selected for support	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries	Number of operations selected
1	ERDF	Transition	Public	29,000,000.00	100.00%	29,000,000.00	100.00%	29,000,000.00	29,000,000.00	100.00%	1
Total	ERDF	Transition		29,000,000.00	100.00%	29,000,000.00	100.00%	29,000,000.00	29,000,000.00	100.00%	1
Grand total				29,000,000.00	100.00%	29,000,000.00	100.00%	29,000,000.00	29,000,000.00	100.00%	1

Table 7: Breakdown of the cumulative financial data by category of intervention for the ERDF, the ERDF REACT-EU, the ESF, the ESF REACT-EU and the Cohesion Fund (Article 112(1) and (2) of Regulation (EU) No 1303/2013 and Article 5 of Regulation (EU) No 1304/2013)

Priority axis	Characteristics of expenditure		Categorisation dimensions								Financial data			
	Fund	Category of region	Intervention field	Form of finance	Territorial dimension	Territorial delivery mechanism	Thematic objective dimension	ESF secondary theme	Economic dimension	Location dimension	Total eligible cost of operations selected for support	Public eligible cost of operations selected for support	Total eligible expenditure declared by beneficiaries to the managing authority	Number of operations selected
1	ERDF	Transition	001	05	07	07	03		24	MT001	7,250,000.00	7,250,000.00	7,250,000.00	1
1	ERDF	Transition	066	05	07	07	03		24	MT001	7,250,000.00	7,250,000.00	7,250,000.00	1
1	ERDF	Transition	072	05	07	07	03		24	MT001	7,250,000.00	7,250,000.00	7,250,000.00	1
1	ERDF	Transition	074	05	07	07	03		24	MT001	7,250,000.00	7,250,000.00	7,250,000.00	1

Table 8: The use made of cross-financing

1	2	3	4	5	6
Use of cross-financing	Priority axis	The amount of EU support envisaged to be used for cross financing based on selected operations (EUR)	As a share of the EU support to the priority axis (%) (3/EU support to priority axis*100)	The amount of EU support used under cross financing based on eligible expenditure declared by the beneficiary to the managing authority (EUR)	As a share of the EU support to the priority axis (%) (5/EU support to priority axis*100)
Costs eligible for support under the ESF, but supported from the ERDF	1	0.00		0.00	

Table 9: Cost of operations implemented outside the programme area (the ERDF, the ERDF REACT-EU and the Cohesion Fund under the Investment for growth and jobs goal)

1	2	3	4	5
Priority axis	The amount of EU support envisaged to be used for operations implemented outside the programme area based on selected operations (EUR)	As a share of the EU support to the priority axis at the time of adoption of the programme (%) (2/EU support to priority axis at the time of adoption of the programme*100)	The amount of EU support in operations implemented outside the programme area based on eligible expenditure declared by the beneficiary to the managing authority (EUR)	As a share of the EU support to the priority axis at the time of adoption of the programme (%) (4/EU support to priority axis at the time of adoption of the programme*100)
1	0.00		0.00	

Table 10: Expenditure incurred outside the Union (ESF and ESF REACT-EU)

The amount of expenditure envisaged to be incurred outside the Union under thematic objectives 8 and 10 based on selected operations (EUR)	Share of the total financial allocation (Union and national contribution) to the ESF programme or the ESF part of a multi-fund programme (%) (1/total financial allocation (Union and national contribution) to the ESF programme or the ESF part of a multi-fund programme*100)	Eligible expenditure incurred outside the Union declared by the beneficiary to the managing authority (EUR)	Share of the total financial allocation (Union and national contribution) to the ESF programme or the ESF part of a multi-fund programme (%) (3/total financial allocation (Union and national contribution) to the ESF programme or the ESF part of a multi-fund programme*100)

4. SYNTHESIS OF THE EVALUATIONS

Synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, with reference of name and reference period of the evaluation reports used

Update on the Evaluations tied to SME Competitiveness

2022 saw the conclusion of the thematic evaluation of EU funded assistance provided to SMEs under the 14-20 Programme, comprising of two separate evaluations. The 1st assessment was an *ex-post* evaluation of the repayable assistance provided through the SMEi FI, which also included an update of the existing *ex-ante* assessment on SME access to finance for the 21-27 Programme. The second evaluation focused on 6 state aid schemes, 5 of which funded under ERDF, providing non-repayable grants to eligible SMEs in the following areas: consultancy services, internationalisation initiatives, start-ups, growth, as well as diversification and innovation measures.

A theory-based impact evaluation was conducted, complimented with a counterfactual impact evaluation focusing on 5 evaluation criteria: relevance, effectiveness, impact (additionality), coherence, and efficiency. A triangulation process was used combining evidence from a range of sources: a comprehensive document review; the quantitative analysis of monitoring data; a programme of interviews including national stakeholders and SMEs; 5 firm-level case studies; and a counterfactual analysis.

