

OPERATIONAL PROGRAMME UNDER THE 'INVESTMENT FOR GROWTH AND JOBS' GOAL

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Making use of Art. 96(8) CPR	
Major amendment (requiring EC approval - cf. Art. 96 CPR)	✓
Approved by monitoring committee	✓
Justification for amendment	The main aim of the proposed modification is to introduce a new priority axis (PA 14) to be supported through transferred resources from the Cohesion Fund. These resources are intended to exceptionally support vulnerable households in mitigating energy consumption cost increases caused by the energy crisis. This is in line with the ambitions of the SAFE proposal. Around EUR 24,000,000 in EU share are being shifted from PA 11 to PA 14.
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NUTS regions covered by the operational programme	MT - MALTA

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1. STRATEGY FOR THE OPERATIONAL PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION

1.1 Strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion

1.1.1 Description of the programme's strategy for contributing to the delivery of the Union strategy for smart, sustainable and inclusive growth and for achieving economic, social and territorial cohesion.

1.1.1.1 Economic Context and Territorial Challenges

Malta is faced with inherent specific disadvantages when compared to other Member States within the Union. These disadvantages vary from the lack of accessibility and isolation from mainland European infrastructure to the lack of natural resources and high population density, amongst others. These factors continue to impinge on the socio economic growth of the Maltese Islands.

In recent years the Maltese economy has been relatively resilient to the global economic crisis and the sovereign debt crisis in the euro area. Between 2009 and 2012, Malta's real Gross Domestic Product (GDP) grew by an annual average of 0.9%. With the exception of 2009, Malta's deficit in the current account has been declining and eventually turned positive in 2012. The performance of the Maltese economy is also reflected by gains in the export market share in services. On the other hand, Malta's export market share in goods was on the decline, particularly in machinery and electrical equipment as well as textiles.

According to Eurostat, between 2008 and 2009, the annual unemployment rate for Malta was on the rise reaching 6.9% in 2009 and remaining unchanged in 2010. However, during the economic recovery that has been sustained since 2010, the unemployment rate decreased reaching 6.5% in 2011 and 6.4% in 2012[1]. The unemployment rate remained relatively stable during the first eight months of 2013, reaching 6.4% in August 2013.[2]

The concept of insularity, territorial imbalances and regional differentiation is even more accentuated in Gozo. Being an island of just 67 km² and having a population of approximately 31,296, Gozo is heavily dependent on the sea transport link with Malta. During the years, Gozo has developed various territorial imbalances vis-à-vis mainland Malta. Most prominent are the elder population residing in Gozo, the higher proportion of self-employment in comparison to Malta and the high proportion of public sector employment which stood at 38.3% in 2010 when compared to the 27.1% in Malta for that same year.

Gozo's share of Gross Value Added dropped gradually from 5.96% in 2000 to 5.54% in 2010, implying that mainland Malta developed more rapidly than Gozo. Due to the limited infrastructure which is necessary to support specific fast-growing and high value added services, Gozo focuses its marketing strategy by promoting itself as an eco-island thus depending more on tourism, agriculture and fishing sectors when compared to Malta. In fact, Gozo accounts for 23% of the total organic land in the Maltese Islands.[3]

As in Malta, tourism is an important source of employment and income for Gozo but perhaps even more so since Gozo's economy in other sectors has grown at a slower pace than in Malta. As a consequence, over the past decade there have been several depletions in the manufacturing sector in Gozo and related employment has fallen. Moreover, the ratio of inactive persons to the population aged 15 and over is higher in Gozo than the one characterising Malta.

1.1.1.2 Economic, Environmental and Social Development Needs

This Operational Programme (OP) will contribute towards the achievement of these European goals and will play an essential part in addressing Malta's challenges at national level.

In an era of an international economic recovery, Malta has taken stock of its needs and challenges and has identified actions which will contribute to the EU's mission of securing economic stability and sustainable development. The main thrust of this OP rests on Government's mission to move towards a knowledge-based and innovative economy, the consolidation of the manufacturing sector, a greener and more resource efficient environment as well as an inclusive society which is more services oriented. ERDF and CF will address these areas which have also been identified as pivotal areas of intervention under the SWOT analysis outlined in the Partnership Agreement. Through investments in these overarching sectors, Government will aim to address Malta's current development needs and will thus pave the way for economic prosperity, environmental sustainability and social development which will enable Malta to address future challenges.

1.1.1.2.1 Competitiveness, Innovation and Digital technologies

Improving Malta's competitiveness and fostering economic growth depends on Malta's ability to maintain a stable macroeconomic environment. The further development of research and development, innovation, digital technologies and other relevant skills in the sector is necessary to ensure that Malta moves towards a knowledge based society where Maltese enterprises can thrive within the local and international markets in the years to come.

- *RTDI*

Since the launch of the first national R&I strategy, in 2007, Malta achieved progress with R&D as a percentage of GDP increasing from 0.65% of GDP in 2010 to 0.91% of GDP by 2012. The total expenditure reached in 2012 also represented an increase over 2010 and 2011 figures with the business enterprise sector remaining the main contributor to R&D expenditure (accounting for 58% of total R&D expenditure). This was followed by the Higher Education sector with 33.4% of R&D expenditure and the Government sector which contributed 8.6% to R&D expenditure.[4] With reference to innovation performance, with an Average Annual Growth Rate (AAGR) of 2% between 2006 and 2013, Malta remains a Member State with moderate innovation performance.[5]

Although employment rates within the R&D&I sector continued to increase over recent years, provisional Eurostat figures for 2012 covering R&D personnel indicate that the Full Time Equivalent (FTE) as a percentage of total employment stood at 0.81 FTE, lower than the EU-28 average of 1.1 FTE.[6] This scenario is also characterised by the limited enterprise-academia links which have yet to develop further and flourish. Developments in this sector are envisaged to come into play once projects which have been undertaken during the 2007-2013 period, such as the Life Sciences Park, start operating. In addition, whilst the percentage of the enterprises[7] taking on innovation activity increased from 36% between 2008 and 2010 to 47.8% between 2010 and 2012[8], Malta's innovation performance remains below the EU average.

Malta's R&D&I system remains in its early development stage, requiring investment both in the private and public sector. This is important because developments within this area may also lead to growth in other sectors, due to its cross cutting nature. Efforts aimed at increasing human resource capacity in R&D need to be stepped up to attract researchers. In this regard, Malta needs to build the necessary capacity both in terms of infrastructure as well as human capital with a view to be in a position to create the necessary conditions for growth in this sector. This will enable Malta to play a more important role in the EU's vision on RTDI till 2020 and beyond. The taking stock of the current state of play with respect to R&D and innovation activity, the need to invest in RTDI remains a priority for the 14-20 period.

- ICT

Taking into account Malta's particular geographical characteristics, the country's socio-economic growth remains significantly reliant on ICT development, identified as an enabling technology for R&I development because of its potential to innovate industries.[9]

Over the years, Malta has registered positive indicators regarding broadband and next generation access capability when compared to the EU.[10] However, improving ICT access remains a challenge. Further investment is required in various areas within the ICT sector including in the number of persons using the internet, uploading self-created content, using internet banking, taking online courses, using e-government etc.

SMEs and start ups also require further expertise and knowledge to use ICT as a tool contributing towards cost reduction, innovation and improved accessibility to foreign markets. However, although most enterprises are IT-enabled, the use of electronic systems and e-commerce remains relatively low. In 2013 only 19.3% of enterprises using internet carried out sales through e-commerce whilst purchases through e-commerce were carried out by 22.2% of enterprises using internet.[11] Moreover, whilst local firms introduced Business to Consumer (B2C) services for the local market, the exploitation of internet to sell goods on an international market is still low. Hence, the shift towards a digital economy remains vital with a view to ensuring the sustainability of local SMEs.

The Public Administration has also played a key role in the development of the ICT sector. Significant investment was undertaken with a view to develop a robust and resilient ICT infrastructure which forms the backbone of an interconnected Government. This has led to positive results in delivering services through e-Government but more efforts[12] to sustain these achievements and improve the provision of e-Government services are required. As indicated in the 2013 Digital Agenda scoreboard, the electronic interaction by citizens with public authorities and the level of computer skills in Malta remain below the EU-28 average.[13] With regard to the usage of electronic systems, only 59.2% of internet users made use of e-Government services (G2C) according to 2012 data.

Moreover, whilst the use of e-Government by enterprises was relatively high at 92.6% in 2013, there is a need for further investment in this area to further improve the efficiency of e-Government services whilst also widening the scope of the services offered to maintain a high usage rate.

- *Competitiveness*

The total number of registered business units in the Maltese islands[14] increased between 2008 and 2013. With the business sector being dominated by SMEs (constituting 99.8% of registered enterprises) the share value added accounts for 73.2% which is significantly higher than the 58.1% registered at EU level. Moreover, employment attributable to SMEs in Malta (78%) is higher than the 66.9% registered at EU-28 level. The differences in employment share between Malta and the EU-28 are particularly pronounced within the micro category, where the share of micro enterprises in total employment in Malta is 5.6 percentage points higher than that recorded at EU-28 level.[15]

Over the past decade the contribution of SMEs to national exports has been on the increase, reaching a 52.3% of exports generated in 2011. Out of the 52.3% of exports generated by SMEs, 45.2% were generated by micro and small enterprises.[16] Trade facilitation, to support enterprises and mitigate the disadvantages resulting from insularity and related transport distances, delays and costs, remains necessary to increase the competitiveness of enterprises and the Maltese economy.[17]

As indicated in the 2014 SBA factsheet, Malta's performance in the single market indicator remains one of its main strong points whilst improvements in internationalisation, innovation and skills, amongst others, continue to lag behind the EU average. Relations among firms may also be a viable route to enable SMEs to venture into new developments and growth. So far, relations amongst enterprises along the supply chain remain relatively low and thus it is necessary to motivate and facilitate the collaboration between enterprises with a view to promote SMEs.

In 2011, Malta invested €10M from the ERDF to create a First Loss Portfolio Guarantee instrument under the JEREMIE initiative. Due to the success of this initiative and the substantial leverage effect on the Maltese economy, in 2013 Government allocated an additional €2M to this instrument. By December 2013, 583 SMEs had benefited from 665 transactions with the amount committed totalling almost €54M. Notwithstanding the success of FIs, the need for grants for enterprises remains key for their development and growth to be able to remain competitive in the economy. The inability to raise enough capital to support business ventures remains one of the main challenges faced by SMEs in Malta, the lack of economies of scale, the difficulty to break into international markets and to move towards innovative industries remain challenges which need to be addressed in the 14-20 period to secure the long term competitiveness of local enterprises.[18]

1.1.1.2.2 Natural, Cultural and Environmental Sustainability

Malta's economic growth and development depends on its ability to turn its natural, demographic and geographical weaknesses into strengths. This process is however dependent on Malta's strategic approach towards addressing its main challenges with regard to energy generation and consumption, transport sustainability, and the challenges within the water and waste sectors whilst ensuring environmental preservation and sustainable development. Climate change remains a challenge for Malta and within this context; Malta has adopted a horizontal approach to address this theme within this OP. More than 20%[19] of EU support for all ESI funds will contribute towards supporting climate change objectives.[20]

- *Energy*

Malta is dependent on imported fossil oil for most of its energy needs. This dependency has an impact both in economic terms as well as on the quality of the environment including climate change. In line with the CSR, Malta aims to continue with its efforts to diversify its energy mix and energy sources. Specific attention will need to be devoted to increasing the share of energy produced from renewable sources. Such initiatives are expected to effectively contribute towards Malta's targets, pursuant to the Climate Change and Energy Package which are aimed at reducing the overall EU CO₂ emissions by 20% below 1990 levels by 2020.

Over the past years, the utilisation of RES has increased to 2.70% in 2012.[21] However, Malta's deep coastal waters and limited availability of land continue to pose significant challenges. Options for Concentrated Solar Power (CSP) were also considered however,

the required land space and specific characteristics proved to be an issue given the physical land constraints as well as the lack of a suitable area which is not within a Natura 2000 site or an environmentally sensitive area. Nevertheless, efforts towards identifying and utilising appropriate alternative sources of energy to increase the share of RES will continue to be sustained. Malta's National Renewable Energy Action Plan (NREAP) provides a roadmap on how Malta intends to reach the 10% of renewable energy share in the final consumption of energy by 2020.

The NREAP (2012) proposes a number of options for the mix of RES to reach the 10% target by 2020. The main differences between the options lie in the relative contribution of wind energy and PVs to the energy mix. Since 2012, there were several developments which had an impact on the RES mix contemplated which have led Government to opt for a mix which does not include wind technology and focuses on photovoltaic technologies.[22] Government embarked upon a National Energy Efficiency Action Plan (NEEAP)[23] designed to achieve 9% savings in energy end use by 2016.[24] The NEEAP (2014) sets a target of 27% savings in primary energy consumption by 2020.[25]

- *Transport*

Malta's specific characteristics, including its small size and the relatively high urban density, poses significant challenges to the Maltese transport sector. Domestic transport is predominantly served by road providing accessibility to all industrial, commercial and tourist centres.

Malta is currently preparing a National Transport Strategy and a comprehensive Transport Master Plan, which will include a national inter-modal (air, sea and road) traffic model to quantitatively supplement the multi-criteria analysis already carried out in respect of the prioritisation of future transport investment for the Maltese Islands. Interventions envisaged under this Programme will be consistent with the New Transport Strategy and Plan.

Under the new TEN-T guidelines,[26] Malta has a dual-layer transport network comprising of core and comprehensive networks. For Malta to improve the territorial cohesion of the Islands with the rest of Europe, priority is given to develop key projects on TEN-T core and comprehensive networks aimed at removing traffic bottlenecks in air, sea and land transport and to implement measures aimed at improving safety, interconnectivity and the optimisation of capacities of existing infrastructures. The future development of TEN-T in Malta will also take due account of the need to promote public transport.

Private car ownership and usage in Malta is high, with the number of private car vehicle registrations amounting to 249,612 out of a total of 314,510 total vehicle registrations at the end of 2012.[27] This results in high levels of congestion on Maltese roads, particularly during peak hours and especially in the south and central areas which has a significant impact on air quality. In fact, transport represents the second highest source of Green House Gas (GHG) emissions after electricity generation. The decarbonisation

of the transport sector plays a crucial role in Malta's strategy to shift to a low-carbon economy and to address health and environment issues stemming from poor air quality.

Malta has undertaken various steps to address the carbon intensity of the transport sector but important challenges in this area remain. In recent years, Malta has introduced forms of Sustainable Urban Mobility Plans (SUMPs) that address specific areas that have a high volume of transport flows with one of the main objective being to improve air quality. Measures implemented in recent years include the removal of on-street parking and pedestrianisation of central areas; the introduction of park and ride systems; the introduction of inner-harbour ferry and water taxis; the introduction of a lift connecting the Valletta waterfront to the city centre; as well as the ongoing public transport reform.[28] Further investment to promote sustainable urban transport in order to reduce road congestion with a particular emphasis on measures to promote the use of public transport and the promotion of alternative modes of transport by sea including their better integration with land-based (public) transport is necessary to encourage modal shift, reduce car usage and thereby achieve reduction of emissions on the road in line with the Air Quality Action Plan.

- *Waste*

Sustainable waste management in line with the waste hierarchy is necessary to address the environmental impact of waste management practices. In recent years, significant investment within the waste sector was undertaken, particularly through European funds. Notwithstanding, the treatment of waste in Malta remains mainly dependent on landfilling. In 2011, the total amount of waste generated and landfilled amounted to 56% whereas 21% was recycled.[29] This high dependence on landfilling poses a significant challenge particularly due to the lack of physical space available. The remaining waste generated is recycled, recovered, dumped at sea, incinerated (without energy recovery), stored or exported. During 2011, the amount of waste exported was 96,432 tonnes. Within this context, it is clear that there is a real need to invest in more sustainable practices such as waste separation as well as other investments including waste to energy.

- *Water*

The climate of the Maltese Islands is typically semi-arid Mediterranean, characterised by hot, dry summers and mild, wet winters. The water demand generated by the population and economic activity places pressure on the Islands' scarce water resources. Considering the quasi-permanent drought conditions prevailing in the Islands, meeting the national demand for water, whilst protecting and conserving the naturally renewable resource base and its quantitative status is therefore a major challenge.

Malta's 1st River Basin Management Plan (RBMP) adopted an integrated water resources management approach based on the conjunctive use of demand management and supply augmentation measures to address Malta's main significant issues in the field

of water management. This approach is being continued through the process leading to the development of the 2nd RBMP and the supporting National Water Management Plan.

The hydromorphological structure of the Islands does not support the development of surface waters that can be exploited economically, and the Islands' only naturally renewable freshwater resources are groundwater resources. The sustainable yield of these aquifer systems depends directly on the annual natural recharge from rainfall, estimated at 25 million m³/year. Exploitation of these aquifer systems is currently estimated to exceed this sustainable limit, leading to local and regional intrusion of sea-water. Furthermore, the qualitative status of the aquifer systems is threatened by the contamination of nitrates, mainly originating from over-fertilisation in arable agricultural practices. Malta is committed to implement monitoring programmes of its surface and coastal waters as part of its water quality monitoring obligations under the Water Framework Directive. Related monitoring measures will be included in the second RBMP which is currently being developed.[30]

The total potential surface rainwater runoff generated in an average year is estimated at around 30 million m³. The main drawback facing the harnessing of this resource is the fact that it occurs as large volumes in a comparatively short period, thereby requiring a significant space for its storage. Current estimates place the utilization capacity for harvested rainwater runoff at 5 million m³/year, mainly by the domestic and agricultural sectors.

Since the early 1980's water production for urban supply has been supplemented by desalinated water. Desalinated water today accounts for around 55% of the municipal water blend. Cognisant of the carbon footprint emanating from the production of desalinated water, significant efforts were undertaken to minimize carbon footprint. In fact, the specific power requirement of the desalination plants has been significantly lowered from 6.4kWh/m³ in 2004 to 4kWh/m³ in 2013, as a result of the introduction of energy efficient processes in the plants' operation.

Following the development of the three new wastewater treatment plants, further polishing facilities with a yearly production capacity of 7 million m³ of high quality effluent are currently being developed. Production of polished water could be further augmented since current polishing levels stand at around 33% of the total wastewater treatment capacity. Furthermore, the implementation of measures to enable the distribution of the polished effluent to the point of use and to build-up consumer confidence in the quality of the new water resources are planned to support the effective uptake of these new resources.

Other potential water resources, the exploitation of which could be considered, include coastal natural groundwater discharge and the Islands' deep saline aquifers. However these offer significant challenges which have still to be investigated through research and pilot actions.

- *Biodiversity*

The Maltese Islands are relatively rich in biodiversity which maintains the functioning of a healthy natural environment and is a contributor towards ensuring sustainable development. The environment is characterised by different types of habitats such as coastal, sand dunes, forest, and rocky habitats amongst others. Biodiversity loss and conservation of species are a challenge for the Maltese Islands considering that 36% of the species and 29% of habitats listed in the Habitats Directive are still unknown while 44% of the species and 64% of habitats do not have a favourable conservation status.[31] In addition, the protection of biodiversity and ecosystems is also challenged by the demands of a growing population and a growing economy. Considering the linkages between biodiversity and other environmental challenges such as air and water quality, climate change, sustainable development, etc. investment targeting the protection and conservation of natural heritage is also required.

- Culture

Besides the conservation and protection of the natural environment, the conservation of Malta's cultural assets is also necessary to ensure the sustainability of the Islands' economy. Apart from their geographical location and the favourable weather conditions, the Maltese Islands possess a unique landscape with a rich cultural heritage. Cultural heritage is undoubtedly a key asset for the Maltese Islands due to its direct contribution towards the tourism sector. During 2012, 42% of all the tourists that responded to the 'Market Profile' Survey by the Malta Tourism Authority chose history / culture as a main motivator to visit Malta, with the number of tourists visiting Malta due to its cultural heritage increasing from 486,653 in 2008 to 603,581 in 2012.[32] Even though particular cultural sites such as St John's Co-Cathedral still manage to attract large visitor numbers, the potential of other heritage sites across the Islands remains untapped either because they are not accessible or because they are in a state of dilapidation.[33] Thus, preserving and promoting Malta's cultural heritage[34] with a view to contribute towards Malta's tourism products remains a priority.[35]

- Sustainable Urban Development

The Northern and Southern Harbour districts are the two most densely populated districts in Malta and Gozo with a population density amounting to 4,997 persons/km² and 3,026 persons/km² respectively.[36] This area is characterised by a high concentration of rich urban fabric including a significant concentration of historical and cultural buildings which have a direct effect on the economic and tourism activity in the area. Moreover, this area is characterised by a high concentration of old properties including residential buildings that lack accessibility and are in a state of decay resulting in a sizeable vacancy rate.[37]

The Harbour area has the highest rate of persons at risk of poverty[38] and the area is characterised by high unemployment particularly for youths.[39] The challenges faced by youth are also reflected in the high rate of authorised absences from school and high crime and vandalism rate in the area.

The high population density coupled with the high level of urbanisation and the socio-economic inequalities of the Harbour area call for an integrated targeted approach to comprehensively address the needs and problems of the area. In this regard, Government shall prepare the pertinent integrated urban development strategy with a view to improve the urban and socio-economic environment. The strategy will form the basis for investment and will include measures aimed at ameliorating the urban environment including through investment in cultural heritage and investment targeting the social needs of the community living in the area including social housing.[40]

1.1.1.2.3 Social, health and educational developments

Addressing the myriad of challenges within the social, health and educational sectors requires a multifaceted approach. These challenges include social and health inequalities; poverty; low educational attainment; improving the sustainability of the health system and developing education and social infrastructure and services, amongst others. Within this context, OP I will invest in these key areas with a view to improve the well-being of society.

- *Health*

With an increasingly ageing population, the provision of adequate primary health care and the shift towards active and healthy ageing are necessary to ensure the minimum levels of health inequalities and to promote the long term participation of citizens in the labour market. This need has also been identified under the relevant CSR whereby the importance of pursuing healthcare reforms, in particular by strengthening public primary care provision is being highlighted.

Whilst the standardised mortality rates for circulatory diseases have decreased from 426 per 100,000 in 1990 to 189 per 100,000 in 2010, the rate experienced in Malta remains higher than the average EU-15.[41] According to a study on Health Behaviour in school children by the World Health Organisation, Malta has the second highest proportion of obese or overweight children amongst 11 and 13 year olds and the overall highest proportion of obese and overweight 15 year olds when compared to the other 41 countries participating in the study.[42] Within this context, there is a need to instil a culture shift towards an active and healthy lifestyle from a young age with a view to prevent health problems during adulthood.[43]

Moreover, following the COVID-19 outbreak in a sudden and dramatic manner and the Commission's proposal to flexibly respond to the rapidly emerging needs, Malta will utilise funds available to address health-related issues in order to mitigate the impact of the COVID crisis.

- *Social inclusion*

Apart from health provision and promotion, addressing social exclusion and poverty remain high on Malta's agenda. According to Eurostat figures, the number of persons at risk of poverty or social exclusion in Malta has increased at a faster rate than that registered at EU level reaching 24% of the total population in 2013.[44] An analysis of the at-risk-of-poverty rate by district shows that the highest rates in 2012 are registered in the Western Region (at 15.6%), followed by the Southern Harbour Area (15.4%). However, the localities with the highest rate of persons receiving supplementary allowances are the Southern Harbour Area with the highest locality (Valletta) registering 18.7% followed by Floriana at 16.1%. Moreover, according to the Statistics on Income and Living Conditions Survey issued by NSO, in 2013, the material deprivation rate amongst households stood at 19.4% while the severe material deprivation rate stood at 9.5%.[45]

Statistics also show that the lower the educational attainment of youths and adults, the higher the likelihood of falling into poverty, social exclusion or unemployment.[46] Studies reveal that the main target groups which raise particular concerns when it comes to poverty and social exclusion related matters include children, youths, the elderly, women, persons with disability, the working poor and the unemployed amongst others. In 2012, employment rates ranged from 47.9% for individuals with less than upper secondary and post-secondary education to 86.7% for those who had achieved tertiary education qualifications.[47] The unemployment rate amongst persons of less than 25 years of age was 14.2%. Although this rate is lower than the EU average rate for 2012 which was 22.8%, [48] the high rate of unemployed youths remains a challenge which necessitates concrete action in order to ensure that Malta moves towards an inclusive society where every citizen is being given the opportunity to strive for prosperity.

- Education

With the vulnerability of falling into poverty being intrinsically linked to education attainment, the further development of the education sector is necessary to ensure that more students pursue further and higher education. Since 2007, Malta has registered a significant decrease in its early school leaving (ESL) rate. Nonetheless, in 2013 the rate of ESLs stood at 20.8%, which was high when compared to the EU-28 average rate of 12.0% for the same year.[49] The need to address ESL is also highlighted in Malta's NRP and in the relevant CSR, which emphasize the importance of pursuing policy efforts to reduce early school leaving.

Moreover, whilst the overall tertiary education attainment (15-64 year olds) has been on the increase between 2008 and 2012, the participation rate in tertiary education or equivalent of 30-34 year olds remained relatively constant between 2006 and 2010 with gradual improvements between 2011 and 2013, reaching 26% in 2013. This rate remains lower than the EU-28 average of 36.9% that was reached in 2013 and is still distant from the national EU 2020 target of 33%.[50] Within this context improving the range and standard of courses available, narrowing the skills gaps, and improving access to lifelong learning are necessary to address vocational and tertiary educational attainment. This will contribute towards increased labour market participation as indicated in the relevant CSR as well as towards a more inclusive society.

1.1.1.3 Malta's contribution to the Union Strategy for Smart, Sustainable and Inclusive Growth and to economic social and territorial cohesion

The Partnership Agreement of Malta is the overarching strategy which will contribute towards the EU2020 strategy through ESI Funds. Within the Partnership Agreement, Malta has identified three Funding Priorities as the main overarching objectives for the 2014-2020 programming period, namely:

1. **Funding Priority 1:** Fostering Competitiveness through innovation and the creation of a business-friendly environment;
2. **Funding Priority 2:** Sustaining an environmentally-friendly and resource-efficient economy; and
3. **Funding Priority 3:** Creating Opportunities through investment in human capital and improving health and well-being.

Within this context, this OP will contribute towards the achievement of all three funding priorities that have been identified in the Partnership Agreement, through interventions financed under the ERDF and CF. Thus, this OP outlines Government's strategy for the implementation of measures which will enable Malta to move closer towards Europe's ambition to shift towards smart, sustainable and inclusive growth.

In line with the guiding principles of the Common Strategic Framework, measures supported under this Programme will complement measures under other ESI funds as well as other relevant Union programmes and initiatives. [51] This OP takes into account the key territorial challenges and Malta's specific national, regional and local contexts. The application of the integrated approach to territorial development will continue to be necessary through a tailor made approach that is specific to the circumstances of Malta and reflects its territorial profile.

The PAs have been divided in line with the interventions and are based on the scope of the ERDF regulation, the CF regulation and the REACT-EU regulation. The PAs within this Programme[52] are:

- *Investing in research, technological development and innovation;*
- *Consolidating investment within the ICT sector;*
- *Enhancing Malta's competitiveness through investment in SMEs;*
- *Shifting towards a low-carbon economy;*
- *Protecting our environment - investing in natural and cultural assets;*
- *Sustainable Urban Development;*
- *Shifting towards a more low-carbon transport sector;*
- *Investing towards a more socially-inclusive society;*
- *Developing our future through education, training and lifelong learning;*
- *Investing in a more environmentally-friendly society;*
- *Investing in TEN-T Infrastructure;*
- *Technical Assistance; and*

- *REACT-EU – Fostering resilience in the healthcare system*
- *SAFE – Exceptional measure to support vulnerable households to meet their energy consumption costs*

PA 1: Investing in research, technological development and innovation

The Europe 2020 strategy places R&D&I at the forefront of Europe’s efforts to become a smart, sustainable and inclusive economy which delivers high levels of employment, productivity and social cohesion. Europe’s competitiveness, capacity to create new jobs depends on its ability to translate innovation into new or renewed products, services and businesses.

In 2014, Government launched the National Research and Innovation 2020 Strategy which sets out the strategic framework for interventions within this sector and takes into account the current state of play of Malta’s development needs within the R&D sector as well as the Europe 2020 targets. In line with the smart specialisation framework set out within the National R&I Strategy[53], Malta will target ERDF investments in the following areas: tourism product development, maritime services,[54] aviation and aerospace, health with a focus on healthy living, active ageing and e-health, resource-efficient buildings, high value-added manufacturing with a focus on processes and design and aquaculture[55]. Support to specialisation areas will reflect priority interventions that will be determined as part of the implementation of the smart specialisation strategy, reflecting the strengths and competences in Malta for a particular area and its growth potential. Due account will also be given to multi-disciplinary research in order to leverage Malta’s comparative advantage in this area.

The Strategy emphasises the need to build an enabling ecosystem for R&I and also outlines the importance for investment in research infrastructure, rural development, capacity building in climate change adaptation and investment in human capital. Furthermore, the Strategy identifies ICT as an enabling technology for development and innovation. This strategic thrust is aimed at facilitating the cooperation and networking activities among various innovation actors including academia, the higher education sector as well as facilities fostering research, development and technology in an effort to maximise synergies and promote technology transfer whilst bridging the gap between academia and the business sector. This approach will be implemented hand in hand with interventions under PAs 2 and 3.[56]

Within this context, this OP aims to address the needs and challenges currently faced by Malta within this sector which will be achieved through a series of actions including: R&I facilities, access to finance for enterprises as well as through the development of human capital which will be complemented by measures under the European Social Fund. Such measures will be supported, based on identified needs and challenges, with the aim of fostering research investment in the private sector and achieving stronger academia-enterprise links.

In addition, this Axis will be complemented inter-alia with initiatives financed through ESF whereby the training of researchers, the development of post-graduate courses, and scholarships at postgraduate, doctoral and post doctoral level will be supported. These interventions will also contribute towards the achievement of the Innovation Union Flagship initiative under Smart Growth and will serve as one of the means through which Malta will reach its new National 2020 target of investing 2% of GDP in R&D. Such measures will also be contributing towards the Resource Efficient Europe initiative, under *Sustainable Growth*, through the promotion of technologies that favour the shift to low-carbon and facilities-supporting research related to resource-efficiency and climate change.

PA 2: Consolidating investment within the ICT sector

The Digital Agenda for Europe aims to use ICT development as a means to revive European economies and enable citizens and businesses alike to make the most of digital technologies.[57] In October 2014, Government launched the national e-commerce strategy which aims to help Maltese businesses face the challenge of internet shopping and embark on e-commerce practises. The strategy follows on the national ICT strategy titled: *Digital Malta: National Digital Strategy 2014-2020* which provides the necessary integrated approach for Malta to move towards a digitally enabled society. The strategy will contribute towards fostering an entrepreneurial environment including in those sectors which have been identified as key areas for Malta's socio-economic development under Malta's smart specialisation strategy. The development of such an environment will also leverage investment in technologies and human resources resulting in value-added economic opportunities and improvements to the social well-being of citizens. Within this context, under Malta's R&I strategy, ICT has been identified as an enabling technology for all economic sectors for the development of new goods, processes and services to modernise the economy and transform it into a knowledge-based one.

Under this Axis, investments such as targeted ICT infrastructure and IT networks will be supported. Measures to increase the use of e-services, including e-commerce, and to further develop e-government provision, in line with the aims of the Digital Agenda, will also be promoted together with measures to enhance the demand and use of ICT amongst citizens. In line with the Digital Malta strategy, actions will also aim to increase ICT entrepreneurial activities, support the application of ICT, enable local businesses to be more innovative, align the demand and supply of e-skills and foster R&I investments in ICT.[58]

Furthermore, Government will also seek to develop the necessary infrastructure to ensure adequate provision of public services, enhance ICT accessibility and encourage the development of ICT skills and digital literacy. The application of these concepts to sectors such as health, transport and taxation, amongst others, will contribute towards increased well-being and better living conditions for citizens. In line with the goals of the Digital Agenda, Government aims to further develop the ICT sector through investments in ICT facilities, data management and open data systems, cloud computing, enabling networks and IT platforms, with the aim of reducing communication barriers and providing high technology means.

Greater effort is needed to encourage digital learning amongst citizens. The acquisition of e-skills is necessary to ensure that all citizens are given the opportunity to reap the benefits from ICT, including better employment prospects and social inclusion. In this regard, investments under this Axis will be complemented by specific actions focusing on developing ICT skills through the European Social Fund.[59]

Through the planned actions under this Axis, this OP will ensure that ICT investments contribute towards all three Flagship Initiatives under the Europe 2020 strategy for smart, sustainable and inclusive growth and the relevant national 2020 targets.

PA 3: Enhancing Malta's competitiveness through investment in SMEs

Promoting a robust, diversified and competitive industrial base whilst moving towards a low-carbon economy, is critical to sustain the long term competitiveness of Malta's economy. [60] The key role of SMEs within a European framework has been acknowledged with the *Small Business Act for Europe* which recognises the central role of SMEs in the EU's economy.[61]

Government intends to build upon existing practices to ensure that enterprises are given the necessary guidance and assistance in order to set up and expand their businesses. Within this context, Government will facilitate access to finance for enterprises through financial instruments such as the SME initiative[62]. Government is also exploring the possibility of additional financial engineering instruments under this thematic objective through the ongoing ex-ante assessment. In this regard Government will support enterprises investing in those areas which have been identified within the Smart Specialisation Strategy as well as enterprises investing in areas which require support with a view to improve their economic contribution and move towards higher value-added sectors. [63] Adequate schemes including grants to support the financing needs of SMEs will be developed, taking into account the specific needs of micro enterprises, including small self-employed and family businesses. Such schemes shall aim amongst others to promote entrepreneurship; support the creation of new business activity; and support existing business to grow and improve their competitiveness.

The importance of sustaining SMEs is further framed within the Europe 2020 strategy including through the flagship initiative 'An integrated industrial policy for the globalisation era'. Within this context, Government will provide renewed impetus towards the provision of incentives for SME growth. These interventions, will also complement interventions under Axis 1. Given the size and contribution of the SME and micro-enterprise sectors to the economy, these developments are of particular strategic importance to Malta and will enable SMEs to raise enough capital to support business ventures.[64]

Interventions aimed at supporting and encouraging SMEs to adopt and develop innovation measures, as part of product development or where new concepts/ideas are explored as means of further expanding their businesses, will also contribute towards the Innovation Union initiative under Smart Growth. Moreover, in order to increase

opportunities for the workforce interventions under this PA will also contribute towards *Inclusive Growth* through the creation of new and better jobs. Infrastructural investments and financial support under this OP will also be complemented by measures fostering entrepreneurship at a societal and educational level through ESF interventions under OP II.

PA 4: Shifting towards a low-carbon economy

Moving towards resource-efficiency, low-carbon economy and sustainable growth is one of the central objectives of the Europe 2020 Strategy and remains one of Malta's top priorities for the 2014-2020 period. With the main targets under Europe's sustainable growth strategy covering renewable energy, energy efficiency and green house gas emissions, the need to invest in more environmentally-friendly measures, exploit natural resources in a sustainable manner whilst improving productivity and boosting competitiveness has never been so important. Within this context, Malta will contribute towards these targets through measures which are in line with the national strategies such as the National Renewable Energy Action Plan and the National Energy Efficiency Action Plan and which aim to address the priorities of the Flagship Initiatives: 'A resource-efficient Europe' and 'An integrated industrial policy for the globalisation era'.

In order to address environmental challenges such as the high reliance on imported fossil fuel oil for energy generation, the carbon emissions footprint of industry and enterprises and low energy performance in buildings, this OP enables the provision of measures to implement a more sustainable energy mix and shift towards cleaner energy whilst supporting climate change objectives. Measures under this PA will aim to increase the share of renewable energy sources through interventions and initiatives for households, enterprises and the public sector. Measures to enhance energy savings and promote energy efficiency systems and buildings will also be pursued to contribute towards EU 2020 and national targets. Infrastructural investment undertaken through this Programme will seek to maximise the use of renewable energy and energy efficiency in all interventions co-financed.

PA 5: Protecting our environment - investing in natural and cultural assets

The preservation of Malta's natural and cultural assets is one of the objectives contributing towards the amelioration of the Maltese environment which also contributes towards the Europe 2020 Strategy for sustainable growth. Interventions aiming to address the national challenges of biodiversity loss including adaptation to climate change and conservation of species in natural sites including the conservation of Natura 2000 sites as well as actions in line with Malta's National Biodiversity Strategy and Action Plan 2012-2020 will be supported.

Moreover, in an effort to conserve, protect and further develop Malta's national assets, Government will also support investments in small-scale cultural heritage^[65] in the public domain with a view to sustain business development and solidify Malta's tourism industry which is one of the main pillars of the Maltese economy. Private assets which

are in the public domain but in themselves would not lead to an economic activity will also be supported. Within this context, the preservation of cultural assets and the creation of cultural hubs will enable the further development of Malta's niche cultural tourism sector which in return will leverage an injection of investments from the private sector in the Maltese economy.[66] Investments under this PA will be complemented with capacity building interventions financed through the ESF OP with a view to strengthen the knowledge and skills within this sector and to foster the creation of green jobs.

PA 6: Sustainable Urban Development

Through this Axis, the OP will adopt an integrated approach to address economic, environmental, climate, demographic and social challenges affecting targeted urban areas. Malta's size presents challenges that are unique due to its population density and sprawling urbanisation. This together with economic development places considerable pressure on securing a balanced sustainable urban development. The Harbour area is the most densely populated area with the highest rate of persons at risk of poverty, high unemployment rates, particularly among youths, and high rates of truancy, crime and vandalism. Therefore this area has been identified as the urban area where integrated actions for sustainable urban development are mostly needed.[67] Through an integrated approach, actions will be implemented to bring about the required social, cultural and environmental change in this area. Measures foreseen under this axis will be determined through the Sustainable Urban Development Strategy[68] and will ensure complementarity with measures envisaged under PAs 3, 5, 7 and 9.

PA 7: Shifting towards a more low-carbon transport sector

The high dependence on fossil fuels in Malta is also visible within the transport sector resulting in transport being the second highest source of GHG emissions. In fact, the transport sector has a significant impact on air quality. In this regard, the decarbonisation of the transport sector plays a crucial role in Malta's strategy to shift towards a low-carbon economy and to address health and environmental issues stemming from poor air quality.[69] Within this context and, in line with the EU2020 priority for *Sustainable Growth*, this PA will support actions to promote sustainable transport investments and the implementation of modal shift, including through the provision of alternative modes of transport by sea, in order to reduce road congestion and curb high transport emissions. Actions are also aimed to promote modal shift, promote of the use of public transport with the aim to reduce the use private passenger vehicles from the road, complemented with comprehensive campaigns aimed at changing public perception towards the use of public collective transport.

Investments supported under this PA will be in line with the National Transport Strategy and Plan which is currently being prepared. Where applicable, relevant transport investments shall comply with Art. 4(7) of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.

PA 8: Investing towards a more socially-inclusive society

Under the Europe 2020 Strategy the need to increase employment, address skills mismatches, reduce ESL, increase tertiary education attainment and decrease the number of persons at risk of poverty are given prominence particularly under the flagship initiatives ‘European platform against poverty and social exclusion’ and an ‘Agenda for new skills and jobs’. Within this context, in order to contribute towards the achievement of the national 2020 target of lifting around 6,560 individuals from the risk of poverty and social exclusion as set out in Malta’s NRP, this PA will support measures which provide open access to all and combat inequalities. In line with the Green Paper providing for a framework for Poverty Reduction and for Social Inclusion, launched by Government in 2014, such measures include the provision of community-based services, social and health facilities as well as facilities for persons with disability and children. Measures will also be consistent with the European agenda for Inclusive Growth, whereby interventions will seek to integrate vulnerable groups into society and will give the rightful dignity to vulnerable and disadvantaged groups whilst equipping persons with the necessary skills and competences from a young age to enter and move within the labour market.

Health also plays a key role in ensuring a more socially inclusive society. In this regard, the Axis will contribute towards Government’s active ageing strategy which aims to promote active and healthy lifestyles in an effort to increase the employment rate of older workers and contribute towards the sustainability of the healthcare system. In June 2014 Government launched the National Health Systems Strategy (NHSS)[70] with a view to respond to the increasing demand and challenges posed by the health sector. In this regard, Government will invest in community care and preventive health care measures; the better utilisation of resources by improving the management and efficiency of services; the setting up and enforcement of quality standards and facilitating continuity of care; improved leadership as well as sustainable policies for human resources, financing mechanisms, entitlement criteria for care and organisation of care delivery.

Moreover, following the COVID-19 outbreak in a sudden and dramatic manner and the Commission's proposal to flexibly respond to the rapidly emerging needs, Malta will utilise funds available to address health-related issues in order to mitigate the impact of the COVID crisis.

Measures under this Axis will be complemented by the ESF OP and through interventions under the OP covering the Fund for European Aid to the Most Deprived (FEAD).