The *ex-post* evaluation of the SMEi showed that it responded to 1 of the most pressing needs of Maltese SMEs, especially start-ups, in terms of difficulties in accessing credit. In terms of relevance, the sound rationale for the implementation of the SMEi in Malta was confirmed. Although the instrument remained relevant overall, the same did not hold for the H2020 compartment. Few of the innovation eligibility criteria were applicable to Maltese SMEs, leading to low absorption of H2020 loans.

This evaluation exercise showed that the SMEi FI proved effective in helping financial institutions serve SMEs, as confirmed by the rapid roll out of the instrument. On the Financial Intermediaries' side, the most attractive factors under this FI were risk sharing and reduced regulatory capital charges as well as its uncapped nature, thereby passing higher benefits to final beneficiaries. The success of the SMEi's forerunner JEREMIE also proved to be a positive element for the Financial Intermediaries, which saw the SMEi FI as an opportunity to expand the range of products offered to SMEs.

The evaluation also highlighted 3 features of the SMEi that most attracted SMEs. These were: the significant reduction in interest rates under the SMEi vis-à-vis market interest rates (a reduction by 2% compared to the reduction by 1% under JEREMIE); lower collateral requirements than other loan instruments which was enabled by the fact that the EIF provides a guarantee of up to 75% of the loan, and a convenient calculation of the gross grant equivalent whereby the state aid benefit is applied only to the amount of the loan covered by the ESIF guarantee, rather than to the entire loan amount or the part of the loan guaranteed by other sources.

Regarding perceived impact, it was noted that the SMEi was particularly effective in increasing enterprises' turnover by boosting investments in line with its main objectives. The counterfactual analysis revealed that, compared to the control group, SMEi Beneficiaries had a higher annual growth of the total assets, a higher annual growth of non-current assets, and a higher growth rate of turnover. Project

additionality was confirmed in that evidence showed that the SMEi encouraged entrepreneurs to implement more ambitious projects by raising the amount invested, or to anticipate investments which, in its absence, would have been made later in time. While in Malta the negative impact of the global financial crisis was not as severe as in other EU Member States, it was shown that micro enterprises would have encountered difficulties finding the same amount of money by accessing standard bank loans or other traditional credit channels.

With respect to internal coherence, the offer of FIs backed by EU funds was deemed to be coherent. However, there seemed to be less coherence externally in that the supply of guarantee products in Malta increased with the establishment of the Malta Development Bank in 2017 and in response to the COVID-19 crisis. Even so, the demand for the SMEi remained quite high until the COVID-19 outbreak, following which the demand decreased in view of SMEs' lower propensity to invest during a crisis.

In terms of efficiency, the results generated by the SMEi were found to be reasonable given the ERDF contribution. The main stakeholders noted that the perceived benefits of SMEi exceeded its costs.

By way of conclusion for this assessment on the SMEi, the following recommendations were made:

- - Consider a more substantial involvement of national stakeholders in the design of FI(s) backed by ESIF to reduce the risk of displacement effects.
 - Provided the necessary coordination with national stakeholders is ensured, the renewal of a guarantee scheme (possibly uncapped) to support SMEs, for instance, by activating the so-called 'MS compartment' of InvestEU.
 - To the extent that widening private financing to SMEs is the primary policy goal, keep offering guarantee schemes with broad eligibility criteria.
 - ESIF funds could be used to establish pilot SME support schemes including new products such as blended instruments and equity schemes.

Name	Fund	From month	From year	To month	To year	Type of evaluation	Thematic objective	Topic	Findings
An evaluation of the SME Initiative (SMEi) 2014-2020 Operational Programme	ERDF	8	2021	12	2022	Impact	03	SME Competitiveness - financial instrument	<p>Relevance</p> <ul style="list-style-type: none"> • When launched in Malta, the SMEi responded to one of the most pressing needs of Maltese SMEs, especially start-ups, that is, difficulty accessing credit. <p>Effectiveness</p> <ul style="list-style-type: none"> • The SMEi proved effective in helping financial intermediaries selected by the EIF to address SMEs' needs. This is confirmed by the rapid roll out of the instrument <p>Impact/additionality</p> <ul style="list-style-type: none"> • Effective at increasing the enterprises' performance (turnover) by boosting investments in line with its main objectives • The increase in asset accumulation of beneficiaries has positively impacted the growth rate of their turnover • An estimated EUR 160 million of additional investments (assets) and EUR 161 million of additional turnover were generated in the economy. • There is evidence of the added value of the SMEi. <p>Coherence</p> <ul style="list-style-type: none"> • On internal coherence, the offer of financial

									<p>instruments backed by EU funds appears to be coherent</p> <ul style="list-style-type: none"> • There seems to be less coherence externally <p>Efficiency</p> <ul style="list-style-type: none"> • The results generated by the SMEi are reasonable given the ERDF contribution. • Overall, the view of the main stakeholders is that the perceived benefits of SMEi have exceeded the costs
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6 ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN (ARTICLE 50(2) OF REGULATION (EU) No 1303/2013)

(a) Issues which affect the performance of the programme and the measures taken

Notwithstanding the pandemic, the war in Ukraine and the challenges faced by the private sector which might have instilled a certain hesitancy by SMEs to take out new loans, the commitments to Final Recipients has almost tripled in 2022 in comparison to the previous year.