PA 9: Developing our future through education, training and lifelong learning

In line with the EU 2020 priority for *Inclusive Growth*, this PA will focus on interventions in the education sector to reach Malta’s national targets of reducing early school leaving to 10% and increasing the number of 30-34 year olds having completed tertiary education or equivalent to 33% by 2020. Within this context, the provision of

education, research and training facilities for academic and vocational education and training (VET) institutions plays a key role in achieving Malta's targets and improving the human capacity of the Maltese population, which remains Malta's only natural resource. In light of these needs and having surpassed the National 2020 headline target of reducing early school leavers (ESL) to 29% in 2009.[71] Malta has embarked on reforms to reduce ESL which include the launch of a strategic plan for the prevention of early school leaving in Malta.[72] Interventions will aim to attract more students to further and higher education by providing high quality facilities as well as new services and education opportunities. Such measures will consequently encourage more student mobility which will increase Malta's contribution to the achievement of the Youth on the Move initiative. Moreover, investments under this PA will be complemented by investments under the ESF OP.

PA 10: Investing in a more environmentally-friendly society

To sustain an environmentally-friendly society, this PA puts particular emphasis on the need to address significant national challenges such as waste minimisation and disposal, water scarcity and the shift towards a more resource efficient economy. This Axis takes into consideration the need to take up measures for climate change adaptation and mitigation, in line with the priorities outlined in National Strategy for Policy and Abatement measures[73] and Malta's National Climate Change Adaptation Strategy.[74]

To address the challenges posed by the waste sector, interventions will be aimed to reduce the amount of waste and divert remaining residues for recycling and recovery of resources through appropriate measures for waste to energy options. Efforts will be targeted to minimise waste going to landfills and move waste up the waste hierarchy in line with the Waste Management Plan[75] to be able to reach ambitious national targets in the sector. Efforts will also be targeted towards enhancing the sustainability of water management on the Maltese Islands. In this regard, this OP will provide the basis for interventions which are in line with the Water Catchment Management Plan[76] and Malta's National Water Management Plan which will be launched in 2015. In an effort to address the severe pressures on water resources and to enhance water quality whilst adapting to climate change, interventions will seek to enhance awareness on water conservation and efficiency, optimise the use and quality of ground water as well as increasing the use of alternative sources of water supply.

PA 11: Investing in TEN-T infrastructure

The Europe 2020 strategy identifies transportation as strategic to the Union's sustainable growth. Within the national context, investments in transport remain necessary for Malta's economic well-being, particularly due to Malta's insularity and limited modes of accessibility which continue to constrain sustainable growth. Investments in the TEN-T network financed through this OP will be identified within the integrated National Transport Strategy and Plan.[77]

In an effort to sustain the shift towards more sustainable transport systems on the Maltese Islands, this PA will support investments to address bottlenecks in road infrastructure and provide the necessary infrastructure. Interventions in road infrastructure will aim to ensure the integration of transport systems with a view to maximise and facilitate the use of public transport whilst ensuring the optimisation of routes, better journey planning and reduction in journey time. This PA will also support investment in ports infrastructure which play a critical role in the economy and in the transport sector. The upgrading and development of existing maritime infrastructure will also be targeted towards supporting the potential for Motorways of the Sea and to enhance efficiency and capacity of existing port infrastructures. In an effort to address Gozo's double insularity and in line with Europe's aim to reduce disparities between regions as highlighted in the Treaty of Lisbon, this PA will also support projects to improve Gozo's accessibility and connectivity.

Interventions will be complemented with initiatives financed through the Connecting Europe Facility. Where applicable, relevant transport investments shall comply with Art. 4(7) of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.

PA 13: Fostering resilience in the healthcare system through REACT-EU

The Maltese health sector, which offers free services to residents irrespective of socioeconomic background or status has always been prioritised by Government. In recent years, public healthcare in Malta has been facing pressures not only from the spread of the pandemic, but also by an increasing demographic of migrant workers, an ageing population, and an exponential increase in cancer related illnesses. A sharp rise in health expenditure, inevitable due to the COVID-19 pandemic, put further pressure on the provision of primary and preventive care and created supply shocks. Within this context, efforts to sustain the resilience of the healthcare system, with a view to not only continue providing the required services but also to shift towards more innovative technologies and improved service provision remains important, in line with CSR 1 of 2020 and SDG 3.

This PA will improve the resilience of the health sector through the investment in new, upgraded equipment, leading to new and upgraded services and a continued effort towards the digitalization of the public health. This will lead to better health outcomes, improved patient care, and overall improvement of the quality of healthcare provision. Support under this PA will be funded through the REACT-EU.

PA 14: SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs

Challenges arising within the context of post COVID-19 economic recovery and the war in Ukraine have resulted in the disruption of the energy market and volatile increases in energy prices, notably for gas and electricity, in the face of shortages of supply. Amongst

various EU measures undertaken to address this energy crisis, the SAFE (**Supporting Affordable Energy**) package provides an opportunity for EU funds to support emergency intervention to address high energy prices.

Malta's households and business sectors were not immune to this energy crisis. In the wake of energy price increases, Government provided immediate support to ensure that Maltese residents, including the most vulnerable, are not impacted by the higher energy costs before these reached consumers and businesses. This support minimised the increase in the cost of living. In the absence of such measure, the increase in utility bills would have been exponential, especially for the most vulnerable, who are at the highest risk of poverty. The Maltese Government focused its attention on absorption of costs tied to the increases in energy prices. This PA aims to support this initiative through exceptional measures for vulnerable households to help them meet their energy consumption costs.

Note

Result and Output Indicators under all PAs, where feasible, have been selected from or are comparable with the set of regional indicators collected, validated and disseminated by Eurostat.

[1]Eurostat Data: Labour Market, annual average unemployment rates (Not seasonally adjusted data)

[2]Eurostat news release 140/2013, 1 October 2013 (Seasonally adjusted data).

[3]National Statistics Office(NSO), A Social and Economic Study

[4]NSO, News Release 132/2014.

[5]Innovation Union Scoreboard 2014 – Enterprise and Industry, European Commission, 2014 (http://ec.europa.eu/enterprise/policies/innovation/files/ius/ius-2014_en.pdf)

[6]Eurostat data on R&D personnel

[7]Enterprises employing at least 10 persons.

[8]NSO 185/2014.

[9]National Research and Innovation Strategy 2020.

[10]Digital Agenda for Europe: Malta (<http://ec.europa.eu/digital-agenda/en/scoreboard/malta>).

[11]NSO, News Release 033/2014.

[12]Government will seek to maximise investment in the ICT sector through various funding initiatives, including the Connecting Europe Facility.

[13]Digital Agenda Scoreboard, Malta, 2014.

[14]In relation to ‘spatial distribution’, the Maltese Islands are considered as one region. Business demographics for the island of Gozo are also compiled (see http://www.nso.gov.mt/statdoc/document_file.aspx?id=4061, accessed on 22 October 2014).

[15]EC, SBA Fact Sheet 2014, Enterprise and Industry, Malta, (http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2014/malta_en.pdf)

[16]Data published by Eurostat, 2011, with respect to the exports generated by the Maltese economy, segregated by company size (micro, small, medium and large) for the period 2009 and 2011 (<http://epp.eurostat.ec.europa.eu/newxtweb/mainxtnet.do>).

[17]Such interventions may also include ICT related investments.

[18]Government will seek to maximise investment in SMEs through various funding initiatives, including the SME Initiative.

[19]Indicative allocation is based on climate-related expenditure for all ESI Funds (euro171,184,127).

[20]In line with Article 7 of ERDF Regulation1301/2013.

[21]Malta’s Report under Article 22 of Directive 2009/28/EC

[22]Details in relation to the options analysis are outlined in the Partnership Agreement of Malta.

[23]Available on: http://ec.europa.eu/energy/efficiency/eed/need_en.htm (NEEAP 2014).

[24] Directive 2006/32/EC on energy end use efficiency and energy services sets an indicative target of 9% savings in energy end used by 2016.

[25] Government is in the process of re-evaluating this interim target.

[26] OJ L 348, 20.12.2013 *Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU.*

[27] Transport Statistics 2013, NSO, Malta, 2013.

[28] More information can be found in the Partnership Agreement of Malta 2014-2020.

[29] Ministry for Sustainable Development, the Environment and Climate Change, October 2013.

[30] Discussions with the EC to ensure that monitoring of its surface and coastal waters is in line with the Water Framework Directive are ongoing.

[31] Malta's National Biodiversity Strategy and Action Plan 2012-2020.

[32] Market Profile Survey by the Malta Tourism Authority, 2013.

[33] Malta Tourism Policy 2012-2016.

[34] In line with Article 3 (1) (e) of ERDF Regulation.

[35] Infrastructural investments will include climate change mitigation and adaptation measures particularly in relation to water conservation where possible.

[36] Census of population and Housing 2011, NSO 2014.

[37] Ibid.

[38] NSO, SILC 2012, 2014.

[39] National Youth Employment Strategy, 2015, Ministry for Education and Employment.

[40]Infrastructural investments may also include climate change mitigation and adaptation measures including water conservation where possible.

[41]A National Health Systems Strategy for Malta 2014-2020 - Securing our health systems for future generations.

[42]A Healthy Weight for Life: A National Strategy for Malta, 2012-2020.

[43]Ibid.

[44]NSO: SILC 2013; http://www.nso.gov.mt/statdoc/document_view.aspx?id=3853 (accessed on 26 September 2014).

[45]NSO: SILC 2012 - News Release 164/2014.

[46]http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/People_at_risk_of_poverty_or_social_exclusion.

[47]NSO, Labour Force Survey.

[48]Eurostat: Annual average unemployment rate by sex, and age groups.

[49]EUROSTAT: Early School Leavers from Education and Training (http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_40).

[50]EUROSTAT, Tertiary Education Attainment (Age group 30-34), http://epp.eurostat.ec.europa.eu/portal/page/portal/europe_2020_indicators/headline_indicators/statistical_dashboards/education/attainment, accessed on 27 October 2014.

[51]For the territorial cooperation dimension see section 8 of the OP. The territorial cooperation perspective will also be taken into account within the relevant PAs, as appropriate. Also see section 3.1.4 of the Partnership Agreement for complementarities and potential synergies between Malta's priority areas under the ETC programmes and the priorities set out within the Partnership Agreement.

[52]Refer to Section 2.

[53]National R&I Strategy 2020.

[54]The potential for investing in R&I in other sectors such as blue biotechnology and sea observation, amongst others, may also be explored.

[55]According to the National R&I Strategy, the manufacturing sector remains the predominant sector for research and innovation investment. Statistics indicate that manufacturing activity encompassed 65.4% of all innovation expenditure and 62.2% of intramural R&D expenditure. This indicates clearly that, in spite of shifts towards the services sector, the manufacturing sector is still strong and should therefore be sustained through a greater focus on innovation niches within the sector.

[56]Interventions related to the development of clusters, particularly those leading to innovation processes, service development, and internationalisation, are outlined under PA 3.

[57]Digital Agenda for Europe, A Europe 2020 Initiative, Available online: <http://ec.europa.eu/digital-agenda/about-our-goals>.

[58]Digital Malta: National Digital Strategy 2014-2020, p. 30.

[59]Such training will focus on digital literacy and may also include the training of high level digital specialists as well as other measures to further enhance e-learning and e-inclusion.

[60]Enterprise and Industry, Industrial Policy, Available online: http://ec.europa.eu/enterprise/policies/industrial-competitiveness/industrial-policy/index_en.htm.

[61]Enterprise and Industry, Small Business Act for Europe Available online: http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm.

[62]European Council Conclusions, October 2013.

[63]Interventions relevant to Malta's blue economy may also be considered for ERDF support.

[64]Interventions under this PA will be complemented by the SMEi (European Council Conclusions, October 2013) under another OP titled 'Stimulate private sector investment for economic growth'.

[65]In line with Article 3 (1) (e) Regulation 1301/2013.

[66]Infrastructural investments may also include climate change mitigation and adaptation measures including water conservation.

[67]Infrastructural investments will include climate change mitigation and adaptation measures particularly in relation to water conservation where possible.

[68]Measures identified within the Sustainable Urban Development Strategy will be mainly financed under PA 6.

[69]Interventions within this area are expected to contribute towards mitigating climate change related issues.

[70]NHSS - <https://ehealth.gov.mt/HealthPortal/news.aspx?newsid=1417>.

[71]EUROSTAT: Early School Leavers from Education and Training.

[72]<http://education.gov.mt/esl/Documents/School%20Leaving%20in%20Malta.pdf>.

[73]National Strategy for Policy and Abatement measures relating to the reduction of Greenhouse Gas Emissions 2009.

[74]National Climate Change Adaptation Strategy, Ministry for Resources and Rural Affairs, May 2012.

[75]Waste Management Plan for the Maltese Islands: A resource management approach 2014-2020.

[76]The Water Catchment Management Plan for the Maltese Islands, March 2011.

[77]Interventions supported will be in line with the TEN-T guidelines.

1.1.1bis Description of the expected impact of the operational programme on fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and preparing a green, digital and resilient recovery of the economy.

1.1.2 A justification for the choice of thematic objectives and corresponding investment priorities having regard to the partnership agreement, based on an identification of regional and, where appropriate, national needs including the need to address the challenges identified in relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and the relevant Council recommendations adopted in accordance with Article 148(4) TFEU, taking into account the ex-ante evaluation.

Justification setting out the expected impact of the operational programme on fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and preparing a green, digital and resilient recovery of the economy.

Table 1: Justification for the selection of thematic objectives and investment priorities

Selected thematic objective	Selected investment priority	Justification for selection/Impact on fostering crisis repair
01 - Strengthening research, technological development and innovation	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	<ul style="list-style-type: none"> • Contribute towards the achievement of Malta’s EU2020 target of 2% Gross R&D expenditure as a percentage of GDP by 2020. • Need to invest in the necessary high quality research infrastructure in particular indigenous research. • Need to contribute to a long term higher and sustainable investment in R&I whilst taking into account MT’s position within this sector.
01 - Strengthening research, technological development and innovation	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services	<ul style="list-style-type: none"> • Stimulate investment in research and innovation within the private sector with a view to contribute towards business development and growth.
02 - Enhancing access to, and use and quality of, information and communication technologies	2b - Developing ICT products and services, e-commerce and enhancing demand for ICT	<ul style="list-style-type: none"> • Contribute towards the achievement of the Digital Agenda for Europe Targets. • Stimulate private sector

Selected thematic objective	Selected investment priority	Justification for selection/Impact on fostering crisis repair
		investment in ICT and e-based solutions.
02 - Enhancing access to, and use and quality of, information and communication technologies	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	<ul style="list-style-type: none"> • Contribute towards the achievement of the Digital Agenda for Europe Targets • Improve the accessibility of eServices. • Improve efficiency within public administration and reduce administrative burden through ICT.
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)	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	<ul style="list-style-type: none"> • Stimulate private sector investment aimed at contributing towards economic growth and job creation • Encourage entrepreneurship, start-ups and the development of SMEs. • Develop enabling business infrastructure to support business growth and the attraction of new industries.
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)	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	<ul style="list-style-type: none"> • To enable SMEs to have improved access to finance to grow and develop • Stimulate private sector investment for the development, growth and diversification of SMEs.
04 - Supporting the shift towards a low-carbon economy in all sectors	4a - Promoting the production and distribution of energy derived from renewable sources	<ul style="list-style-type: none"> • Ambitious national Europe 2020 target set out in the National Reform Programme of 10% energy coming from renewable energy and 27% of the primary

Selected thematic objective	Selected investment priority	Justification for selection/Impact on fostering crisis repair
		<p>energy consumption in 2020.</p> <ul style="list-style-type: none"> • Country Specific Recommendation to encourage the continued efforts to increasing the take-up of renewable energy
04 - Supporting the shift towards a low-carbon economy in all sectors	4b - Promoting energy efficiency and renewable energy use in enterprises	<ul style="list-style-type: none"> • Ambitious national Europe 2020 targets set out in the National Reform Programme of 10% energy coming from renewable energy and 27% of the primary energy consumption in 2020. • Country Specific Recommendation to encourage the continued efforts to increasing the take-up of renewable energy • To promote energy efficiency
04 - Supporting the shift towards a low-carbon economy in all sectors	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	<ul style="list-style-type: none"> • Ambitious national Europe 2020 targets set out in the National Reform Programme of 10% energy coming from renewable energy and 27% of the primary energy consumption in 2020. • Country Specific Recommendation to encourage the continued efforts to increasing the take-up of renewable • To promote energy efficiency
06 - Preserving and protecting the environment and	6c - Conserving, protecting, promoting and developing natural and cultural heritage	<ul style="list-style-type: none"> • Improve the Maltese tourism product through

Selected thematic objective	Selected investment priority	Justification for selection/Impact on fostering crisis repair
promoting resource efficiency		<p>the development and consolidation of niche markets</p> <ul style="list-style-type: none"> • Maximise the economic contribution particularly within the tourism sector through the preservation, conservation, protection and development of cultural and natural heritage • Maintain, consolidate and further develop Malta’s cultural and natural heritage to enhance the country’s endowment and attractiveness • Conserve the natural environment • Improve accessibility of cultural, historical and natural sites
06 - Preserving and protecting the environment and promoting resource efficiency	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	<ul style="list-style-type: none"> • Ambitious National and EU Waste Targets • Need to increase recyclable waste • Need to reduce waste going to landfill • Enhance the sustainability of the waste management sector.
06 - Preserving and protecting the environment and promoting resource efficiency	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	<ul style="list-style-type: none"> • Improve the sustainability of water management through improved efficiency. • Support the achievement of good quantitative and good qualitative status of scarce water resources. • To improve efficiency and reduce environmental impact in water production and

Selected thematic objective	Selected investment priority	Justification for selection/Impact on fostering crisis repair
		distribution
07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	<ul style="list-style-type: none"> • Ambitious national target under Directive 2009/28/EC to increase share in RES in transport modes to 10% • Reduce emissions from the transport sector • Improve journey time • Increase the use of public transport and of different modes of transport
07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T	<ul style="list-style-type: none"> • Reduce bottlenecks in transport infrastructure particularly in TEN-T network • Reduction in journey time • Improve road safety • To reduce emissions from the transport sector
09 - Promoting social inclusion, combating poverty and any discrimination	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	<ul style="list-style-type: none"> • Pursue healthcare reforms, in particular by strengthening public primary care provision. • Need to provide support through adequate social services within the community for vulnerable groups in society • Address the needs and challenges of vulnerable groups including the elderly and persons with disability • Contribute towards an inclusive society which participates in the economic and social development of the country.

Selected thematic objective	Selected investment priority	Justification for selection/Impact on fostering crisis repair
09 - Promoting social inclusion, combating poverty and any discrimination	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	<ul style="list-style-type: none"> • Specific needs of communities living in social housing to enhance social inclusion and combat poverty.
09 - Promoting social inclusion, combating poverty and any discrimination	9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest	Address the needs and challenges of vulnerable households to meet their energy consumption costs.
10 - Investing in education, training and vocational training for skills and lifelong learning	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure	<ul style="list-style-type: none"> • Country specific recommendation to reduce early school leavers and to increase labour market relevance of education and training to address skills gap. • Ambitious target set in the National Reform Programme of having at least 33% of the 30-34 year olds completing tertiary or equivalent education.
13 - Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy	13i - (ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy	Contribute towards the Country Specific Recommendation to actively address the COVID-19 crisis, including through the enhancement of the resilience of the healthcare system.

1.2 Justification for the financial allocation

Justification for the financial allocation (Union support) to each thematic objective and, where appropriate, investment priority, in accordance with the thematic concentration requirements, taking into account the ex-ante evaluation.

Justification for the financial allocation of the additional resources to thematic objective "Fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and preparing a green, digital and resilient recovery of the economy" to the ERDF, the ESF or the FEAD and how these resources target the geographic areas where they are most needed, taking into account the different regional needs and development levels in order to ensure that focus is maintained on less developed regions, in

accordance with the objectives of economic, social and territorial cohesion set out in Article 174 TFEU.

European Structural and Investment Funds aim to foster the right environment for economic growth, enhanced competitiveness, job creation and sustainable development. Within this context, Malta aims to invest in areas which are of strategic importance for the socio-economic development of the country. Furthermore, the programme also contributes towards addressing the Country Specific Recommendations as well as the EU 2020 targets. The selection of thematic objectives was undertaken on the basis of the country's development needs whilst taking into consideration thematic concentration according to Article 4 of ERDF regulation.

1.2.1 Investing in research, technological development and innovation

Government is allocating 13% of ERDF towards improving Malta's R&I standing through investment in both public and private research. The objective is to stimulate investment in research and innovation, which is pivotal for business development and growth. Investment within this sector is also expected to contribute towards economic growth and improve Malta's competitiveness.

1.2.2 ICT

Notwithstanding the success registered within the ICT sector over recent years, access and use of ICT remain a challenge particularly for businesses. Within this context, Government is allocating 10% of ERDF resources with a view to stimulate investment in ICT and e-based solutions within the private sector. Investment under this thematic objective will also support investment in ICT within the public administration with a view to improve efficiency and effectiveness. Through this objective Government is expected to contribute towards the Digital Agenda for Europe.

1.2.3 Competitiveness of SMEs

SMEs constitute the backbone of the Maltese economy; 99.8% of all registered enterprises in Malta are SMEs, out of which 94.6% are micro-enterprises. In this regard, 18% of the ERDF allocation is being targeted for investment under priority axis 3 with a view to encourage entrepreneurship, start-ups and the development of SMEs including through the development of enabling infrastructure to support business growth and the attraction of new industries.

1.2.4 Low Carbon

To support the shift towards a low carbon efficient economy and to reduce the Islands' dependency on fossil fuels, Government is allocating 7% of ERDF resources for investment under thematic objective 4. This is a particular challenge for Malta

considering its geophysical characteristics which include limited land space, the conflicting use of land for other activities as well as the difficulty in the implementation of onshore wind farms. Nevertheless, Government is committed to provide the necessary support to ensure investment in the domestic, private and public sector which will contribute towards addressing the Country Specific Recommendation whilst also contributing towards the EU 2020 targets.

1.2.5 Environment

Due to Malta's specific territorial constraints particularly due to limited land space and a high degree of urbanisation, environmental challenges remain a priority for Government. In fact, Government is allocating 14% of ERDF resources and 59% of CF resources for investments under thematic objective 6 to sustain an environmental friendly society and a resource efficient economy. The objective is to improve the Maltese environment through the sustainability of the waste and water management sectors, investment targeting the conservation, preservation and protection of cultural and natural heritage as well as biodiversity conservation.

1.2.6 Sustainable Transport

8% of ERDF resources and 41% of CF allocation are earmarked for thematic objective 7 to support the sustainability of national transport sector. The transport sector in Malta proves to be challenging due to the specific territorial constraints and lack of economies of scale. Government aims to reduce bottlenecks in the transport sector with a view to enhance connectivity and improve journey time. The decarbonisation of the transport sector is a persistent challenge. In this regard, support is necessary to stimulate investment to shift towards more environmental friendly transport systems as well as to promote the use of collective public transport. This thematic objective will also contribute towards addressing Malta's Country Specific Recommendation.

1.2.7 Health and Social Inclusion

Interventions in health will be undertaken in line with the relevant CSR, whereby the importance of pursuing healthcare reforms, including the strengthening of the primary health care provision, is being highlighted. Moreover, following the COVID-19 outbreak in a sudden and dramatic manner and the Commission's proposal to flexibly respond to the rapidly emerging needs, health-related initiatives aimed to address the coronavirus crisis will also be covered under the programme.

Furthermore, this thematic objective will also seek to integrate disadvantaged groups through investment in the necessary infrastructure, including in resource centres and social housing with a view to reduce social and health inequalities. The financial allocation for thematic objective 9 represents 14% of ERDF resources.

1.2.8 Education

Education is a key component for Malta's competitiveness. In this regard, 7% of ERDF resources are being allocated to enable investments in the necessary training infrastructure to enhance participation in education, training and lifelong learning. This investment will contribute towards the improvement of basic skills attainment, the reduction of early school leavers and address the labour-market relevance of education and training in line with the CSR. These funds will also target investments which will contribute towards increasing the participation of 30-34 year olds in tertiary or equivalent education.

1.2.9 Sustainable Urban Development

In line with Article 7 of the ERDF, Government is allocating 5% of ERDF resources for integrated actions for sustainable urban development covering thematic objectives 6 and 9. The Harbour area is considered as the urban area which will benefit from this integrated, multi-thematic objective approach due to the high at risk of poverty rate, high unemployment rate including youth unemployment, high level of absenteeism from school, a large number of dilapidated buildings including social housing and its economic potential due to the large concentration of historical and cultural buildings.

1.2.10 Technical Assistance

3% of ERDF resources are earmarked for technical assistance which is necessary to support the efficient and effective implementation, monitoring and evaluation of the ERDF/CF Operational Programme.

1.2.11 Increasing the resilience of the health care system

The full REACT-EU envelope for 2022 is being directed towards supporting the resilience of the healthcare system through investments in technologies, equipment and supplies, as required. These additional resources will complement interventions under this programme already directed towards mitigating the impact of the COVID-19 pandemic and contribute towards the maintenance of quality health service and improved patient care. The REACT-EU support for the Maltese healthcare system will therefore result in improved patient treatment, more targeted patient care, and a better quality of life.

1.2.12 Enhancing the resilience of vulnerable households during the energy crisis

In line with Article 25b of Regulation (EU) 1303/2013, 3% of the total ERDF, ESF and Cohesion Fund resources, including REACT-EU resources under the Investment for growth and jobs goal, allocated to Malta for the 14-20 programme is being directed towards supporting vulnerable households hit by the energy crisis resulting from the war in Ukraine. The SAFE allocation will be directed towards the assistance provided to vulnerable households to preserve their already limited purchasing power and meet their daily energy needs without falling into the risk of poverty. As a result, fewer vulnerable

households should be at risk of energy poverty during this crisis and the lives and wellbeing of people affected by the high energy prices will be better safeguarded.

Table 2: Overview of the investment strategy of the operational programme

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme specific indicators for which a target has been set
PA 1	ERDF	49,653,100.00	8.94%	<ul style="list-style-type: none"> ▼ 01 - Strengthening research, technological development and innovation <ul style="list-style-type: none"> ▼ 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest <ul style="list-style-type: none"> ▼ SO 1 - Stimulating participation in R&D&I through the development of the necessary public infrastructure in line with the Smart Specialisation Strategy. ▼ 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services <ul style="list-style-type: none"> ▼ SO 2 - Strengthening the competitiveness of the private sector through R&D&I in line with the Smart Specialisation Strategy 	[PSR, PSR1, PSR2]
PA 13	ERDF REACT-EU	11,162,285.00	2.01%	<ul style="list-style-type: none"> ▼ 13 - Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy <ul style="list-style-type: none"> ▼ 13i - (ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy <ul style="list-style-type: none"> ▼ SO1 - Fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and preparing a green, digital and resilient recovery of the economy 	[PSR8h]
PA 2	ERDF	37,948,320.00	6.83%	<ul style="list-style-type: none"> ▼ 02 - Enhancing access to, and use and quality of, information and communication technologies <ul style="list-style-type: none"> ▼ 2b - Developing ICT products and services, e-commerce and enhancing demand for ICT <ul style="list-style-type: none"> ▼ SO 1 - Strengthen the Digital Economy by increasing the use of e-commerce supported by e-services. ▼ 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health <ul style="list-style-type: none"> ▼ SO 2 - Consolidating and further developing the provision of e-government services for G2C, G2B and G2G. 	[PSR2a, PSR2b, PSR2d]
PA 3	ERDF	35,653,100.00	6.42%	<ul style="list-style-type: none"> ▼ 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) <ul style="list-style-type: none"> ▼ 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators <ul style="list-style-type: none"> ▼ SO 1 - Creation of employment opportunities through the provision of infrastructure, financial incentives as well as support services. ▼ 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes <ul style="list-style-type: none"> ▼ SO 2 - Nurture the growth potential of SMEs at a regional, national and international level through the provision of tangible and intangible support. 	[PSR3, PSR3b, PSR3c, PSR3d]
PA 4	ERDF	26,122,480.00	4.70%	<ul style="list-style-type: none"> ▼ 04 - Supporting the shift towards a low-carbon economy in all sectors <ul style="list-style-type: none"> ▼ 4a - Promoting the production and distribution of energy derived from renewable sources <ul style="list-style-type: none"> ▼ SO 1 - Promoting the use of RES through financial incentives in the domestic sector and undertakings not carrying out an economic activity. ▼ 4b - Promoting energy efficiency and renewable energy use in enterprises 	[PSR4b, PSR4c, SR7a]

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme specific indicators for which a target has been set
				<ul style="list-style-type: none"> ▼ SO 2 - Promoting the use of RES and EE within the commercial and industrial sectors through financial incentives and financial instruments. ▼ 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector ▼ SO 3 - The use of RES and EE within public property as well as EE in housing through financial incentives. 	
PA 5	ERDF	50,653,098.00	9.12%	<ul style="list-style-type: none"> ▼ 06 - Preserving and protecting the environment and promoting resource efficiency ▼ 6c - Conserving, protecting, promoting and developing natural and cultural heritage ▼ SO 1 - Improve the Maltese competitiveness standing within the tourism sector through the promotion, protection and preservation of natural/cultural/historical assets intended to improve the Maltese cultural tourism experience whilst maintaining increased tourist flows. 	[PSR5a, PSR5b]
PA 6	ERDF	19,217,700.00	3.46%	<ul style="list-style-type: none"> ▼ 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) ▼ 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators ▼ SO 3 - Regeneration of the dilapidated urban areas through the development of the infrastructures for SMEs. ▼ 06 - Preserving and protecting the environment and promoting resource efficiency ▼ 6c - Conserving, protecting, promoting and developing natural and cultural heritage ▼ SO 1 - Improve the urban environment in the Southern Harbour in line with the integrated urban development strategy through the preservation and promotion of cultural/ historical assets in the public domain intended to improve employment opportunities in social deprived areas. ▼ 09 - Promoting social inclusion, combating poverty and any discrimination ▼ 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas ▼ SO 2 - Regeneration of public open spaces and public social housing within deprived neighbourhoods to lift people out of risk of poverty. In addition, this investment priority will be supported through infrastructure in education / community centres which will be complimented by ESF type of measures. 	[PS6a1, PSR6a, PSR6d]
PA 7	ERDF	28,403,760.00	5.11%	<ul style="list-style-type: none"> ▼ 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures ▼ 7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility ▼ SO 1 - Infrastructural investment in collective public transport to increase patronage through: information systems, greening of public spaces in urban areas as well as campaigns earmarked to influence behavioural patterns. Studies linked to the use and the introduction of new/improved and or additional modes of transport as well as additional complementary investment in this area including sea landing places as well as investment in cleaner public transport will be supported. ▼ SO 2 - Investment in transport sector through schemes or other measures intended to promote the use of cleaner transport vehicles in order to reduce carbon emissions. 	[PSR7, PSR7a, PSR7b, PSR7c]
PA 8	ERDF	51,998,670.00	9.36%	<ul style="list-style-type: none"> ▼ 09 - Promoting social inclusion, combating poverty and any discrimination ▼ 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services ▼ SO 1 - Investment in public health infrastructures aimed to alleviate the pressures from the main hospital and investment aimed to provide additional health services as well as infrastructural measures to promote a healthy lifestyle. 	[PSR6d, PSR8d, PSR8e, PSR8f, PSR8g, PSR8h]

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme specific indicators for which a target has been set
				<ul style="list-style-type: none"> ▼ SO2 - Support the integration of vulnerable persons, including young persons with challenging behaviours, within the community through public infrastructure, community based centres and therapeutic centres, intended to provide necessary social services to vulnerable groups and to bring vulnerable persons closer to the labour market. ▼ 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas ▼ SO 3 - Integration of deprived families through the upgrading of public social housing. 	
PA 9	ERDF	26,904,780.00	4.84%	<ul style="list-style-type: none"> ▼ 10 - Investing in education, training and vocational training for skills and lifelong learning ▼ 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure ▼ SO 1 - Invest in public infrastructure aimed to provide education and training facilities for academic and vocational education and training (VET) to reduce early school leavers as well as improve tertiary education attainment. 	[PSR9, PSR9b]
PA14	CF	24,000,000.00	4.32%	<ul style="list-style-type: none"> ▼ 09 - Promoting social inclusion, combating poverty and any discrimination ▼ 9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest ▼ SO2 - Supporting vulnerable households through exceptional measures to help them meet their energy consumption costs 	[]
PA 10	CF	120,282,371.00	21.65%	<ul style="list-style-type: none"> ▼ 06 - Preserving and protecting the environment and promoting resource efficiency ▼ 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements ▼ SO 1 - Increase awareness and recycling of waste and reduce the volume and improve the quality of waste going to landfill through investment in waste management related infrastructure including the rehabilitation of closed landfills for other non-waste related uses as well as education campaigns. ▼ 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements ▼ SO 2 - Investment to improve the sustainability of water resources through the consolidation of investment in groundwater, rain water harvesting and desalination leading towards better water quality and enhanced water conservation and efficiency, including campaigns aimed to raise awareness. 	[PR10a, PR10b, PR10c, PR10e, PR10f, PSR10]
PA 11	CF	60,709,738.00	10.93%	<ul style="list-style-type: none"> ▼ 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures ▼ 7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T ▼ SO 1 - Investment in (TEN-T) both land transport and maritime with a view to reduce journey time, including the facilitation of movement of goods. This investment priority will also include investment in customs infrastructures to improve efficiency and safety in cross border transactions. 	[PR11, PR11f]
PA 12	ERDF	12,798,989.00	2.30%	SO 1 - Investing in the implementation of the Operational Programme with a view to optimise the programme's delivery in line with regulatory requirements and procedures.	[]

2. PRIORITY AXES

2.A DESCRIPTION OF THE PRIORITY AXES OTHER THAN TECHNICAL ASSISTANCE

2.A.1 Priority axis

ID of the priority axis	PA 1
Title of the priority axis	Investing in research, technological development and innovation

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/a

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF	Transition	Public	

2.A.4 Investment priority

ID of the investment priority	1a
Title of the investment priority	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Stimulating participation in R&D&I through the development of the necessary public infrastructure in line with the Smart Specialisation Strategy.
Results that the Member States seek to achieve with Union support	<p>In 2012, total R&D expenditure as a percentage of GDP stood at 0.91%, thus exceeding Malta's EU 2020 target of 0.67%. The Business Enterprise sector remains the main contributor to R&D expenditure; this was followed by expenditure from the public sector. Notwithstanding, the progress achieved over the past years, Malta's R&I system is still in its infancy stage and consequently investment is required to effectively foster growth and co-operation within this sector. The lack of home-grown R&D, research institutes and research infrastructure, shows that whilst efforts at increasing human resource capacity in R&D have been ongoing for a number of years, additional efforts are necessary to create the necessary enabling environment for further research activity.[1]</p> <p>The 2014 Innovation Union Scoreboard highlights that Malta remains a moderate innovator, performing below the EU average for most innovation indicators. High growth is observed in community designs and in the most cited scientific publications, and relative strengths are observed in community trademarks, non-R&D innovation expenditures and in employment in knowledge-intensive activities, amongst others. However, strong weaknesses are observed in non-EU doctorate students and new doctorate graduates. In addition, large declines in growth are also observed for non-EU doctorate students, sales share of new innovations as well as license and patent revenues from abroad.[2]</p> <p>Malta is still developing its national system of innovation[3] while limited R&D spending, together with low innovation activity, patent registrations, doctoral graduates, and employment opportunities in the RTDI sector remain some of Malta's main weaknesses. Within this context, investment under this investment priority will address key challenges including: limited public capacity in terms of infrastructure to undertake research activities and hence a limited research and innovation culture; limited collaboration between private and public sectors; limited expenditure in R&D notwithstanding that the national target was achieved; limitation of research infrastructural facilities; and a lack of physical space and expertise requiring a multi-disciplinary approach.</p>

Through this planned investment it is expected that there will be the creation of multi-disciplinary research within public infrastructure thus enabling Malta's increased participation in applications for patents and increased collaboration between different disciplines and collaboration between academia and industry in areas of common interest in line with the smart specialisation strategy. Furthermore, this investment priority will include the undertaking of indigenous research in the area of health leading to applications for patents and collaboration with both the private sector and research institutions in such an important area of research.

The achievement of these results will contribute towards reaching Malta's national 2020 target of 2% Gross R&D expenditure as a percentage of GDP by 2020.[4]

[1] National Research and Innovation Strategy 2020.

[2] Innovation Union Scoreboard 2014 – Enterprise and Industry, European Commission, 2014, page 60 (http://ec.europa.eu/enterprise/policies/innovation/files/ius/ius-2014_en.pdf) accessed on 17 October 2014.

[3] National R&I Strategy 2020, page 20.

[4] The actions to be supported under this investment priority may also contribute to climate change objectives.

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Stimulating participation in R&D&I through the development of the necessary public infrastructure in line with the Smart Specialisation Strategy.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR	Number of applications for patents	Number	Transition	3.00	2013	10.00	Monitoring	Every two years
PSR2	Number of partnerships/cooperations with enterprises/other research institutions	Number	Transition	9.00	2013	20.00	Monitoring	Every year

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
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Government aims to support actions to develop public infrastructure for the creation of multi-disciplinary research to enable Malta's increased participation in research resulting in applications for patents and increased collaborations between different disciplines and collaboration between academia and industry in areas of common interest in line with the smart specialisation strategy. Another action under this investment priority is the undertaking of indigenous research in the area of health leading to applications for patents and collaboration with both the private sector and research institutions.

The actions to be supported under this investment priority include the setting up of multi-disciplinary public research facilities and indigenous research in the health sector. Support to specialisation areas will reflect priority interventions that will be determined as part of the implementation of the smart specialisation strategy, reflecting the strengths and competences in Malta for a particular area and its growth potential. Due account will also be given to multi-disciplinary research in order to leverage Malta's comparative advantage in this area. Government intends to maximise ESI Funds, by complementing interventions under this investment priority with actions financed through the European Social Fund (under Operational Programme II) for the development of human capital, such as scholarships, fellowships and training programmes.

Broad target groups, beneficiaries and territories targeted

Government has identified investments in RTDI as a means to promote growth in various sectors of the economy and thus R&D expenditure through the provision of adequate infrastructure that will be beneficial across the Maltese territory. Infrastructural interventions will be undertaken in line with the smart specialisation areas identified in the National R&I Strategy 2020 and will be complemented by interventions aimed to support enterprises under this priority axis as well as interventions for the development of human capital under Operational Programme II. The aim is to adopt an integrated approach between actions.

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<p data-bbox="125 304 322 339">Target Groups</p> <p data-bbox="125 405 904 440">Students, Educators, Researchers, Enterprises and Scientists</p> <p data-bbox="125 505 304 541">Beneficiaries</p> <p data-bbox="125 606 421 641">Public Administration</p> <p data-bbox="125 707 271 742">Territories</p> <p data-bbox="125 807 342 842">Malta and Gozo</p> <p data-bbox="125 1011 439 1046">Types of interventions</p> <p data-bbox="125 1112 2074 1294">In the 2014-2020 period, Government will aim to ensure that public sector investment in R&I will contribute to a transformational change in Malta's R&I landscape by fostering a culture for innovation, creativity, risk-taking and entrepreneurship in line with the National R&I Strategy 2020. These interventions will also add value to the economy and society in terms of research, innovative products, processes and services. In this respect, efforts will be directed towards establishing an enabling framework that will allow value-added R&I to flourish. Within this context, Government will support investments in RTDI facilities for research institutions with the aim of developing of R&I excellence and promoting centres of competence in line with</p>	

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<p>smart specialisation.</p> <p>List of potential interventions</p> <p><i>Setting up of Multi-Disciplinary Public Research Facilities</i></p> <p>Government will strengthen the industry-academia link through various measures including through the setting up of research and competence facilities. The facilities will bring together entrepreneurs, SMEs, researchers and students, amongst others, in order to enable them to work together and thus lead to the development of new technologies, products and services. This will be achieved by providing the necessary space, facilities, equipment and expertise to develop research and business ideas. The facilities will also host post-doctoral research fellows working in disciplines in line with the smart specialisation strategy. The initiatives foreseen will be complemented by innovative research and training, scholarships and fellowships primarily for docs and post-docs, PhD and MSc students to develop new technologies and products.</p> <p>The setting up of research and competence facilities will also increase Malta’s research capacity (by hosting researchers and PhD students, amongst others) and provide the possibility for collaborations with international high-level research institutes. In this respect, Government will seek to maximise the potential for commercialisation and technology transfer with a view to exploit potential economic impacts. Moreover, these facilities would serve as a one stop shop where academia and enterprise can work together to address market needs when it comes to new ideas and products in an effort to strengthen the capacity of research and entrepreneurial actors as well as extend and coordinate the support provided for enterprises. These investments, whilst focusing on developments pertaining to the areas identified within Malta’s smart specialisation framework as set out within the National Research and Innovation Strategy 2020, will also enable students and researchers to acquire the skills and competences which are necessary to address current and future demands of industry, including the emerging creative industry.</p> <p>In line with the National R&I 2020 Strategy, Government will also support investments in environmentally-friendly showcase infrastructure regarding resource efficient buildings, which will act as a live laboratory for climate change related research and indigenous research in the building environment industry. The intervention will aim to upgrade research capacity in line with smart specialisation. The R&I Strategy also identifies capacity building (in</p>	

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<p>terms of research infrastructure) in climate change adaptation as an area that needs to be addressed. In this respect, Government aims to create a trans-disciplinary setting where environmental sustainability and R&I activity will enable the study of sustainable space management, such as maximising spaces below and above ground whilst enabling the monitoring of energy efficiency and the use of natural lighting. These innovative infrastructures, showcased at the University of Malta, will provide insight on the sustainability of a functionally effective built environment which can adapt to and mitigate the current and future impacts of climate change within the built environment.</p> <p>Thus, Government will support climate change simulation models with a view to identifying the risks emanating from climate change and assisting in the creation of adequate monitoring mechanisms. These monitoring mechanisms will assist in the formulation of management plans and decision making in the strategic planning of various areas including that of coastal areas and the maritime sphere.</p> <p><i>Indigenous research in the health sector</i></p> <p>With a limited amount of research facilities within the R&I sector, Government is committed to support infrastructural R&I projects which are not only important for Malta’s development within the sector but which may also be of European interest. Government understands the value of a strong R&I platform as a means to support local industry and attract further investment in specialised areas. In this respect, Government will seek to consolidate and augment the R&I taking place at the University of Malta and will also support investments in areas of key strategic importance for Malta’s development within the R&I sector, such as the health sector.[1]</p> <p>In this respect, Government will support the development of a centre of excellence to promote indigenous research in the health sector such as cell/tissue harvesting and manipulation and bio-banking. This intervention will address Malta’s need to provide high quality research facilities which would potentially also pave the way for private-public ventures for close to market innovation and attracting high tech industries to Malta.</p> <p>[1] Health with a focus on healthy living, active ageing and e-health has been identified as an area of smart and flexible specialisation within the National Research and Innovation Strategy 2020. For information on the fulfilment of the ex-ante conditionalities relevant to the R&D sector see section 9 of this OP.</p>	

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
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2.A.6.2 Guiding principles for selection of operations

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
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The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period.