In terms of financing H2020 related loans, the banks are lagging behind. As a mitigation measure, EIF continued liaising with the banks in an effort to increase awareness of the types of investment to be included in the portfolio of H2020 loans, so as to increase absorption. During 2022, the EIF was in constant contact and had several meetings with the banks implementing the facility in order to monitor the H2020 targets. As a result of such discussions, it seemed that an increase of the maximum loan amount could support absorption, and this is why a waiver was granted to do so and thus maximize the use of H2020 budget.

In 2022, the absorption rate of the instrument stood at 86% with respect to target of post-increase budget (€118M). The ratio of completion of the output indicator in terms of number of SMEs supported stood at 106% (939 SMES supported out of a target of 885). Thus, with this scenario, financial intermediaries are confident that all resources available under this instrument will be achieved by 31 December 2023.

(b) An assessment of whether progress made towards targets is sufficient to ensure their fulfilment, indicating any remedial actions taken or planned, where appropriate.

As reported earlier, no particular risk are being reported by Maltese Financial Intermediaries. However, the build-up of the H2020 part of the portfolio remains a concern, and the non-achievement thereof is a real possibility since the absorption of such loans is still low (circa 25% of the target or EUR 735k of loans committed complying with H2020 eligibility criteria).

The Fund of Funds Manager (EIF) has urged Financial Intermediaries to re-launch their campaigns to ensure full absorption by end of 2023 while at the same time holding a number of webinars with financial intermediaries in order promote investments related to innovation and compliant with H2020 eligibility criteria.

7. CITIZEN'S SUMMARY

A citizen's summary of the contents of the annual and the final implementation reports shall be made public and uploaded as a separate file in the form of annex to the annual and the final implementation report

You can upload/find the Citizen's summary under General > Documents in the SFC2014 application

8. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS

I. Identification of the programme and priority or measure from which support from the ESI Funds is provided (Article 46(2)(a) of Regulation (EU) No 1303/2013)	
1. Priority axes or measures supporting the financial instrument, including fund of funds, under the ESI Fund programme.	
1.1. Priority axis supporting the financial instrument under the ESI Fund programme	1 - Enhancing the competitiveness of SMEs in Malta
2. Name of ESI Fund(s) supporting the financial instrument under the priority axis or measure	ERDF
3. Thematic objective(s) referred to in the first paragraph of Article 9 of Regulation (EU) No 1303/2013 supported by the financial instrument	03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)
3.1. Amount of ESI Funds committed in funding agreements from the individual thematic objective chosen in field 3 (optional)	29,000,000.00
4. other ESI Fund programmes providing contribution to the financial instrument	
4.1. CCI number of each other ESI Fund programme providing contributions to the financial instrument	
30. Date of completion of the ex ante assessment	
31. Selection of bodies implementing financial instrument	
31.1. Has selection or designation process already been launched	Yes
II. Description of the financial instrument and implementation arrangements (Article 46(2)(b) of Regulation (EU) No 1303/2013)	
5. Name of the financial instrument	SME Initiative - Malta
6. Official address/place of business of the financial instrument (name of the country and city)	PPCD, The Oaks Business Centre, Block B, Farsons Street, Hamrun, Malta
7. Implementation arrangements	
7.1. Financial instruments set up at Union level, managed directly or indirectly by the Commission referred to in Article 38(1)(a) of Regulation (EU) No 1303/2013, supported from ESI Fund programme contributions	No
7.1.1. Name of the Union-level financial instrument	
7.2. Financial instrument set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority referred to in Article 38(1)(b), supported from ESI Fund programme contributions under point (a), (b), (c) and d) of Article 38(4) of Regulation (EU) No 1303/2013	Entrustment of implementation tasks to another body governed by public or private law
7.3. Financial instrument combining financial contribution from MA with EIB financial products under European Fund for Strategic Investment in accordance	