Large companies are eligible for funding under TO 1 exclusively in reference to the development of projects for effective research and industrial innovation. The industrial exploitation of research results in the production of standardized products (mass-produced) through the use of existing technologies will not be eligible for funding under TO 1. The project selection process for the ERDF will be undertaken through the following procedures:

Open call for applications

The Managing Authority will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. A specific eligibility criterion for interventions under this axis will be included whereby interventions which are in line with the Smart Specialisation Strategy will be eligible. For the initial calls launched by the MA, the Authority reserves the right to only consider projects which will contribute towards the performance framework indicators. Calls will be widely publicised in the media. Application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised. The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include:

- quality of the project proposal and its potential to contribute towards the expected results;
- overall costs of the proposed project, including the project's cost effectiveness and sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (sustainable development and equal opportunities) in the proposed project;
- capacity of the organisation to implement the proposed project; and

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<ul style="list-style-type: none"> • state of readiness for the commencement of the project. <p>In the selection of operations in the smart specialisation priority areas the following principles will be given preference: proximity to market, opening a new domain potentially rich in innovation and spill overs, the degree of collaboration and partners involved, need of public funds, significance of the activity for the economy, the capacity to keep the successful activities on the territory, driving towards a leadership position in the selected niche, the degree of connectedness of the activity vis-à-vis the rest of the economy to create more opportunities for structural transformations and evolution than a more isolated domain.</p> <p>Aid schemes</p> <p>No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. As for the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.</p> <p>Small projects and projects of particular interest</p> <p>Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.</p> <p>Projects considered, under such simplified procedure, have to still be aligned with the criteria as approved by the Monitoring Committee.</p>	

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<p>Technical Assistance</p> <p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.</p> <p>Flexibility Facility</p> <p>In line with Article 98 (2) of the Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10%. The use of the facility will be monitored through the SFD.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<p>The SME Initiative Programme financed through ERDF will also support interventions contributing towards the objectives of this Priority Axis. The possible use of financial instruments is subject to the outcome of an ex ante assessment for financial instruments which is being carried out in line with article 37 of Regulation 1303/2013.</p>	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
N/A	

Investment priority	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
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2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSO1	Number of research facilities	Number	ERDF	Transition			3.00	Monitoring	Annual
CO25	Research, Innovation: Number of researchers working in improved research infrastructure facilities	Full time equivalents	ERDF	Transition			100.00	Monitoring	Annual

2.A.4 Investment priority

ID of the investment priority	1b
Title of the investment priority	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 2
Title of the specific objective	Strengthening the competitiveness of the private sector through R&D&I in line with the Smart Specialisation Strategy
Results that the Member States seek to achieve with Union support	The generation of economic activity in Malta is primarily characterised by enterprises in particular SMEs and micro-enterprises. In this scenario, enterprises often find difficulty to raise enough capital to invest in R&D&I since various financial ventures are not economically viable particularly for small enterprises.

Despite the progress made in the sector during recent years, Malta has been identified as a moderate innovator with an Average Annual Growth Rate of 2% for the 2006 - 2013 period.[1] Although the percentage of enterprises employing 10 or more persons taking on innovation activity (product, process, ongoing or abandoned, organisational and marketing innovation) increased from 36% between 2008 and 2010 to 47.8% between 2010 and 2012, Malta's performance remains below the EU-28 average.[2]

Within this context, the challenges to be addressed include: limited participation in R&D&I as a result of the lack of financing, the need for enterprises to be more competitive through research and innovation and the need for enterprise to undertake research activities with other enterprises as well as academia. The expected result out of this investment priority is the stimulation of investment and competitiveness in the private sector through R&D&I.

The provision of financial support to businesses and entrepreneurial activities is critical in the development of a knowledge-based society. In an effort to incentivise enterprises to continue investing in measures related to entrepreneurship and start-ups, innovation, research and development, internationalisation and product and technology development; Government will provide financial incentives [3] for the provision of necessary equipment, technology, infrastructure and expertise, amongst others. Such interventions will cover the smart specialisation areas set out within the National R&I Strategy 2020.

The provision of such financial incentives for enterprises and the achievement of the expected results will contribute towards increasing business investment in R&D&I in Malta thus enabling Malta to move closer towards becoming an innovation driven society in line with the targets set in the National R&I Strategy 2020.

The achievement of these results will contribute towards reaching Malta's national 2020 target of 2% Gross R&D expenditure as a percentage of GDP by 2020.

[1] Innovation Union Scoreboard 2014 – Enterprise and Industry, European Commission, 2014 (http://ec.europa.eu/enterprise/policies/innovation/files/ius/ius-2014_en.pdf), accessed on 17 October 2014.

	<p>[2] NSO 185/2014.</p>
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	<p>[3] For the purposes of this Operational Programme financial incentives will include grants.</p>
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Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 2 - Strengthening the competitiveness of the private sector through R&D&I in line with the Smart Specialisation Strategy						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR1	Annual private R&D expenditure	euro	Transition	31,500,000.00	2011	70,500,000.00	Monitoring	Every two years

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services
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Whilst in recent years there have been developments in business innovation activity due to various R&D&I incentives including support from European funds, the currently low level of innovation activity calls for more targeted R&D&I incentives for enterprises. During the 2014-2020 period, in an effort to increase innovation and research and development related investment in business, Government will aim to incentivise industry, through support to private undertakings to undertake R&D&I, to take advantage of growth potentials in line with the smart and flexible specialisation principles that have been identified in Malta's National R&I Strategy.[1]

Moreover, in order to maximise the impact of ESI funds, investments under this investment priority may be complemented with measures supporting investment in human capital such as scholarships, fellowships and training programmes under the ESF Operational Programme.

Broad target groups, beneficiaries and territories targeted

Government will facilitate access to finance for enterprises, where entrepreneurs, researchers and the business community will be the primary target groups.

Target Groups

Entrepreneurs, Researchers and the Business Community

Investment priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services
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Beneficiaries

Large Enterprises and SMEs (including micro-enterprises)

Territories

Malta and Gozo

Types of interventions

Government aims to stimulate private sector investment through financial incentives, leading towards more innovation activity amongst enterprises.

List of potential interventions

- *Support to Private Undertakings to undertake R&D&I[2]*

Over the 2014-2020 period, in an effort to create a culture where entrepreneurship meets innovation and to promote investment by the private sector in research and development and innovation, Government aims to provide adequate access to finance and support for enterprises, thus expanding the R&D&I sector which is still in its early stages of development. Such measures will leverage investment in existing and potential entrepreneurial

Investment priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services
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activities within the Maltese economy.

Through the provision of targeted R&D&I financial incentives, Government will support enterprises in their endeavours to move towards a more innovative and R&D oriented labour market in an effort to foster academia-enterprise cooperation, technology transfer and open innovation, social and eco innovation, joint research projects between firms and living labs (for development and testing of innovations), amongst others. Moreover, since manufacturing activity remains the dominant area with respect to innovation expenditure,[3] support for investments including in Key Enabling technologies (KETs) may also be considered.

Such incentives will foster the development of products and technologies, the promotion of social and eco-innovation, the creation of technology transfer possibilities and will promote networking and collaboration with research institutes, amongst others. In this regard, Government will also support measures which aim to create synergies between research and development facilities and enterprises as well as measures aimed at investing in human capital (under Operational Programme II) which will also contribute towards reducing Malta's reliance on R&I imports.

[1] National Research & Innovation Strategy 2020, page 20.

[2] Grants to enterprises to undertake research activities will be in line with state aid rules.

[3] National Research & Innovation Strategy 2020.

2.A.6.2 Guiding principles for selection of operations

Investment priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services
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The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on experience.

Large companies are eligible for funding under Thematic Objective 1 exclusively in reference to the development of projects for effective research and industrial innovation. The industrial exploitation of research results in the production of standardized products (mass-produced) through the use of existing technologies will not be eligible for funding under Thematic Objective 1.

The project selection process for the ERDF will be undertaken through:

Open call for applications

The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. A specific eligibility criterion for interventions under this axis will be included whereby interventions which are in line with the Smart Specialisation Strategy will be eligible. For the initial calls launched by the MA, the Authority reserves the right to only consider projects which will contribute towards the performance framework indicators. Calls will be widely publicised in the media. Application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include:

- quality of the project proposal and its potential to contribute towards the expected results;

Investment priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services
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- overall costs of the proposed project, including the project's cost effectiveness and sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (sustainable development and equal opportunities) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

In the selection of operations in the smart specialisation priority areas the following principle will be given preference: proximity to market, opening a new domain potentially rich in innovation and spill overs, the degree of collaboration and partners involved, need of public funds, significance of the activity for the economy, the capacity to keep the successful activities on the territory, driving towards a leadership position in the selected niche, the degree of connectedness of the activity vis-à-vis the rest of the economy to create more opportunities for structural transformations and evolution than a more isolated domain.

Separate calls will be issued for local councils and NGOs to ensure a more level playing field in the selection process.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. As for the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Technical Assistance

Investment priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services
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Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.

Flexibility Facility

In line with Article 98 (2) of the Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services
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The SME Initiative Programme financed through ERDF will also support interventions contributing towards the objectives of this Priority Axis. The possible use of financial instruments is subject to the outcome of an ex ante assessment for financial instruments which is being carried out in line with article 37 of Regulation 1303/2013.

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services
N/a	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies, as well as fostering investment necessary for strengthening the crisis response capacities in health services							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSO	Private Investment matching public support in innovation or R&D projects	euro	ERDF	Transition			2,000,000.00	Monitoring	Annual
CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			2.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 1 - Investing in research, technological development and innovation
n/a	

Priority axis	PA 1 - Investing in research, technological development and innovation

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 1 - Investing in research, technological development and innovation											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
F11.1	F	Financial Indicator	Euro	ERDF	Transition			17,879,603.51			62,066,375.00	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
KIS1	I	Number of research facilities being implemented (constructed) or completed	Number	ERDF	Transition			2			3.00	Monitoring	
PSO1	O	Number of research facilities	Number	ERDF	Transition			0			3.00	Monitoring	Output indicator is complemented by a relevant Key Implementation Step.

Additional qualitative information on the establishment of the performance framework

The financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). Such figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 21% of the expenditure (at Programme level) had been certified by the end of 2011 in the ERDF Operational Programme 2007-2013. In addition, in setting the milestone due note was taken in relation to the state of the programming process as well as key steps within the implementation process such as project selection, permitting requirements and contracting of infrastructure given that the majority of expenditure under this Axis relates to infrastructure. Within this context, the financial milestone values for 2018 are set at 24% of the final target value.

The selected output indicator is related to infrastructural projects given that this represents more than 50% of the Priority Axis in line with Article 5-Implementing Act 215/2014. Given that it is expected that no infrastructure will be fully completed by the set milestone date a key implementation step is being included. The key implementation step reflects interventions as supported under Specific Objective 1. The milestone for the key implementation step as at 2018 is calculated on the basis of the experience of the ERDF Operational Programme 2007-2013 in terms of projects being implemented. Such calculation resulted in 76%, whereby this is taken as a proportion of the total target as at 2023 resulting in 2 projects being implemented in 2018.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 1 - Investing in research, technological development and innovation	
Fund	Category of region	Code	€ amount
ERDF	Transition	002. Research and innovation processes in large enterprises	200,000.00
ERDF	Transition	056. Investment in infrastructure, capacities and equipment in SMEs directly linked to research and innovation activities	200,000.00
ERDF	Transition	057. Investment in infrastructure, capacities and equipment in large companies directly linked to research and innovation activities	200,000.00
ERDF	Transition	058. Research and innovation infrastructure (public)	48,653,100.00
ERDF	Transition	062. Technology transfer and university-enterprise cooperation primarily benefiting SMEs	200,000.00
ERDF	Transition	064. Research and innovation processes in SMEs (including voucher schemes, process, design, service and social innovation)	200,000.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 1 - Investing in research, technological development and innovation	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Non-repayable grant	49,653,100.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 1 - Investing in research, technological development and innovation	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Large Urban areas (densely populated >50 000 population)	49,653,100.00
ERDF	Transition	07. Not applicable	0.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 1 - Investing in research, technological development and innovation	
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Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	49,653,100.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis	PA 1 - Investing in research, technological development and innovation		
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 1 - Investing in research, technological development and innovation
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.A.1 Priority axis

ID of the priority axis	PA 13
Title of the priority axis	REACT-EU - Fostering resilience in the healthcare system.

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF		Public	

2.A.4 Investment priority

ID of the investment priority	13i
Title of the investment priority	(ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO1
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Title of the specific objective	Fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and preparing a green, digital and resilient recovery of the economy
Results that the Member States seek to achieve with Union support	<p>Development needs:</p> <p>Government continuously aims to sustain Malta’s healthcare systems in order to ensure that a free and fair healthcare service continues to be provided. In recent years, the healthcare sector in Malta has been facing numerous challenges, particularly in meeting the demands emanating from an ageing and increasing population. Since the beginning of the COVID-19 pandemic, the Maltese health system has also been impacted by the pressures on both infrastructures and human capacity.</p> <p>During 2020-2021 investments in acute bed occupancy in critical care units together with the acquisition of medical equipment, digitalisation of services and robust vaccination roll-out programme contributed greatly to provide immediate health response to the Maltese population throughout the COVID-19 pandemic. Looking forward, through REACT-EU, investments will build on the efforts undertaken thus far with a view of sustaining the resilience of the health sector with the aim of achieving the long-term benefits through the roll-out of improved technologies, services and treatments.</p> <p><u>Expected Results:</u></p> <p>Improved health services through investment in the resilience of the healthcare system.</p>

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO1 - Fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and preparing a green, digital and resilient recovery of the economy						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR8h	Number of health services offered	Number		37.00	2017	50.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	13i - (ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy
<p>The provision of quality and timely healthcare services remains important for Government. The availability of new health technologies as well as innovations in the field of healthcare provision provide Malta with an opportunity to advance in this area, with the aim of strengthening the resilience of its healthcare system. Such efforts will foster improved well-being amongst Maltese residents as well as lead to long term sustainability of the sector. Within this context, REACT-EU investment in health infrastructure, equipment, technologies and services will aim to foster improved resilience of the health sector whilst ensuring universal access, high quality of care and sustainable services. Sustainability in healthcare will also be sought through increased prevention, improved monitoring and improved maximisation of resources.</p>	
Indicative target groups, beneficiaries and territories targeted	
Target groups: The general public	
Beneficiaries: The Ministry responsible for Health	
Territories: Malta and Gozo	
Interventions under this investment priority aim to target the general public, especially those benefiting from targeted health service provision.	
The sole beneficiary envisaged under this investment priority is the Ministry responsible for Health, due to the nature of public health investments.	

Investment priority	13i - (ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy
<p>Types of Interventions</p> <p>This investment priority (IP) shall target investment in health infrastructure and equipment, taking into account digital advancements and innovations, ensuring sustainable and resilient health and care service provision. Such actions will emphasise the diversification and quality of services offered to the community.</p> <p>List of Potential Interventions</p> <p><i>Investing in the Resilience of the Health System</i></p> <p>Investments are intended to equip public health facilities with the latest advanced technologies are intended to support the Maltese population and ensure quality of service offered. This intervention cements Government’s commitment towards counteracting health expenditure growth arising from increases in the cost of healthcare provisions by adopting developments in medical technology and best practices to foster long term sustainability and resilience.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	13i - (ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy
<p>The operations to be considered by the project selection committee will be those operations as defined at national level to be part of the measures to be put in place to mitigate the impact of the COVID-19 pandemic.</p> <p>A restricted call for applications will be issued for the Ministry responsible for Health as the responsible / competent authority to implement the operations targeting direct final beneficiaries. The MA shall invite the responsible / competent authority to submit an application which will also be</p>	

Investment priority	13i - (ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy
assessed by the PSC to ensure good quality proposals against the criteria as approved by the MC for the selection of operations.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	13i - (ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	13i - (ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		13i - (ERDF) Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CVM1	Number of improved health services resulting from investment in the resilience of the healthcare system.	Number	ERDF				10.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 13 - REACT-EU - Fostering resilience in the healthcare system.
N/A	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 13 - REACT-EU - Fostering resilience in the healthcare system.											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 13 - REACT-EU - Fostering resilience in the healthcare system.		
Fund	Category of region	Code	€ amount	
ERDF REACT-EU		053. Health infrastructure	11,162,285.00	

Table 8: Dimension 2 - Form of finance

Priority axis		PA 13 - REACT-EU - Fostering resilience in the healthcare system.		
Fund	Category of region	Code	€ amount	
ERDF REACT-EU		01. Non-repayable grant	11,162,285.00	

Table 9: Dimension 3 - Territory type

Priority axis		PA 13 - REACT-EU - Fostering resilience in the healthcare system.		
Fund	Category of region	Code	€ amount	
ERDF REACT-EU		07. Not applicable	11,162,285.00	

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 13 - REACT-EU - Fostering resilience in the healthcare system.	
Fund	Category of region	Code	€ amount
ERDF REACT-EU		07. Not applicable	11,162,285.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 13 - REACT-EU - Fostering resilience in the healthcare system.	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 13 - REACT-EU - Fostering resilience in the healthcare system.
N/A	

2.A.1 Priority axis

ID of the priority axis	PA 2
Title of the priority axis	Consolidating investment within the ICT sector

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/A

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF	Transition	Public	

2.A.4 Investment priority

ID of the investment priority	2b
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ID of the investment priority	2b
Title of the investment priority	Developing ICT products and services, e-commerce and enhancing demand for ICT

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Strengthen the Digital Economy by increasing the use of e-commerce supported by e-services.
Results that the Member States seek to achieve with Union support	<p>In recent years the proliferation and use of ICT have led to a well-established information society and an adequate spread of ICT amongst enterprises where, in 2013, 81.5% of all enterprises recorded that they had a website or home page. Out of these enterprises, large companies recorded the highest percentage of enterprises with a website (95.7 %) whilst enterprises within the 10-49 size class recorded the lowest percentage (78.7 %).[1]</p> <p>Although the use of internet by enterprises has been on the increase and most enterprises are IT enabled, this is mostly limited to a digital marketing presence and back office applications whilst the use of electronic systems and the number of sales and purchases carried out via e-commerce remains relatively low. In 2013, only 19.3% of enterprises using internet carried out sales through e-commerce whilst purchases through e-commerce were carried out by 22.2% of enterprises using internet, representing a decrease of 2.4% over 2012 figures.[2] Moreover, whilst local firms introduced Business to Consumer (B2C) services for the local market activity, the exploitation of internet to sell goods on an international market is still very low. This scenario outlines the need to enable enterprises to participate in the online market. Thus, measures to provide enterprises with the necessary skills and infrastructure to interact online on Business to Business (B2B) or on B2C services have been identified as necessary to ensure the competitiveness of enterprises and to move towards a digital economy during the 2014-2020 period. Within this context, under this Investment Priority, Government will support the provision of financial incentives for enterprises to invest in ICT in order to increase the competitiveness of enterprises through ICT to enable them to sell online.</p> <p>By facilitating investments in ICT for the private sector, Government will not only serve as a main contributor towards achieving the targets of the digital agenda, but will also ensure the long term sustainability of SMEs, particularly in those sectors where internet is the primary service of choice such as the tourism sector.</p> <p>[1] National Statistics Office, News Release 033/2014.</p>

[2] National Statistics Office, News Release 033/2014.

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Strengthen the Digital Economy by increasing the use of e-commerce supported by e-services.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR2a	Enterprises using internet conducting sales via e-commerce.	Percentage	Transition	19.30	2013	24.00	Monitoring	Annual
PSR2b	Turnover from e-commerce	Euro	Transition	1,008,000,000.00	2011	1,058,000,000.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	2b - Developing ICT products and services, e-commerce and enhancing demand for ICT
<p>In recent years, investments in ICT served as one of the main supporting infrastructure for Malta's economic and social development. Whilst several improvements were registered in recent years, particularly in terms of internet use and penetration rate of fixed broadband lines, in the 2014-2020 period Government will build on the framework that has been developed so far, such as the e-Procurement system[1], in order to further increase the take up of e-services by enterprises. In this respect, Government will facilitate actions which will enable the private sector (particularly SMEs and Micro-Enterprises) to exploit digital technologies with a view to increase their competitiveness through initiatives such as online trading, adopt new technological measures and increase their presence in domestic and international markets.</p>	
Broad target groups, beneficiaries and territories targeted	
<p>The increase in e-commerce and e-services, through the provision of financial incentives for enterprises, will be beneficial across the Maltese territory. The target groups for such investments will primarily be consumers and businesses (including the tourism sector), whilst all enterprises, including SMEs, will be the main beneficiaries of such investments.</p>	
Target Groups	
Consumers and Businesses	
Beneficiaries	

Investment priority	2b - Developing ICT products and services, e-commerce and enhancing demand for ICT
<p data-bbox="125 288 528 323">Private sector (all enterprises)</p> <p data-bbox="125 392 271 427">Territories</p> <p data-bbox="125 491 344 526">Malta and Gozo</p> <p data-bbox="125 595 427 630">Type of interventions</p> <p data-bbox="125 699 2051 949">Under this investment priority, Government will provide financial incentives for enterprises to invest in ICT, with a view to increase the competitiveness of enterprises through ICT to enable them to sell online. Such measures will enable enterprises to move towards B2B and B2C transactions and increase digital literacy in line with the aims of the digital agenda. In this regard, Government will also facilitate the development of ICT products and services to expand online services and increase the use of e-commerce and e-tourism services. Such measures will aim to equip businesses with the necessary tools to trade online and expand their business operation, increase the number of enterprises using internet and conducting sales via e-commerce as well as increase the turnover from e-commerce sales. The advancement in e-services will also contribute towards enticing business to set up shop in Malta.</p> <p data-bbox="125 1018 539 1053">List of potential interventions</p> <ul data-bbox="197 1121 1055 1157" style="list-style-type: none"> • <i>Incentives for the use of ICT products, services and e-commerce</i> <p data-bbox="125 1225 2051 1324">Through the provision of financial incentives, Government will support enterprises in their endeavours to move towards electronic systems that allow users to transmit information electronically, embrace the smart application of web technologies and ICT products and to internationalise, innovate and transform themselves into digital enterprises. Such measures include infrastructural investments supporting cloud computing mechanisms that will</p>	

Investment priority	2b - Developing ICT products and services, e-commerce and enhancing demand for ICT
<p>reduce administrative burden and enable them to exploit ICT, hardware and software, social media, mobile and cyber solutions. In this respect, efforts directed to assist enterprises, particularly micro-enterprises, to raise productivity and efficiency through the use of ICT and e-based solutions will be sustained. Moreover, services necessary for the take-up of IT solutions as well as support to networking, awareness raising and other related activities may also be supported. In this respect, Government also aims to address current challenges to development such as limited access to finance and insufficient capacity to innovate which are necessary for start-ups to take off and for established ICT businesses to grow and expand.</p> <p>The need to support the shift towards digital literacy and use is further emphasised in the tourism sector, where the tourism value chain is becoming ever more dependent on mobile computer literate tourists. In this respect, the need to ensure that enterprises in the tourism sector have the necessary skills and infrastructure to interact electronically both on B2B level as well as on B2C services is evermore increasing. Within this context, Government will also support measures for the further development of e-commerce and e-tourism services which are pivotal for Government's mission to move towards a digital economy that is consumer and service oriented.</p> <p>[1] E-procurement (including e-access and e-submission) is already in place and will continue to be developed further over the 2014-2020 programming period. Malta is already in a position to meet the provisions of the revised directives in terms of e-procurement considering that all public tenders with an estimated value exceeding the EU thresholds can and, in 99% of the cases, are being published as electronic tenders. E-procurement is currently being financed through national funds.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	2b - Developing ICT products and services, e-commerce and enhancing demand for ICT
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p>	

Open call for applications

The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.

Technical Assistance

Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.

Flexibility Facility

In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.

Investment priority	2b - Developing ICT products and services, e-commerce and enhancing demand for ICT

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	2b - Developing ICT products and services, e-commerce and enhancing demand for ICT
The SME Initiative Programme financed through ERDF may also contribute towards supporting interventions contributing towards the objectives of this Priority Axis. The possible use of financial instruments is subject to the outcome of the ex-ante assessment for financial instruments in line with Article 37 of Regulation 1303/2013.	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	2b - Developing ICT products and services, e-commerce and enhancing demand for ICT
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		2b - Developing ICT products and services, e-commerce and enhancing demand for ICT							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			200.00	Monitoring	Annual
CO02	Productive investment: Number of enterprises receiving grants	Enterprises	ERDF	Transition			200.00	Monitoring	Annual

2.A.4 Investment priority

ID of the investment priority	2c
Title of the investment priority	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 2
Title of the specific objective	Consolidating and further developing the provision of e-government services for G2C, G2B and G2G.
Results that the Member States seek to achieve with Union support	<p>In 2013, the use of e-Government services by enterprises having internet access remained relatively high at 92.6%, showing that most enterprises are utilising e-Government services to interact with Government[1]. Notwithstanding, the percentage of internet users that made use of e-Government services (G2C) and the percentages of citizens sending filled forms to e-Government services remain low at 32% and 13% respectively which are well below the corresponding EU averages of 41% and 21%.[2]</p> <p>It is therefore Government's intention to improve the link between Government, the business community and citizens including Business-to-Government (B2G) and Government-to-Business (G2B) services, whilst further promoting and developing Government-to-Consumer (G2C) and Government to Government (G2G) e-services in order to ensure maximum service delivery and efficiency.</p> <p>With respect to interventions in e-health, Malta already scores relatively high vis-à-vis ICT infrastructure and services within hospitals. Notwithstanding, Malta is still lagging behind the EU average in the use of computer during consultation with patients (91% of General Practitioners (GPs) compared to 97% at EU level), exchange of medical patient data with other health-care providers/professionals (18% of GPs compared to 28% at EU level) and electronic storage of individual medical patient data (64% of GPs compared to 83% at EU level). [3] In this regard, there is a need for further investment in this area.</p> <p>During the 2014-2020 period, in line with the aims of the new National ICT strategy[4], Government plans to build a competitive digitally enabled economy which will foster an entrepreneurial spirit, promote investment in technologies and leverage value-added economic opportunities. In this regard, Government aims to increase the use of e-government services to improve people's quality of life by simplifying the interface between government, citizens and the business community and the provision of faster and simpler services. Moreover Government will also improve the interdepartmental efficiency services through ICT, including</p>

through measures such as the setting-up of adequate ICT infrastructure, data management and open data systems, cloud computing and network development.

[1] NSO: News Release 042/2014.

[3] Digital Agenda Scoreboard 2014 – Malta (<http://ec.europa.eu/digital-agenda/en/scoreboard/malta#broadband-markets>) accessed on 13 August 2014.

[4] Digital Malta: National Digital Strategy 2014-2020. focuses on ICT policy development for citizens and civil society, the business community, and Government, amongst others.

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 2 - Consolidating and further developing the provision of e-government services for G2C, G2B and G2G.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR2d	Users using e-Government services	Percentage	Transition	59.00	2013	65.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
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Government will aim to invest in ICT for public service delivery including in e-health, e-environment and e-customs as well as invest in e-administration and data management systems as an integral part of Government's efforts to reduce communication barriers and promote the application of G2B, G2G and G2C e-services. This approach will contribute towards strengthening ICT applications, develop new IT platforms and enhance ICT accessibility. Investment within this investment priority will also contribute towards the reduction of administrative burden both for enterprises and the general public, whilst improving Government's modus operandi, thus bringing Malta closer to the objectives of the Digital Agenda for Europe. E-procurement (including e-access and e-submission) is already in place and will continue to be developed further over the next programming period. Malta is already in a position to meet the provisions of the revised directives in terms of e-procurement considering that all public tenders with an estimated value exceeding the EU thresholds, are being published as electronic tenders. E-procurement is currently being financed through national funds (For further information see: <https://www.etenders.gov.mt/epps/home.do>).

Government will also foster the need for improved interoperability whereby the alignment of departmental processes, standardisation, discovery and reuse of ICT assets and the aim of improving the level of trust in the services provided by the public sector will be enhanced[1]. Such measures will aim to open opportunities for increased efficiencies and cross-border exchange leading to growth in the digital economy at national and EU level as outlined in the Digital Malta strategy[2]. Moreover, whilst building on the already existing internet penetration in business and citizens, and taking into account further measures to incentivise the use of e-government services that will be carried out during the 2014-2020 period, the development of an integrated portfolio of linked digital public services and its governance model may also be considered.[3]

Broad target groups, beneficiaries and territories targeted

With a high penetration rate of standard fixed broadband lines Government aims to maximise the benefits of the ICT sector to create a globally

Investment priority	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p>competitive ‘digital economy’ covering the entire Maltese territory. In this respect, Government will support ICT infrastructural investments (including new or modernised structures) aimed at strengthening the ICT sector with a view to facilitate the interaction between Government, businesses, citizens as well as tourists.</p>	
<p>Target Groups</p>	
<p>Public Administration, Private Sector including Large Enterprises, SMEs and Micro Enterprises, General public, Tourists.</p>	
<p>Beneficiaries</p>	
<p>Public Administration</p>	
<p>Territories</p>	
<p>Malta and Gozo</p>	
<p>Type of interventions</p>	
<p>Under this investment priority, Government will support interventions to further develop public ICT applications, increase the number of Government services available online and improve service delivery in a number of areas such as health, environment and customs, in an effort to increase the use of e-government services to improve people’s quality of life by simplifying the interface between government, citizens and the business community and the provision of faster and simpler services. Moreover, Government will also invest in e-administration and data management systems to improve interdepartmental efficiency services through ICT.</p>	

List of potential interventions

- *E-administration and data management systems*

The use of ICT and the better application of digitisation will remain a significant contributor towards Government's commitment to reduce administrative burden, improve service delivery, rationalise resources and increase efficiency across different operations and strata of administration. Investments in adequate administration services and database management systems will bring government operations and services closer to the levels and needs dictated today. Government will therefore seek to invest in adequate data management systems which will allow for increased efficiency and effectiveness across the administration.

In an effort to reduce administrative burden in the interface between Government services and enterprises, under this investment priority Government will also support measures such as the development of innovative public clouds through the provision of online Government certified ICT services. The need to look at new enabling technologies in the realm of ICT cannot be avoided and actions will seek to leverage new technology with a view to improve the efficiency and effectiveness of the service. Within this context, investment in cloud computing will be explored in order to ascertain the benefits these can bring to a number of e-services, such as the development of ad hoc software to facilitate online tax-related services with a view to reducing administrative burden. The focus of these measures is aimed to facilitate the business interface with Government services.

- *Investment in IT platforms and facilities in key sectors for efficient service delivery (e-environment and e-health)*

As indicated in the Digital Malta Strategy, various entities providing services such as healthcare, welfare, justice, tourism, utilities and transport, amongst others, require specific ICT programmes which enable them to serve customers and cut across boundaries. To this end, Government will aim to simplify digital public services, extend Government transparency, make government services accessible and increase citizens' engagement with government, amongst others, by further developing e-Government services[4].

Through specific IT platforms Government aims to improve service delivery and enable the shift towards new technologies. In particular, Government will consider support for the development of innovative land, marine[5] and maritime data sets and maps, amongst others. Such IT platforms would improve data quality and bring together the expertise of relevant stakeholders with up to date findings in an effort to assist policy makers and researchers within the sector in a timely manner.

Under this investment priority, Government will also support interventions in e-health. The provision of e-Health services is expected to facilitate the accessibility of health and clinical data through electronic means, thus enabling more efficiency, flexibility, transparency and accessibility in the delivery of healthcare practises for citizens leading to cost effectiveness within the sector. As outlined in the NHSS, better use of current technologies, such as Internet and mobile networks, are necessary not only to move towards a more sustainable health sector but also to serve as a major step towards achieving the desired continuity of care.[6] This aim is also highlighted in the Digital Malta Strategy whereby e-Health and m-health services would provide citizens with secure and easy access to their health records and equip health care providers with secure and seamless access to patients' records.[7]

- *IT facilities for e-customs*

In line with the strategic thrust of the e-customs Multi-Annual Strategic Plan (MASP), as well as the aim of the Digital strategy to foster the use of digital technology in land, sea and air transport, Government will support measures such as the provision of a 'single window' system in order to simplify information flows between trade and Government in cross-border interventions. Such measures will serve as a single entry point for relevant import and export related regulatory requirements, thus reducing red tape and leading to faster and more secure EU external trade.

[1] Digital Malta: National Digital Strategy 2014-2020

Investment priority	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p>[2] Digital Malta: National Digital Strategy 2014-2020.</p> <p>[3] As a measure for increasing competitiveness and innovation through the implementation of measures under this OP, Government may also consider opening the access to Malta's base registers.</p> <p>[4] Digital Malta: National Digital Strategy 2014-2020.</p> <p>[5] E-environment related measures, such as climate observation systems, may also be considered.</p> <p>[6] A National Health Systems Strategy for Malta 2014-2020, page 81.</p> <p>[7] Digital Malta: National Digital Strategy 2014-2020, page 45.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p>	

Open call for applications

The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Small projects and projects of particular interest

Funds may also be allocated directly to small projects or projects that contribute to the achievement of the objectives of the OP which arise during the implementation period but outside the period of an open call as recommended by the MA. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Technical Assistance

Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.

Flexibility Facility

In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
The possible use of financial instruments is subject to the outcome of an ex ante assessment for financial instruments which is being carried out in line with Article 37 of Regulation 1303/2013.	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSI2a	New e-services applications in the areas of health, environment, customs and interdepartmental services.	Number	ERDF	Transition			25.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 2 - Consolidating investment within the ICT sector
n/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 2 - Consolidating investment within the ICT sector											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
FI2.1	F	Financial Indicator	Euro	ERDF	Transition			9,736,648.11			47,435,400.00	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
PSI2a	O	New e-services applications in the areas of health, environment, customs and interdepartmental services.	Number	ERDF	Transition			2			25.00	Monitoring	The indicator selected represents majority of resources allocated to the Priority Axis. The milestone was determined based on past experience.

Additional qualitative information on the establishment of the performance framework

Financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). Such figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level and past experience in the implementation of the 2007-2013 ERDF programme. The de-commitment amount was apportioned amongst the Priority Axes taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not to subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 21% of the expenditure (at Programme level) had been certified by the end of 2011 in the ERDF Operational Programme 2007-2013. In addition, in setting the milestone consideration was also taken of the actions foreseen under this Priority Axis, ICT related actions, which tends to be less time consuming in terms of their implementation (example the lack of environmental and planning requirements). Within this context, the financial milestone values for 2018 are set at 25% of the final target value.

The selected output indicator relates to the ICT infrastructure in the public sector (as supported under Specific Objective 2 and represents more than 50% of the Priority Axis in line with Article 5 -Implementing Act 215/2014) and it is expected that two (2) projects will be completed by 2018. Further to the experience obtained for similar project under the ERDF programming period, it is being assumed that ICT is less time consuming in terms of implementation (example no permitting requirement) hence it will facilitate implementation on the ground.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 2 - Consolidating investment within the ICT sector	
Fund	Category of region	Code	€ amount
ERDF	Transition	048. ICT: Other types of ICT infrastructure/large-scale computer resources/equipment (including e-infrastructure, data centres and sensors; also where embedded in other infrastructure such as research facilities, environmental and social infrastructure)	22,335,380.20
ERDF	Transition	078. e-Government services and applications (including e-Procurement, ICT measures supporting the reform of public administration, cyber-security, trust and privacy measures, e-Justice and e-Democracy)	6,027,750.71
ERDF	Transition	081. ICT solutions addressing the healthy active ageing challenge and e-Health services and applications (including e-Care and ambient assisted living)	5,585,189.09
ERDF	Transition	082. ICT Services and applications for SMEs (including e-Commerce, e-Business, networked business processes), living labs, web entrepreneurs, ICT start-ups, etc.)	4,000,000.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 2 - Consolidating investment within the ICT sector	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Non-repayable grant	37,948,320.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 2 - Consolidating investment within the ICT sector	
Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	37,948,320.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 2 - Consolidating investment within the ICT sector	
Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	37,948,320.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 2 - Consolidating investment within the ICT sector	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 2 - Consolidating investment within the ICT sector
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.A.1 Priority axis

ID of the priority axis	PA 3
Title of the priority axis	Enhancing Malta's competitiveness through investment in SMEs

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/A

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF	Transition	Public	

2.A.4 Investment priority

ID of the investment priority	3a
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ID of the investment priority	3a
Title of the investment priority	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Creation of employment opportunities through the provision of infrastructure, financial incentives as well as support services.
Results that the Member States seek to achieve with Union support	<p>Micro enterprises and SMEs constitute the backbone of the Maltese economy. In 2012, SMEs comprised 99.8% of the total registered enterprises out of which 94.6% were micro-enterprises.[1] The micro and SME sector is even more pronounced in Gozo where there are only a handful of medium sized enterprises. In this regard, SMEs not only play a crucial role in terms of the economic development of the country but also significantly affect employment development in Malta. Figures in 2013 indicate that the share of employment attributable to SMEs in Malta amounted to 78%, which is considerably higher than the 66.9% average prevailing at EU-28 level.[2]</p> <p>In recent years, SMEs in the economy increased by almost 20%. Notwithstanding, fostering an entrepreneurial culture and the creation of start-ups remain key challenges in Malta. Malta's score in this respect remains below the EU average. Moreover, the enabling conditions for entrepreneurs, particularly those who aim to launch a new business after having failed with a previous venture, are also below the EU average.[3] Also, micro and small enterprises continue to face difficulties in accessing finance due to, amongst others, lack of collateral, credit history and technical expertise. Within this context and taking into account the major impact that such enterprises have on the Maltese economy, the need to enable SMEs to have improved access to finance in order to grow and develop remains necessary. It is also worth mentioning that under the 2007-2013 programming period, the number of supported start-up businesses was relatively low, thus it is deemed necessary to continue to support new ventures and businesses during the 2014-2020 period.</p> <p>Within this context, the limited access to finance for SMEs was identified as one of the main needs to be addressed through the use of ERDF funding. This is being addressed through the dedicated OP for the SME-Initiative.</p> <p>Under this investment priority, Government will aim to create an environment which is conducive to private sector investment,</p>

attracts new industries, promotes and supports start-ups and enables SMEs to develop and grow. In this regard, through this investment priority Government aims to invest in financial incentives to stimulate start-ups and entrepreneurial activity. This is expected to yield an increase in employment in enterprises.

[1] European Commission, Enterprise and Industry, Small Business Act (SBA) Fact Sheet 2014, Malta (http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2014/malta_en.pdf), accessed on 17 October 2014.

[2] IBID.

[3] European Commission, Enterprise and Industry, Small Business Act (SBA) Fact Sheet 2014, Malta (http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2014/malta_en.pdf), accessed on 17 October 2014.

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Creation of employment opportunities through the provision of infrastructure, financial incentives as well as support services.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR3	Employment in SMEs as a share of totally gainfully occupied as at 2023	%	Transition	62.00	2013	67.00	Monitoring	Annual
PSR3d	Annual Average birth of enterprises (average 2010/2011/2012)	Number	Transition	1,796.00	2012	1,810.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
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Government will encourage the creation and development of new firms by facilitating investments by SMEs and the small self-employed, through financial incentives to SMEs to support entrepreneurship, and the development of infrastructure aimed at attracting new business investments.

Continued investment is required by enterprises to remain competitive. In this regard, through this investment priority, Government will provide grants with a view to promote entrepreneurship and start ups. Furthermore, these measures will also be complemented by funding under the ‘New’ SME initiative for which Government has now pledged EUR22 million of ERDF resources in the form of uncapped guarantees,[1] as well as through measures for the further development of human capital under OP II which is supported by the European Social Fund.