with Article 39a, referred to in Article 38(1)(c)	
8. Type of the financial instrument	Specific fund
8.1. Tailor-made or financial instruments complying with standard terms and conditions i.e. "off-the-shelf instruments"	Tailor-made
9. Type of products provided by financial instrument: loans, micro-loans, guarantees, equity, or quasi-equity investments, other financial product or other support combined within the financial instrument pursuant to Article 37(7) of Regulation (EU) No 1303/2013	
9.0.1. Loans (\geq EUR 25,000)	No
9.0.2. Micro-loans ($<$ EUR 25,000 and provided to micro-enterprises) according to SEC/2011/1134 final	No
9.0.3. Guarantees	Yes
9.0.4. Equity	No
9.0.5. Quasi-equity	No
9.0.6. Other financial products	No
9.0.7. Other support combined with a financial instrument	No
9.1. Description of the other financial product	
9.2. Other support combined within the financial instrument: grant, interest rate subsidy, guarantee fee subsidy pursuant to Article 37(7) of Regulation (EU) No 1303/2013	
10. Legal status of the financial instrument, pursuant to Article 38(6) and Article 39a(5)(b) of Regulation (EU) No 1303/2013 (for financial instruments referred to in Article 38(1)(b) and (c) only): fiduciary account opened in the name of the implementing body and on behalf of the managing authority or separate block of finance within a financial institution	Separate block of finance
III. Identification of the body implementing the financial instrument, and the body implementing fund of funds where applicable, as referred to under point (a), (b) and (c) of Article 38(1) of Regulation (EU) No 1303/2013 (Article 46(2)(c) of Regulation (EU) No 1303/2013)	
11. Body implementing the financial instrument	
11.1. Type of implementing body pursuant to Article 38(4) and Article 39a(5) of Regulation (EU) No 1303/2013: existing or newly created legal entity dedicated to implementing financial instruments; the European Investment Bank; the European Investment Fund; international financial institution in which a Member State is a shareholder; a publicly-owned bank or institution, established as a legal entity carrying out financial activities on a professional basis; a body governed by public or private law; managing authority undertaking implementation tasks directly (for loans or guarantees only)	European Investment Fund
11.1.1. Name of the body implementing the financial instrument	European Investment Fund
11.1.2. Official address/place of business (country and town name) of the body implementing the financial instrument	37B, Avenue J.F. Kennedy, L-2968, Luxembourg
12. Procedure of selecting the body implementing the financial instrument: award of a public contract; other procedure	Designation of the EIB, EIF or international financial institutions
12.1. Description of the other procedure of selecting the body implementing the financial instrument	
13. Date of signature of the funding agreement with the body implementing the financial instrument	14-Jul-2015

IV. Total amount of programme contributions, by priority or measure, paid to the financial instrument and management costs incurred or management fees paid (Article 46(2)(d) and (e) of Regulation (EU) No 1303/2013)	
14. Total amount of programme contributions committed in the funding agreement (in EUR)	29,000,000.00
14.1. out of which ESI Funds contributions (in EUR)	29,000,000.00
14.1.1. out of which ERDF (in EUR) (optional)	29,000,000.00
14.1.2. out of which Cohesion Fund (in EUR) (optional)	
14.1.3. out of which ESF (in EUR) (optional)	
14.1.4. out of which EAFRD (in EUR) (optional)	
14.1.5. out of which EMFF (in EUR) (optional)	
15. Total amount of programme contributions paid to the financial instrument (in EUR)	28,300,000.00
15.1. out of which amount of ESI Funds contributions (in EUR)	28,300,000.00
15.1.1. out of which ERDF (in EUR)	28,300,000.00
15.1.2. out of which Cohesion Fund (in EUR)	
15.1.3. out of which ESF (in EUR)	
15.1.4. out of which EAFRD (in EUR)	
15.1.5. out of which EMFF (in EUR)	
15.2. out of which total amount of national co-financing (in EUR)	0.00
15.2.1. out of which total amount of national public funding (in EUR)	0.00
15.2.2. out of which total amount of national private funding (in EUR)	0.00
16. Total amount of programme contributions paid to the financial instrument under Youth Employment Initiative (YEI) (in EUR)	0.00
17. Total amount of management costs and fees paid out of programme contributions (in EUR)	1,990,778.00
17.1. out of which base remuneration (in EUR)	1,585,778.00
17.2. out of which performance-based remuneration (in EUR)	405,000.00
18. Capitalised management costs or fees pursuant to Article 42(2) of Regulation (EU) No 1303/2013 (relevant only for final report) (in EUR)	
19. Capitalised interest rate subsidies or guarantee fee subsidies pursuant to Article 42(1)(c) of Regulation (EU) No 1303/2013 (relevant to final report only) (in EUR)	
20. Amount of programme contributions for follow-on investments in final recipients pursuant to Article 42(3) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
21. Contributions of land and/or real estate in the financial instrument pursuant to Article 37(10) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
V. Total amount of support paid to final recipients, or to the benefit of final recipients, or committed in guarantee contracts by the financial instrument for investments in final recipients, by ESI Funds programme and priority or measure (Article 46(2)(e) of Regulation (EU) No 1303/2013)	
22. Name of financial product offered by the financial instrument	<i>BNF Business Accelerate (BNF Bank)</i>
22.1. Type of financial product offered by the financial instrument	Guarantee
24. Total amount of programme contributions committed in this loan, guarantee, equity, quasi-equity or other financial product contracts with final	1,980,188.00

recipients (in EUR)	
24.1. out of which total amount of ESI Funds contributions (in EUR)	1,980,188.00
25. Total amount of programme contributions paid to final recipients through this loan, micro-loans, equity or other products, or, in the case of guarantee, committed for loans paid to final recipients, by product (in EUR)	1,980,188.00
25.1. out of which total amount of ESI Funds contributions (in EUR)	1,980,188.00
25.1.1. out of which ERDF (in EUR)	1,980,188.00
25.1.2. out of which Cohesion Fund (in EUR)	
25.1.3. out of which ESF (in EUR)	
25.1.4. out of which EAFRD (in EUR)	
25.1.5. out of which EMFF (in EUR)	
25.2. out of which total amount of national public co-financing (in EUR)	
25.3. out of which total amount of national private co-financing (in EUR)	
26. Total value of loans actually paid to final recipients in relation to the guarantee contracts signed (EUR)	6,670,955.00
26.1. Total value of new debt finance created by the SME Initiative (CPR Art. 39 (10) b)	
27. Number of loan/guarantee/equity or quasi-equity/other financial product contracts signed with final recipients, by product	83
28. Number of loan/guarantee/equity or quasi-equity/other financial product investments made in final recipients, by product	83
29. Number of financial recipients supported by the financial product	72
29.1. out of which large enterprises	
29.2. out of which SMEs	72
29.2.1. out of which microenterprises	62
29.3. out of which individuals/natural persons	
29.4. out of which other type of final recipients supported	
29.4.1. description of other type of final recipients supported	
33. Total number of disbursed loans defaulted or total number of guarantees provided and called due to the loan default	0
34. Total amount of disbursed loans defaulted (in EUR) or total amount committed for guarantees provided and called due to loan default (in EUR)	0.00
39. Expected and achieved leverage effect, by reference to the funding agreement	
39.1. Expected leverage effect for loan/guarantee/equity or quasi-equity investment/other financial product, by reference to the funding agreement, by product	4.00
39.2. Achieved leverage effect at the end of reporting year for loan/guarantee/equity or quasi-equity investment/other financial product, by product	3.15
39.3. Investment mobilised through ESIF financial instruments for loan/guarantee/equity and quasi-equity investment, by product (Optional)	6,985,375.00
22. Name of financial product offered by the financial instrument	JAMIE (Bank of Valletta)
22.1. Type of financial product offered by the financial instrument	Guarantee
24. Total amount of programme contributions committed in this loan, guarantee, equity, quasi-equity or other financial product contracts with final recipients (in EUR)	24,119,812.79
24.1. out of which total amount of ESI Funds contributions (in EUR)	24,119,812.79
25. Total amount of programme contributions paid to final recipients through	24,119,812.79

this loan, micro-loans, equity or other products, or, in the case of guarantee, committed for loans paid to final recipients, by product (in EUR)	
25.1. out of which total amount of ESI Funds contributions (in EUR)	24,119,812.79
25.1.1. out of which ERDF (in EUR)	24,119,812.79
25.1.2. out of which Cohesion Fund (in EUR)	
25.1.3. out of which ESF (in EUR)	
25.1.4. out of which EAFRD (in EUR)	
25.1.5. out of which EMFF (in EUR)	
25.2. out of which total amount of national public co-financing (in EUR)	
25.3. out of which total amount of national private co-financing (in EUR)	
26. Total value of loans actually paid to final recipients in relation to the guarantee contracts signed (EUR)	79,225,306.00
26.1. Total value of new debt finance created by the SME Initiative (CPR Art. 39 (10) b)	
27. Number of loan/guarantee/equity or quasi-equity/other financial product contracts signed with final recipients, by product	1,036
28. Number of loan/guarantee/equity or quasi-equity/other financial product investments made in final recipients, by product	1,036
29. Number of financial recipients supported by the financial product	867
29.1. out of which large enterprises	
29.2. out of which SMEs	867
29.2.1. out of which microenterprises	698
29.3. out of which individuals/natural persons	
29.4. out of which other type of final recipients supported	
29.4.1. description of other type of final recipients supported	
33. Total number of disbursed loans defaulted or total number of guarantees provided and called due to the loan default	1
34. Total amount of disbursed loans defaulted (in EUR) or total amount committed for guarantees provided and called due to loan default (in EUR)	12,119.49
39. Expected and achieved leverage effect, by reference to the funding agreement	
39.1. Expected leverage effect for loan/guarantee/equity or quasi-equity investment/other financial product, by reference to the funding agreement, by product	4.00
39.2. Achieved leverage effect at the end of reporting year for loan/guarantee/equity or quasi-equity investment/other financial product, by product	3.07
39.3. Investment mobilised through ESIF financial instruments for loan/guarantee/equity and quasi-equity investment, by product (Optional)	94,340,247.00
VI. The performance of the financial instrument, including progress in its set-up and in selection of bodies implementing the financial instrument (including the body implementing a fund of funds) (Article 46(2)(f) of Regulation (EU) No 1303/2013)	
32. Information whether the financial instrument was still operational at the end of the reporting year	Yes
32.1. If the financial instrument was not operational at the end of the reporting year, date of the winding-up	
VII. Interest and other gains generated by support from the ESI Funds to the financial instrument, programme resources paid back to financial instrument from investments as referred to in Articles 43 and 44, amounts used for differentiated treatment as referred to in Article 43a, and the value of equity investments with respect to previous years (Article 46(2)(g) and (i) of	