Measures to enhance the competitiveness of SMEs under this investment priority may amongst others include consultancy, diversification and innovation, internationalisation, growth and start-up measures. The delineation between measures for enterprises between priority axes 1-4 will take into account the overall aim of the envisaged operations.

Target groups, beneficiaries and territories targeted

SMEs are the main pillar for economic development in Malta. Whilst understanding the importance of further cultivating and developing competitiveness within the SME sector, Government aims to target SMEs and the self employed in its mission to attract businesses and to foster the creation of new firms and employment throughout the Maltese islands.

Target Groups

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>Entrepreneurs, Small Self-employed, Micro, Small and Medium sized Enterprises, Family businesses including those operating in the tourism sector, manufacturing sector etc.</p>	
<p>Beneficiaries</p>	
<p>Public Administration and Private Sector</p>	
<p>Territories</p>	
<p>Malta and Gozo</p>	
<p>Type of interventions</p>	
<p>The interventions that Government will support under this investment priority relate to the provision of grants aimed at enabling the setting up of businesses and investment in new ideas. This comprehensive approach, which complements IP 3d, will contribute towards creating an environment which is conducive to business development and economic growth.</p>	
<p>List of potential interventions</p>	
<ul style="list-style-type: none"> • <i>Financial incentives to SMEs to support Entrepreneurship</i> 	
<p>The provision of financial incentives for entrepreneurs and the development of new businesses is necessary to ensure that new businesses are set up,</p>	

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>thus contributing towards improving business productivity, fostering competitiveness as well as creating a spill over effect within the economy. In this regard, Government will continue to leverage private sector investment through aid schemes in an effort to increase the number of enterprises whilst contributing towards economic growth and job creation.[2]</p> <p>Within this context, Government will seek to develop adequate schemes to promote entrepreneurship, diversification into new ideas and support the creation of new business activity in various sectors of the Maltese economic landscape, including amongst others the tourism industry as well as the smart specialisation areas set out within the National R&I Strategy 2020. Aid schemes may also include grants due to the difficulty to raise enough start-up capital for the effective development and implementation of an entrepreneurial venture. Interventions under this Axis will be complemented through the SME Initiative Programme and the ESF Programme.</p> <p>[1] These measures will be supported under a separate Operational Programme titled ‘Stimulate private sector investment for economic growth’.</p> <p>[2] These schemes will be complemented by interventions under the SME initiative (European Council Conclusions, October 2013) for which Government has pledged EUR15 million (EU share) from its ERDF resources in the form of uncapped guarantees. Such measures will be supported under another Operational Programme titled ‘Stimulate private sector investment for economic growth’.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods. Interventions will target various sectors of the Maltese economic landscape, including amongst others the tourism industry as well as the smart</p>	

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
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specialisation areas asset out within the National R&I Strategy 2020.

The project selection process will be undertaken through the following procedures:

Open call for applications

The MA will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Aid schemes

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
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No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Small projects and projects of particular interest

Taking into account the duration of the selection process, close to the end of the programming period it may not be feasible to launch an open call. In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Projects considered would still have to be aligned with the criteria as approved by the Monitoring Committee.

Technical Assistance

Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.

Flexibility Facility

In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
The SME Initiative Programme financed through ERDF will also support interventions contributing towards the objectives of this Priority Axis. The possible use of financial instruments is subject to the outcome of the ex ante assessment for financial instruments in line with Article 37 of Regulation 1303/2013. In addition interventions under Specific Objective 2 within this Priority Axis are also foreseen to complement interventions under this investment priority.	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		

Investment priority		3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSO3	Private investment matching public funds	euro	ERDF	Transition			30,000,000.00	Monitoring	Annual
CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			590.00	Monitoring	Annual
CO02	Productive investment: Number of enterprises receiving grants	Enterprises	ERDF	Transition			590.00	Monitoring	Annual
CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	ERDF	Transition			70.00	Monitoring	Annual

2.A.4 Investment priority

ID of the investment priority	3d
Title of the investment priority	Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 2
Title of the specific objective	Nurture the growth potential of SMEs at a regional, national and international level through the provision of tangible and intangible support.
Results that the Member States seek to achieve with Union support	<p>The development of SMEs goes hand in hand with the development and growth of the Maltese economy. Over the past decade, the Maltese economy has witnessed a considerable shift in the contribution of SMEs in relation to the overall national exports. In fact, in 2011, SMEs were accountable for 52.3% of exports generated by the Maltese economy.[1] Moreover, the contribution of Maltese SMEs towards the generation of gross value added (GVA) in 2012 was higher than the average recorded in the EU-27 for the same year.[2].</p> <p>Due to nature of the industrial fabric and the size of operations in Malta, micro enterprises play a crucial role in the growth of the economy as they are an important source of employment whereby the share of micro enterprises in total employment in Malta accounts for 34.7% which is well above the 29.1% registered at EU-28 level.[3] Thus, measures to increase employment in enterprises remain of key importance for the development of the Maltese economic sector. In recent years, a number of measures were undertaken with the aim of creating a more business-conducive environment such as the setting up of the Business First and the launch of the Small Business Act. Public and EU funds were also used to improve industrial estates and support firms through</p>

financial instruments, such as the JEREMIE instrument, and now the SME Initiative, which proved to be successful.

Given the lack of adequate physical infrastructure which is necessary for enterprises to consolidate and grow through this investment priority Government will also continue to support an environment which is conducive to private sector investment by providing the necessary infrastructure as well as adequate advisory and support services. Within this context, Government will aim to increase employment in enterprises through infrastructural investment for enterprises to consolidate and grow complementing measures proposed in IP 3a.

[1]Eurostat, 2011, with respect to the exports generated by the Maltese economy, segregated by company size (micro, small, medium and large) for the period 2009 and 2011 (<http://epp.eurostat.ec.europa.eu/newxtweb/mainxtnet.do>).

[2]European Commission, Enterprise & Industry, SBA Factsheet 2012, Malta.

[3]European Commission, Enterprise and Industry, Small Business Act (SBA) Fact Sheet 2014, Malta (http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2014/malta_en.pdf)

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 2 - Nurture the growth potential of SMEs at a regional, national and international level through the provision of tangible and intangible support.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR3b	Private Sector Investment	euro	Transition	25,092,938.00	2013	43,912,641.00	Monitoring	Annual
PSR3c	Value added of SMEs	euro	Transition	2,415,000,000.00	2013	2,898,000,000.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<p>Under this investment priority, Government will invest in the development of tangible and intangible infrastructure aimed at encouraging firms to expand their product and service delivery. Moreover, Government will continue to nurture the growth potential of SMEs by promoting internationalisation, intra/entrepreneurship, innovation and competitiveness by providing apposite business space which accommodates the expansion of SMEs, whilst also leveraging private sector investment for the further development of services and technologies. Through this investment priority, Government will support enterprises in various sectors of the Maltese economic landscape, including amongst others the tourism industry, the smart specialisation areas [1] as well as areas that require support with a view to improve industry linkages, the economic contribution of SMEs and enable them to move towards more higher value-added sectors. Infrastructural measures will also be complemented with the provision of advisory and support services.</p> <p>Measures under this programme will also be complemented by financial incentives under the OP titled ‘Stimulating private sector investment for economic growth’[2] whereby financial instruments for SMEs will also form an integral part of Government’s mission to ensure the long term sustainability of SMEs. Moreover, in an effort to ensure that investments are closely linked to an increase in employment, measures enabling the growth of SMEs under this investment priority will also be complemented with adequate investment in human capital under the ESF. Such measures will amongst others aim to raise interest among SMEs to develop their enterprise further.</p> <p>Measures to enhance the competitiveness of SMEs may, amongst others, include R&D ventures, innovation activity, digital technologies and low carbon. The delineation between measures for enterprises between priority axes 1-4 will take into account the overall aim of the envisaged operations.</p> <p>Target groups, beneficiaries and territories targeted</p> <p>In line with Government’s objective to support self-employed, micro as well as SMEs, Government will act as an enabler for enterprises to thrive within regional, national and international markets. In particular, Government will seek to enable the development of targeted infrastructural</p>	

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
investments with the aim of further increasing the SME base whilst providing the opportunity for the expansion of SMEs within the Islands.	
Target Groups	
Entrepreneurs, Small Self-Employed, Micro, Small and Medium sized Enterprises	
Beneficiaries	
Public and Private sector including small self-employed, family businesses, micro and SMEs	
Territories	
Malta and Gozo.	
Type of interventions	
<p>Under this investment priority, the interventions that Government will support include, infrastructural projects such as business parks, clusters [3] and SME hubs, aimed at creating the necessary environment whereby entrepreneurs and small self-employed can operate. These interventions are expected to incentivise start-ups and entrepreneurship as well as provide an opportunity for entrepreneurs and self-employed to further invest in setting up a new business or new venture.</p> <p>Government will also support the provision of advisory and support services as well as measures to identify new business models for SMEs and encourage them to collaborate more closely with other firms (including collaboration with large companies). Such measures are aimed at stimulating</p>	

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
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SMEs to consolidate their operations as well as venture into new developments and growth through amongst others networking and clusters which can lead to increased flexibility, resources or expertise and cost reduction or economies of scale.

List of potential interventions

- *Investing in enterprise infrastructure as well as the provision of advisory and support services*

Government aims to create a business environment conducive to SMEs and also to ensure that SMEs consolidate their operations and reach new milestones. Within this context, Government will support the modernisation and further development of business facilities (such as business parks) throughout Malta and Gozo, where the necessary space for the establishment and expansion of SMEs will be provided. Government will thus be fostering the development of the endogenous potential of local SMEs through investment in infrastructure and related equipment.

These investments will also cater for the traditional crafts and artisanal sectors which remain a niche area that needs to be further developed due to its potential to preserve Malta's culture, traditions and history which are important to support the tourism industry as well as the country's socio-economic development. This segment needs apposite infrastructural provisions in order to secure the competitiveness of the sector. In this regard, Government will support measures such as the development of units which enable the growth of the traditional crafts and artisan sectors. This investment would encourage crafts operators to invest in their own enterprise with the ultimate scope of increasing the competitiveness of the sector and creating a new route to competitiveness for the Maltese tourism product. These measures would also encourage networking, cooperation and exchange of expertise between the different stakeholders that operate within these facilities.

[1] For information on the fulfilment of the ex-ante conditionalities relevant to the R&D sector see section 9 of this OP.

[2] This Operational Programme covers the SME initiative.

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
[3] In line with the National R&I Strategy 2020, maritime clusters may also be considered.	

2.A.6.2 Guiding principles for selection of operations

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p> <p>Open call for applications</p> <p>The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.</p> <p>The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:</p> <ul style="list-style-type: none"> • quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI); • overall costs of the proposed project, including the project’s cost effectiveness and project sustainability; 	

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<ul style="list-style-type: none"> • degree of additional leverage that the project will obtain through the deployment of EU funds; • effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project; • capacity of the organisation to implement the proposed project; and • state of readiness for the commencement of the project. <p>Aid schemes</p> <p>No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.</p> <p>Small projects and projects of particular interest</p> <p>Taking into account the duration of the selection process, close to the end of the programming period it may not be feasible to launch an open call. In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.</p> <p>Projects considered would still have to be aligned with the criteria as approved by the Monitoring Committee.</p> <p>Technical Assistance</p>	

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.</p> <p>Flexibility Facility</p> <p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSO3d	Private investment matching public funds	euro	ERDF	Transition			5,000,000.00	Monitoring	Annual
PSO32	Total area constructed/upgraded for enterprise infrastructure	Sqm	ERDF	Transition			9,400.00	Monitoring	
PSO33	Number of projects improving infrastructure in support for SMES	Number	ERDF	Transition			1.00	Monitoring	
CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			180.00	Monitoring	Annual
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	ERDF	Transition			180.00	Monitoring	Annual
CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	ERDF	Transition			100.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 3 - Enhancing Malta's competitiveness through investment in SMEs
N/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 3 - Enhancing Malta's competitiveness through investment in SMEs											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
F13.1	F	Financial Indicator	Euro	ERDF	Transition			11,152,228.15			44,566,376.00	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
CO01	O	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			70			770.00	Monitoring	Output Indicator has been selected to represent the majority of resources allocated to this priority. Milestone was determined based on past experience.

Additional qualitative information on the establishment of the performance framework

The financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). Such figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level and experience from the implementation under the 2007 – 2013 Operational Programme. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not to subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 21% of the expenditure (at Programme level) had been certified by the end of 2011 in the ERDF Operational Programme 2007-2013. In addition, in setting the milestone due note was taken in relation to the state of the programming stage as well as key steps within the implementation process such as project selection, permitting procurement process. Within this context, the financial milestone values for 2018 is set at 25% of the final target value.

The selected interventions are mainly related to enterprise infrastructure and support to entrepreneurship (given that these represent more than 50% of the Priority Axis in line with Article 5 -Implementing Act 215/2014), it is expected that no infrastructure will be completed by the set milestone date.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 3 - Enhancing Malta's competitiveness through investment in SMEs	
Fund	Category of region	Code	€ amount
ERDF	Transition	001. Generic productive investment in small and medium –sized enterprises ('SMEs')	8,120,000.00
ERDF	Transition	063. Cluster support and business networks primarily benefiting SMEs	601,518.00
ERDF	Transition	066. Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)	1,920,000.00
ERDF	Transition	067. SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)	4,160,000.00
ERDF	Transition	072. Business infrastructure for SMEs (including industrial parks and sites)	14,251,582.00

Priority axis		PA 3 - Enhancing Malta's competitiveness through investment in SMEs	
Fund	Category of region	Code	€ amount
ERDF	Transition	074. Development and promotion of tourism assets in SMEs	6,600,000.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 3 - Enhancing Malta's competitiveness through investment in SMEs	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Non-repayable grant	35,653,100.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 3 - Enhancing Malta's competitiveness through investment in SMEs	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Large Urban areas (densely populated >50 000 population)	3,050,000.00
ERDF	Transition	02. Small Urban areas (intermediate density >5 000 population)	5,050,000.00
ERDF	Transition	03. Rural areas (thinly populated)	8,250,000.00
ERDF	Transition	07. Not applicable	19,303,100.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 3 - Enhancing Malta's competitiveness through investment in SMEs	
Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	35,653,100.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 3 - Enhancing Malta's competitiveness through investment in SMEs	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 3 - Enhancing Malta's competitiveness through investment in SMEs
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	



2.A.1 Priority axis

ID of the priority axis	PA 4
Title of the priority axis	Shifting towards a low-carbon economy

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/A

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF	Transition	Public	

2.A.4 Investment priority

ID of the investment priority	4a
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ID of the investment priority	4a
Title of the investment priority	Promoting the production and distribution of energy derived from renewable sources

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Promoting the use of RES through financial incentives in the domestic sector and undertakings not carrying out an economic activity.
Results that the Member States seek to achieve with Union support	<p>Malta's energy needs are mainly dependent on fossil fuel oil and the production of electricity is one of the highest contributors of GHG emissions on the Islands. In order to shift towards a low carbon economy by reducing the share of non renewable energy sources and fossil fuels in favour of RES, a radical change in the national energy supply strategy is needed. Such a change will need to involve every sector of the economy to contribute towards low-carbon. This shift is in line with the NREAP in which Government explores a strategic mix of RES solutions including an increased share of renewable energy sources such as solar and wind energy[1], waste to energy, renewable fuels, biomass and biodiesel for its energy supply. To ensure a sustainable energy mix, in line with the relevant CSR, Government will continue to invest in cleaner energy solutions, particularly through photovoltaic technology. The possibility of utilising wind technology as a source of energy for the Islands has been considered, however due to justified reasons,[2] was not considered as economically feasible technology for Malta at this stage.</p> <p>The diversification in the supply of energy is also necessary to meet EU 2020 targets to increase the share of RES and to reduce GHG emissions. Within this context, Government will consider investments in RES to meet national energy demand from low carbon sources thus reducing dependency on imports whilst contributing towards improved air quality and a cleaner environment. Besides the positive impacts on the environment, meeting energy demand with RES will also benefit citizens and businesses in terms of reduced energy costs and stability in pricing resulting in increased competitiveness.</p> <p>Over the past few years, the utilisation of energy derived from RES has registered an increase particularly through various incentives (including national and EU funds) to invest in the installation of photovoltaic panels, amongst others. This investment has led to a total renewable energy gross consumption share in 2012 amounting to 2.7% which resulted in an average RES gross consumption for 2011 and 2012 of 2.01%[3].</p> <p>Whilst building upon the efforts undertaken during the 2007-2013 programming period to increase the amount of energy</p>

generated through RES, under this investment priority Government will aim to increase the generation of renewable energy sources from the domestic sector and from other undertakings not carrying out an economic activity such as NGOs. Government will seek to maximise investment in renewable energy generation as long as the investment is feasible whilst taking into account the specific characteristics of Malta. Measures within this priority, coupled with other measures within this priority axis will bring Malta closer to its national targets within the sector. It is estimated that PV generated energy from households is 17% of the total share of PV generated energy contributing to the 2020 RES target.

[1] Energy derived from investment in micro wind installations.

[2] For further information see section 1.1 of the Partnership Agreement.

[3] Progress Report on the promotion and use of energy from renewable sources, 2013 in line with Article 22 of Directive 2009/28/European Commission

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Promoting the use of RES through financial incentives in the domestic sector and undertakings not carrying out an economic activity.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
SR7a	PV Connected Capacity	MWp	Transition	28.00	2013	200.00	Monitoring	Annual - shared target between all IPs

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	4a - Promoting the production and distribution of energy derived from renewable sources
<p>In an effort to maximise land usage as well as contribute towards cleaner sources of energy generation, Malta has managed to register a significant share of energy generated through renewable sources from a relatively high number of small installation capacities within the domestic sector, amongst others, with priority being given to those technologies which are already widely available, mainly solar photovoltaic (PV) systems, solar water heating and micro-wind. Between 2009 and 2012, the renewable energy from PVs generated by households has increased by over 25 times in terms of megawatt hours, whilst the number of households generating renewable energy has also increased from 140 in 2009 to 4,861 in 2012[1].</p> <p>In line with Malta's National Renewable Energy Action Plan (NREAP), Malta plans to contribute towards the 2020 RES targets through the take up of a higher number of renewable energy sources which have smaller capacities, with priority being given to those technologies which are already widely available, mainly solar photovoltaic (PV) systems, solar water heating and micro wind. As indicated in Malta's NRP, such measures will be distributed across the Maltese islands and integrated in existing building infrastructures. This approach continues to build on the strategy that was adopted during the 2007-2013 programming period whereby it was deemed necessary due to Malta's geophysical characteristics which include: limited land space, the conflicting use of land for other activities as well as the difficulty in the implementation of onshore wind farms.</p> <p>Within this context, during the 2014-2020, Government will continue to invest in network projects aimed at increasing the amount of energy generated through renewable sources. In this regard, EU funds will be leveraged through financial incentives targeting the domestic sector. Thus, Government will provide financial incentives for renewable energy systems in households and in undertakings not carrying out an economic activity.</p> <p>Broad target groups, beneficiaries and territories targeted</p> <p>In an effort to promote the production of energy derived from renewable energy sources, under this Investment Priority, Government will support financial incentives directed towards households and NGOs around Malta and Gozo.</p>	

Investment priority	4a - Promoting the production and distribution of energy derived from renewable sources
<p>Target Groups - Households and other undertakings not carrying out an economic activity such as NGOs</p> <p>Beneficiaries - Public Administration[2]; Households and other undertakings not carrying out an economic activity such as NGOs</p> <p>Territories - Malta and Gozo</p> <p>Type of interventions</p> <p>Cognisant of the success achieved during the 2007-2013 programming period in relation to the installation of renewables in households, Government will seek to further consolidate this investment. In this regard, Government will support interventions such as financial incentives which will stimulate and enable domestic households and other undertakings not carrying out an economic activity such as NGOs to invest in renewable energy technology.</p> <p>List of potential interventions</p> <ul style="list-style-type: none"> • <i>Financial Incentives[3] for Renewable Energy Systems in Households and other undertakings not carrying out an economic activity such as NGOs</i> <p>Government will target private households and other undertakings not carrying out an economic activity (such as NGOs) with a view to contribute towards the EU2020 target on generation from renewable sources. This approach is expected to contribute towards instilling a culture to safeguard the environment. Investments supported by these grants will consist of measures such as the installation of photovoltaic panels, water heating systems, amongst others.</p>	

Investment priority	4a - Promoting the production and distribution of energy derived from renewable sources
<p>[1] National Statistics Office, News Release 193/2013, 9 October 2013.</p> <p>[2] Under this IP the Public Administration will assist in terms of project implementation as well as may undertake specific studies pertaining to energy generation in households.</p> <p>[3] Given the volatile development of technology within this area, Malta will carry out studies on an ongoing basis with a view to establish appropriate financing mechanisms and rates with a view to avoid overcompensation.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	4a - Promoting the production and distribution of energy derived from renewable sources
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods. Interventions will target various sectors of the Maltese economic landscape, including amongst others the tourism industry as well as the smart specialisation areas asset out within the National R&I Strategy 2020.</p> <p>The project selection process will be undertaken through the following procedures:</p> <p>Open call for applications</p> <p>The MA will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.</p>	

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Separate calls will be issued for the participation of local councils and NGOs in order to ensure a more level playing field in the selection process.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the

Investment priority	4a - Promoting the production and distribution of energy derived from renewable sources
<p>programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €150,000 in total public eligible cost.</p> <p>Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.</p> <p>Technical Assistance</p> <p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.</p> <p>Flexibility Facility</p> <p>N/A</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	4a - Promoting the production and distribution of energy derived from renewable sources
<p>Under this Investment Priority the Managing Authority has opted for financial incentives with a view to stimulate investment by the domestic sector and undertakings not carrying out an economic activity whilst at the same time ascertaining that the interventions were not being over financed. The co-financing rate will be assessed on the basis of a feasibility that will need to be undertaken as part of the project application.</p>	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	4a - Promoting the production and distribution of energy derived from renewable sources
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		4a - Promoting the production and distribution of energy derived from renewable sources							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO30	Renewables: Additional capacity of renewable energy production	MW	ERDF	Transition			21.00	monitoring	annual
CO34	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2eq	ERDF	Transition			20,000.00	monitoring	annual

2.A.4 Investment priority

ID of the investment priority	4b
Title of the investment priority	Promoting energy efficiency and renewable energy use in enterprises

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 2
Title of the specific objective	Promoting the use of RES and EE within the commercial and industrial sectors through financial incentives and financial instruments.
Results that the Member States seek to achieve with Union support	<p>In 2012, the renewable energy from PVs generated by non-residential units[1] that benefitted from aid schemes supported by the ERDF had the potential to generate 2,849 MWhrs[2]. This investment has leveraged over €3.5 million in private investment. Nonetheless, the energy generation from RES within enterprises remains low showing that substantive investment is necessary in forthcoming years to contribute towards a low carbon economy.</p> <p>In order to sustain the competitiveness of the private sector, efforts are also required to increase energy efficiency in operations and in buildings. In this respect, investment in energy efficiency resulting in increased energy savings and reduced energy costs</p>

is necessary to support the business community to achieve cost effectiveness. This is also necessary to ensure the increased take up of green environmental practices and technologies among the private sector aiming for sustainable business practices and a cleaner environment.