Regulation (EU) No 1303/2013)	
35. Interest and other gains generated by payments from ESI Funds to the financial instrument (in EUR)	0.00
36. Amounts repaid to the financial instrument attributable to support from ESI Funds by the end of the reporting year (in EUR)	0.00
36.1. out of which capital repayments (in EUR)	0.00
36.2. out of which gains, other earnings and yields (in EUR)	0.00
37. Amounts of resources attributable to ESI Funds used in accordance with Article 44 and 43a	0.00
37.1. out of which amounts paid for differentiated treatment of investors operating under the market economy principle, who provide counterpart resources to the support from the ESI Funds to the financial instrument or who co-invest at the level of final recipient (in EUR)	0.00
37.2. out of which amounts paid for the reimbursement of management costs incurred and payment of management fees of the financial instrument (in EUR)	0.00
37.3. out of which amounts to cover losses in the nominal amount of the ESI Funds contribution to the financial instrument resulting from negative interest, if such losses occur despite active treasury management by the bodies implementing financial instruments (in EUR)	
VIII. Progress in achieving the expected leverage effect of investments made by the financial instrument and value of investments and participations (Article 46(2)(h) of Regulation (EU) No 1303/2013)	
38. Total amount of other contributions, outside ESI Funds, raised by the financial instrument (EUR)	
38.1. Total amount of other contributions, outside the ESI Funds committed in the funding agreement with the body implementing the financial instrument (in EUR)	0.00
38.1A. Contributions under EIB financial product committed in the funding agreement with the body implementing the financial instrument (only for the instruments under Article 38(1)(c)) (in EUR)	
38.2. Total amount of other contributions, outside the ESI Funds paid to the financial instrument (in EUR)	0.00
38.2.1. out of which public contributions (EUR)	0.00
38.2.2. out of which private contributions (EUR)	0.00
38.2A. Contribution under EIB financial product paid to FI (only for the instruments under Article 38(1)(c)) (in EUR)	
IX. Contribution of the financial instrument to the achievement of the indicators of the priority or measure concerned (Article 46(2)(j) of Regulation (EU) No 1303/2013)	
41. Output indicator (code number and name) to which the financial instrument contributes	<i>CO01 - Productive investment: Number of enterprises receiving support</i>
41.1. Target value of the output indicator	885.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	939.00
41. Output indicator (code number and name) to which the financial instrument contributes	<i>CV23 - Number of SMEs with repayable working capital</i>
41.1. Target value of the output indicator	110.00

41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	44.00
41. Output indicator (code number and name) to which the financial instrument contributes	CO03 - Productive investment: Number of enterprises receiving financial support other than grants
41.1. Target value of the output indicator	885.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	939.00
41. Output indicator (code number and name) to which the financial instrument contributes	4 - Expected Leverage
41.1. Target value of the output indicator	4.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	3.30
41. Output indicator (code number and name) to which the financial instrument contributes	2 - Total amount of underlying New Debt Finance originated by the Financial Intermediary
41.1. Target value of the output indicator	116,000,000.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	85,986,260.15
41. Output indicator (code number and name) to which the financial instrument contributes	1 - ERDF amount committed to cover the New Debt Finance portfolio to be built up by the selected Financial Intermediary
41.1. Target value of the output indicator	29,000,000.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	26,100,000.00
41. Output indicator (code number and name) to which the financial instrument contributes	CV21 - Financial Instrument support to SMEs for working capital
41.1. Target value of the output indicator	3,200,000.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	2,715,250.00

9. OPTIONAL FOR THE REPORT TO BE SUBMITTED IN 2016, NOT APPLICABLE TO OTHER LIGHT REPORTS: ACTIONS TAKEN TO FULFILL EX-ANTE CONDITIONALITIES

Table 14: Actions taken to fulfil applicable general ex-ante conditionalities

General ex-ante conditionality	Criteria not fulfilled	Actions taken	Deadline	Bodies responsible	Action completed by the deadline	Criteria fulfilled	Expected date for full implementation of remaining actions	Commentary
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Table 15: Actions taken to fulfil applicable thematic ex-ante conditionalities

General ex-ante conditionality	Criteria not fulfilled	Actions taken	Deadline	Bodies responsible	Action completed by the deadline	Criteria fulfilled	Expected date for full implementation of remaining actions	Commentary
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10. PROGRESS IN PREPARATION AND IMPLEMENTATION OF MAJOR PROJECTS AND JOINT ACTION PLANS (ARTICLE 101(H) AND 111(3) OF REGULATION (EU) No 1303/2013)

10.1. Major projects

Table 12: Major projects

Project	CCI	Status of MP	Total investments	Total eligible costs	Planned notification submission date	Date of tacit agreement approval by Commission	Planned start of implementation (year, quarter)	Planned completion date	Priority Axis Investment priorities	Current state of realisation — financial progress (% of expenditure certified to Commission compared to total eligible cost)	Current state of realisation — physical progress Main implementation stage of the project	Main outputs	Date of signature of first works contract	Observations
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Significant problems encountered in implementing major projects and measures taken to overcome them

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Any change planned in the list of major projects in the operational programme

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10.2. Joint action plans

Progress in the implementation of different stages of joint action plans

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Table 13: Joint action plans (JAP)

Title of the JAP	CCI	Stage of implementation of JAP	Total eligible costs	Total public support	OP contribution to JAP	Priority axis	Type of JAP	[Planned] submission to the Commission	[Planned] start of implementation	[Planned] completion	Main outputs and results	Total eligible expenditure certified to the Commission	Observations
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Significant problems encountered and measures taken to overcome them

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PART B

**REPORTING SUBMITTED IN YEARS 2017, 2019 AND FINAL IMPLEMENTATION REPORT
(Article 50(4), 111(3) and (4) of regulation (EU) No 1303/2013**

**11. ASSESSMENT OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME
(ARTICLES 50(4) AND 111(4) OF REGULATION (EU) NO 1303/2013)**

11.1. Information in Part A and achieving objectives of the programme (Article 50(4) of Regulation (EU) No 1303/2013)

Priority axis	1 - Enhancing the competitiveness of SMEs in Malta
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11.2. Specific actions taken to promote equality between men and women and to prevent discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the operational programme and operations (Articles 50(4) and 111(4), second subparagraph, (e) of Regulation (EU) No 1303/2013)

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11.3. Sustainable development (Articles 50(4) and 111(4), second subparagraph, (f) of Regulation (EU) No 1303/2013)

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11.4. Reporting on support used for climate change objectives (Article 50(4) of Regulation (EU) No 1303/2013)

Priority axis	Amount of support to be used for climate change objectives (EUR)	Proportion of total allocation to the operational programme (%)
Total	0.00	0.00%

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11.5. Role of partners in the implementation of the programme

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12. OBLIGATORY INFORMATION AND ASSESSMENT ACCORDING TO ARTICLE 111(4), FIRST SUBPARAGRAPH, (A) AND (B), OF REGULATION (EU) No 1303/2013

12.1. Progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations

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Status	Name	Fund	Year of finalizing evaluation	Type of evaluation	Thematic objective	Topic	Findings (in case of executed)	Follow up (in case of executed)
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12.2. The results of the information and publicity measures of the Funds carried out under the communication strategy

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13. ACTIONS TAKEN TO FULFILL EX-ANTE CONDITIONALITIES (ARTICLE 50(4) OF REGULATION (EU) NO 1303/2013) (MAY BE INCLUDED IN REPORT TO BE SUBMITTED IN 2016 (SEE POINT 9 ABOVE). REQUIRED IN REPORT SUBMITTED IN 2017) OPTION: PROGRESS REPORT

14. ADDITIONAL INFORMATION WHICH MAY BE ADDED DEPENDING ON THE CONTENT AND OBJECTIVES OF THE OPERATIONAL PROGRAMME (ARTICLE 111(4), SECOND SUBPARAGRAPH, (A), (B), (C), (D), (G) AND (H), OF REGULATION (EU) NO 1303/2013)

14.1. Progress in the implementation of the integrated approach to territorial development, including development of regions facing demographic challenges and permanent or natural handicaps, integrated territorial investments, sustainable urban development, and community led local development under the operational programme

14.2. Progress in the implementation of actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the Funds

14.3. Progress in the implementation of any interregional and transnational actions

14.4. Where appropriate, the contribution to macro-regional and sea basin strategies

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

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

14.5. Progress in the implementation of actions in the field of social innovation, where appropriate

14.6. Progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of poverty discrimination or social exclusion, with special regard to marginalised communities and persons with disabilities, long term unemployment and young people not in employment including, where appropriate, the financial resources used

PART C REPORTING SUBMITTED IN YEAR 2019 AND FINAL IMPLEMENTATION REPORT (Article 50(5) of Regulation (EU) No 1303/2013)
15. FINANCIAL INFORMATION AT PRIORITY AXIS AND PROGRAMME LEVEL (ARTICLES 21(2) AND 22(7) OF REGULATION (EU) No 1303/2013)

16. SMART, SUSTAINABLE AND INCLUSIVE GROWTH (OPTION PROGRESS REPORT)

Information on and assessment of the programme contribution to achieving the Union strategy for smart, sustainable and inclusive growth.

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17. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN — PERFORMANCE FRAMEWORK (ARTICLE 50(2) OF REGULATION (EU) No 1303/2013)

Where the assessment of progress made with regard to the milestones and targets set out in the performance framework demonstrates that certain milestones and targets have not been achieved, Member States should outline the underlying reasons for failure to achieve these milestones in the report of 2019 (for milestones) and in the final implementation report (for targets).

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DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
SMEi 2022 Citizens' Summary	Citizens' summary	11-May-2023		Ares(2023)3726206	SMEi 2022 Citizens' Summary	30-May-2023	n003dpbf

LATEST VALIDATION RESULTS

Severity	Code	Message
Info		Implementation report version has been validated
Warning	2.48	Annual value entered in table 1 is below the baseline value and moving away from the target for priority axis: 1, investment priority: 3d, specific objective: 1, indicator: 2, region category: T, year: 2014 (0.00 < 2,415.00). Please check.
Warning	2.48	Annual value entered in table 1 is below the baseline value and moving away from the target for priority axis: 1, investment priority: 3d, specific objective: 1, indicator: 2, region category: T, year: 2015 (0.00 < 2,415.00). Please check.
Warning	2.49	Annual value entered in table 1 exceeds the target value for priority axis: 1, investment priority: 3d, specific objective: 1, indicator: 2, region category: T, year: 2018 (5,283.00 > 4,664.00). Please check.
Warning	2.49	Annual value entered in table 1 exceeds the target value for priority axis: 1, investment priority: 3d, specific objective: 1, indicator: 2, region category: T, year: 2019 (5,747.00 > 4,664.00). Please check.
Warning	2.49	Annual value entered in table 1 exceeds the target value for priority axis: 1, investment priority: 3d, specific objective: 1, indicator: 2, region category: T, year: 2021 (4,927.00 > 4,664.00). Please check.
Warning	2.51	Annual value entered in table 1 is below the target value for priority axis: 1, investment priority: 3d, specific objective: 1, indicator: 1, region category: T, year: 2014 (0.00 < 7.50). Please check.
Warning	2.51	Annual value entered in table 1 is below the target value for priority axis: 1, investment priority: 3d, specific objective: 1, indicator: 1, region category: T, year: 2015 (0.00 < 7.50). Please check.
Warning	2.51	Annual value entered in table 1 is below the target value for priority axis: 1, investment priority: 3d, specific objective: 1, indicator: 1, region category: T, year: 2021 (0.00 < 7.50). Please check.
Warning	2.52	In table 3A, the annual total value entered is 101.50% of the total target value for "S", priority axis: 1, investment priority: 3d, indicator: 4, region category: T, year: 2018. Please check.
Warning	2.52	In table 3A, the annual total value entered is 101.72% of the total target value for "S", priority axis: 1, investment priority: 3d, indicator: 2, region category: T, year: 2021. Please check.
Warning	2.52	In table 3A, the annual total value entered is 101.72% of the total target value for "S", priority axis: 1, investment priority: 3d, indicator: 2, region category: T, year: 2022. Please check.
Warning	2.53	In table 3A, the annual total value entered is 106.10% of the total target value for "F", priority axis: 1, investment priority: 3d, indicator: CO01, region category: T, year: 2022. Please check.
Warning	2.53	In table 3A, the annual total value entered is 106.10% of the total target value for "F", priority axis: 1, investment priority: 3d, indicator: CO03, region category: T, year: 2022. Please check.
Warning	2.54	In table 3A, the annual total value entered for "F" (implemented) is 101.49% of the annual total value entered for "S" (forecast from selected) for priority axis: 1, investment priority: 3d, indicator: CO01, region category: T, year: 2019. Please check.
Warning	2.54	In table 3A, the annual total value entered for "F" (implemented) is 101.49% of the annual total value entered for "S" (forecast from selected) for priority axis: 1, investment priority: 3d, indicator: CO03, region category: T, year: 2019. Please check.
Warning	2.54	In table 3A, the annual total value entered for "F" (implemented) is 106.10% of the annual total value entered for "S" (forecast from selected) for priority axis: 1, investment priority: 3d, indicator: CO01, region category: T, year: 2022. Please check.
Warning	2.54	In table 3A, the annual total value entered for "F" (implemented) is 106.10% of the annual total value entered for "S" (forecast from selected) for priority axis: 1, investment priority: 3d, indicator: CO03, region category: T, year: 2022. Please check.
Warning	2.108	No date on completion of ex ante assessment (element 30) has been provided which means that it has not yet been completed. As no date was reported in the preceding year as well, delays might need to be explained. Financial instrument: SME Initiative - Malta
Warning	2.112	Date for completion of ex-ante assessment (element 30), which normally precedes signature of the funding agreement (element 13), is missing. Financial instrument: SME Initiative - Malta