Government will stimulate the commercial and industrial sectors, which account for over 50% of the energy consumed locally[3] to contribute towards the low-carbon economy in order to increase the generation of energy from RES and improve energy efficiency and promote greener transport in the commercial and industrial sector. The achievement of results under this investment priority will contribute towards achieving Malta's national 2020 target of producing 10% of energy from renewable energy sources and address the relevant CSR. It is estimated that PV generated energy from enterprises is 67% of the total share of PV generated energy contributing to the 2020 RES target. Results will also enable Malta to contribute towards the new indicative target of 27% savings in primary energy consumption by 2020 as indicated in Malta's NEEAP.

Building on the commitment set out in the Malta National Electro-Mobility Action Plan [4], this Investment Priority will also facilitate the access to the financing of green transport, including Electric Vehicles for commercial and industrial use, through the provision of loans with favourable interest rates. This measure seeks to complement other measures currently put forward on a national level.

An increase in the uptake of green transportation in the commercial sector contributes to Malta's journey towards a low carbon economy and lower GHG emissions and provides businesses with the opportunity of reducing their transportation running costs whilst positively impacting noise and air pollution.

[1] Non-residential units cover commercial and industrial units whilst they exclude public and domestic buildings.

[2] National Statistics Office. This amount is provisional and is based on the installation of PV panels by enterprises that benefitted from Calls 1 and 2 of the Energy Grant Scheme issued by Malta Enterprise. This calculation does not cover data pertaining to Call 3 of this scheme.

[3] Enemalta 2013.

[4] Malta National Electromobility Action Plan (November 2013), Malta National Electromobility Platform

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 2 - Promoting the use of RES and EE within the commercial and industrial sectors through financial incentives and financial instruments.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
SR7a	PV Connected Capacity	MWp	Transition	28.00	2013	200.00	monitoring	annual - shared target between all IPs
PSR4b	Energy efficiency: reduction in energy intensity	toe/thousand €2005	Transition	0.13	2013	0.11	monitoring	annual - shared target between IP4b and IP4c

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	4b - Promoting energy efficiency and renewable energy use in enterprises
<p>During the 2007-2013 programming period, schemes supported by the ERDF and national funds were primarily directed to enable enterprises to identify energy efficiency technologies, including those related to more energy efficient machinery and equipment and to retro-fit industrial and commercial buildings.</p> <p>Moreover, such measures also provided the necessary incentive for enterprises to explore the suitability of the different types of renewable sources technologies such as solar, wind, thermal etc. These initiatives have resulted in an increase in the use of renewable energy sources and energy efficiency technologies by enterprises operating in different economic sectors and had a positive impact on other strategic goals such as the reduction of dependency on primary energy sources.</p> <p>In 2012, 0.72% of electricity generation in Malta was derived from photovoltaic cells installed by residential and non-residential units.[1] Thus, with a high demand for energy use, high energy prices and with a currently limited energy generation from renewable energy sources, the promulgation of energy efficiency and renewable energy technologies by enterprises in the coming years is imperative as it will contribute towards the greening of enterprises resulting in increased competitiveness and more efficient and cost effective operations due to reduced energy costs and increased energy savings. This approach will also contribute towards Malta's EU2020 targets in the energy sector.</p> <p>Within this context, Government will provide financial instruments to stimulate investments in RES, EE, and green transport, including Electric Vehicles.. Such measures will be complemented with the provision of financial incentives to support enterprises to invest in energy efficiency. Such measures will be implemented in accordance with energy efficiency directives, as applicable.[2] These measures will have an impact on the reduction of emissions of CO2 and other greenhouse gases.</p> <p>Broad target groups, beneficiaries and territories targeted</p>	

Investment priority

4b - Promoting energy efficiency and renewable energy use in enterprises

Actions under this investment priority will be directed towards undertakings exercising commercial activities including industry, SMEs and large enterprises, commercial sectors. Measures under this investment priority will cover the entire Maltese territory.

Target Groups: Undertakings exercising commercial activities including Large enterprises, SMEs, Industrial and commercial sector in line with Article 3(b) of Regulation (EU) No 1301/2013

Beneficiaries: Undertakings exercising commercial activities including Large enterprises, SMEs, Industrial and commercial sector in line with Article 3(b) of Regulation (EU) No 1301/2013

Territories: Malta and Gozo

Type of interventions

Reducing the dependence on imported oil and promoting the rational management of resources is one of the most important environmental and economic challenges for the energy sector. Under this investment priority, Government will provide financial incentives for enterprises to move towards energy efficient installations whereas financial instruments will be provided to enterprises to promote investment in renewable sources, energy efficient measures both in terms of investments in relation to industrial/commercial premises, as well as green transportation, in line with Government's thrust to shift towards a low-carbon economy[3]. Government envisages supporting the retrofitting of industrial and commercial buildings with energy efficient interventions such as solar water heaters, double glazing, insulation replacements, high efficiency lighting systems, and high efficiency heating/cooling systems, amongst others. Such measures will instil a culture for environment preservation amongst the industrial and commercial sectors and it will equip businesses with long term benefits.

List of potential interventions

Investment priority

4b - Promoting energy efficiency and renewable energy use in enterprises

- *Financial instruments to stimulate investment in RES as well as other financial incentives to support enterprises to invest in energy efficiency*

During the 2014-2020 programming period, Government will support a range of financial incentives including financial instruments and grants. Measures addressing energy efficiency (including equipment / plant) will be supported through financial incentives whereas investment in energy generation through renewable technologies directed to address the needs of distinct economic sectors will be financed through financial instruments.[4]

Government will also support the retrofitting of industrial and commercial buildings with energy efficient interventions such as solar water heaters, double glazing, insulation replacements, as well as interventions that are in line with Malta's National Energy Efficiency Action Plan such as the installation/upgrade of heat pumps and high efficiency lighting[5]. In order to adopt a holistic approach and with the aim of encouraging the industrial and commercial sectors to invest in high energy saving potentials, Government will seek to facilitate energy efficiency audits in industrial and commercial buildings in order to assess data on energy consumption, and identify significant opportunities for improvement and on potential savings in terms of energy use and costs.

Interventions under this investment priority will complement interventions aimed to reduce GHG emissions from the transport sector under Priority Axis 7. In this regard, the Financial Instrument seeks to facilitate access to finance EE and RE investments in Malta, including investments related to green transport, including Electric Vehicles.

[1] Provisional statistics by the National Statistics Office. This data does not include data from Call 3 of the Energy Grant Scheme issued by Malta Enterprise.

[2] A system to measure energy savings is being developed in accordance with Energy Efficiency Directives.

[3] Given the volatile development of technology within this area, Malta will carry out studies on an ongoing basis with a view to establish appropriate

Investment priority	4b - Promoting energy efficiency and renewable energy use in enterprises
<p>financing mechanisms and rates with a view to avoid overcompensation.</p> <p>[4] Given the volatile development of technology within this area, Malta will carry out studies on an ongoing basis with a view to establish appropriate financing mechanisms and rates with a view to avoid overcompensation.</p> <p>[5] These measures will also be complemented by a number of regulatory and softer measures outlined in “<i>Malta’s Long Term Strategy for Mobilising Investment in the Renovation of the National stock of Residential and Commercial Buildings</i>”.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	4b - Promoting energy efficiency and renewable energy use in enterprises
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p> <p>Open call for applications</p> <p>The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.</p>	

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size

Investment priority	4b - Promoting energy efficiency and renewable energy use in enterprises
<p>of each individual operation that can be selected under this procedure will not exceed €150,000 in total public eligible cost.</p> <p>Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.</p> <p>Technical Assistance</p> <p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.</p> <p>Flexibility Facility</p> <p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	4b - Promoting energy efficiency and renewable energy use in enterprises
<p>The use of financial instruments under this investment priority is foreseen as per section 2.A.4. Investments and financial allocations for this purpose will be undertaken according to the outcome of an ex ante assessment for financial instruments which is being carried out in line with Article 37 of Regulation 1303/2013.</p>	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	4b - Promoting energy efficiency and renewable energy use in enterprises
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		4b - Promoting energy efficiency and renewable energy use in enterprises							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSO40	Number of enterprises improving their energy classification.	number	ERDF	Transition			50.00	monitoring	annual
CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition			200.00	monitoring	annual
CO02	Productive investment: Number of enterprises receiving grants	Enterprises	ERDF	Transition			150.00	monitoring	annual
CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	ERDF	Transition			50.00	monitoring	annual
CO30	Renewables: Additional capacity of renewable energy production	MW	ERDF	Transition			1.00	monitoring	annual
CO34	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2eq	ERDF	Transition			6,000.00	monitoring	annual

2.A.4 Investment priority

ID of the investment priority	4c
Title of the investment priority	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 3
Title of the specific objective	The use of RES and EE within public property as well as EE in housing through financial incentives.
Results that the Member States seek to achieve with Union support	Government is committed to shift towards a low carbon economy, but this brings with it various challenges particularly due to the high dependence on imported fossil fuel oil to meet energy demand and the high rate of GHG emissions from the energy sector. Over recent years, Government embarked on a programme in line with the NREAP to diversify its energy mix and move

towards low carbon, renewable energy sources to meet its energy demand whilst promoting the use of energy efficiency measures in line with the NEEAP. Notwithstanding the investment carried out through national and EU funds in all sectors including the public and housing sector, further efforts are needed to: mitigate the impact of the energy sector on the environment, reduce GHG emissions, meet EU 2020 target, increase the share of RES and increase in savings in primary energy consumption.

Government aims to continue to adopt a holistic approach which integrates energy efficiency and renewable technologies as a strategic instrument to decarbonise Malta's economy and secure sustainable energy which can only be achieved by involving every sector of the economy to contribute towards low-carbon. Within this context, under this investment priority, Government will aim to increase the generation of energy from RES in public infrastructure thus ensuring the maximisation of rooftop usage of government and public buildings and the introduction of solar PV farms in areas with low environment sensitivity such as certain disused quarries, car parks and landfills, where appropriate. In order to enhance energy savings, Government will also aim to improve energy efficiency in public property and in the housing sector. The upgrading and conversion of already existing buildings (such as housing and historical buildings) will be encouraged, and the redevelopment and restructuring of existing building stock will also be considered under this IP. When it comes to public buildings, Government is committed that by 2018 all new buildings to be used by public authorities qualify as nearly-zero energy buildings. Such initiatives result in an increased use of renewable energy sources and energy efficiency technologies in public infrastructures and in the housing sector.

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 3 - The use of RES and EE within public property as well as EE in housing through financial incentives.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
SR7a	PV Connected Capacity	MWp	Transition	28.00	2013	200.00	monitoring	annual - shared target between IPs
PSR4c	Energy efficiency: reduction in energy intensity	toe/thousand €2005	Transition	0.13	2013	0.11	monitoring	annual - shared target between IP4b and IP4c

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
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Government aims to maximise the utilisation of public property both for the purpose of energy generation as well as energy efficiency. Within this context, during the 2014-2020 programming period, Government aims to invest in public property to enable a widespread generation of energy from renewable sources. Such measures will entail the promotion for the installation of renewable energy systems in public property. This intervention will be complemented with the retro-fitting and/or deep renovations, as appropriate, in existing public buildings, and in the redevelopment and restructuring of existing building stock. Moreover, Government will also support the installation of energy efficient systems in public buildings and in the housing sector.

Broad target groups, beneficiaries and territories targeted

Under this Investment Priority, Government will support measures directed towards the installation of renewable energy and energy efficient systems in public property. Furthermore this priority will support the installation of energy-efficient measures within the housing sector. The beneficiaries will primarily be the Public Administration and the Housing sector, including developers of housing stock, within the Maltese territory.

Target Groups: Public Administration[1], Households and the housing Sector[2] and developers of housing stock within the Private Sector[3]

Beneficiaries: Public Administration, General Public and the Private Sector Developers of housing Stock

Territories: Malta and Gozo

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
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Type of interventions

During the 2014-2020 programming period Government will support measures (including studies) leading to an increased use of renewable energy sources in public property and an increase in energy efficiency in public buildings, households and in the housing sector through measures such as the installation of energy efficient systems and renewable energy systems including the installation of photovoltaic panels, solar water heaters and other measures which will enable the transformation and retro-fitting, or where practical, deep renovation of existing public buildings and housing stock. Government will adopt a holistic approach to integrate energy efficiency and renewable technologies with a view to contribute towards the reduction of greenhouse gas emissions and ensure green practices within the public sector. In addition, Government will seek to promote energy efficiency in housing including retro fitting and other measures that contribute directly towards EE.

List of interventions

- *Incentives for the installation of Energy-Efficient systems in public buildings, in households and the housing sector*

Government recognises that additional investment in energy efficiency[4] and/or integrated retro-fitting and/or deep renovations and/or redevelopment (as applicable) of buildings through energy efficiency and renewable technology measures will result in reductions in carbon emissions arising from the energy demand of buildings. Within this context, actions will be stepped up to ensure that current building stock, including public buildings and in housing, will minimise carbon footprint. This will be achieved through the implementation of policy measures that are directed towards buildings to become intrinsically energy and carbon efficient as a result of the materials and technologies used and which would allow for passive and active concepts that will minimise energy demand, and hence carbon emissions emitted.

- *Promote the installation of renewably energy systems in public and private property*

During the 2014-2020 programming period, Government will support measures for renewable energy use in public infrastructures which are in line

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
<p>with the strategic thrust set in Malta's NREAP. In this respect and in line with other measures for renewable energy use in households and in the industrial and commercial sectors, Government will support the installation of energy generation through renewable systems in public infrastructure.</p> <p>Interventions under this investment priority will complement measures under Investment Priorities 1 and 2 of this priority axis as well as interventions to reduce GHG emissions from the transport sector under Priority Axis 7. The combination of such measures will ensure effectiveness and will enable Malta to reduce carbon emissions and air pollutants, ensure environmental sustainability through clean energy use, enable economic and social development by reducing energy use, eliminate waste and unnecessary costs in energy production and consumption and improve security of supply through the reduction of primary energy. Such measures will also diversify the country's energy mix thus minimising the risks brought by the reliance on one particular source or type of energy and technology.</p> <p>[1] This Investment priority will support investment in RES and EE in public infrastructure and public buildings, including public social housing as well as investment in EE in the housing sector.</p> <p>[2] Renewable energy and energy efficient systems in households and the housing sector will be supported under this Investment Priority.</p> <p>[3] Under this Investment Priority, any assistance to the Private Sector involved in the development of housing will be limited to the incremental costs related to investment in EE.</p> <p>[4] Government may consider investment in desalination plants with a view to improve the energy efficiency of the building.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming</p>	

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
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periods.

The project selection process for the European Regional Development Fund will be undertaken through the following procedures:

Open call for applications

The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
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Separate calls will be issued for the participation of local councils and NGOs in order to ensure a more level playing field in the selection process.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.

Sustainable Urban Development

Sustainable Urban Development projects (under Priority Axis 6) are national projects that will be implemented in accordance with the integrated urban development strategies. Within this context, no public call for applications will be issued for the selection of these projects. Through the Coordination Committee for Sustainable Urban Development, Government will decide on the allocation of funds for the different interventions taking into account

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
the integrated urban development strategies. The MA will retain the right of the final verification of eligibility of operations before approval.	
Technical Assistance	
Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.	
Flexibility Facility	
In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
The possible use of financial instruments is subject to the outcome of an ex ante assessment for financial instruments which is being carried out in line with Article 37 of Regulation 1303/2013.	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
N/A	

Investment priority	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
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2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSO41	Energy efficiency: Decrease of annual primary consumption by the domestic sector	KWh	ERDF	Transition			3,800,000.00	monitoring	annual
CO30	Renewables: Additional capacity of renewable energy production	MW	ERDF	Transition			2.80	monitoring	annual
CO32	Energy efficiency: Decrease of annual primary energy consumption of public buildings	kWh/year	ERDF	Transition			3,200,000.00	monitoring	annual
CO34	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2eq	ERDF	Transition			5,700.00	monitoring	annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 4 - Shifting towards a low-carbon economy
n/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 4 - Shifting towards a low-carbon economy											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		

Priority axis		PA 4 - Shifting towards a low-carbon economy											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
FI4.1	F	Financial Indicator	Euro	ERDF	Transition			14,389,765.45			32,653,100.00	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
CO30	O	Renewables: Additional capacity of renewable energy production	MW	ERDF	Transition			10.64			24.80	Monitoring	Indicator selected represents majority of resources allocated to the Priority Axis.

Additional qualitative information on the establishment of the performance framework

The financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). Such figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level and experience from the implementation under the 2007 – 2013 Operational Programme. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 21% of the expenditure (at Programme level) had been certified by the end of 2011 in the ERDF Operational Programme 2007-2013. In addition, in setting the milestone due note was taken in relation to the state of the programming process as well as key steps within the implementation process. Within this context, the financial milestone value for 2018 is set at 25% of the final target value.

Due to the fact that the selected output indicators are related to renewable energy systems (specific objective 1 and 3), and, as this represents more than 50% of the Priority Axis in line with Article 5 -Implementing Act 215/2014, it is expected that this will result in 10.64MW. Beneficiaries contributing towards the Performance Framework of this Axis will be the beneficiaries of the actions outlined under Specific Objective 1 and Specific Objective 3.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 4 - Shifting towards a low-carbon economy		
Fund	Category of region	Code		€ amount

Priority axis		PA 4 - Shifting towards a low-carbon economy	
Fund	Category of region	Code	€ amount
ERDF	Transition	003. Productive investment in large enterprises linked to the low carbon economy	320,000.00
ERDF	Transition	010. Renewable energy: solar	13,874,480.00
ERDF	Transition	013. Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures	5,600,000.00
ERDF	Transition	014. Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures	1,200,000.00
ERDF	Transition	068. Energy efficiency and demonstration projects in SMEs and supporting measures	3,628,000.00
ERDF	Transition	070. Promotion of energy efficiency in large enterprises	1,500,000.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 4 - Shifting towards a low-carbon economy	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Non-repayable grant	17,322,480.00
ERDF	Transition	04. Support through financial instruments: loan or equivalent	8,800,000.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 4 - Shifting towards a low-carbon economy	
Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	26,122,480.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 4 - Shifting towards a low-carbon economy	
Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	26,122,480.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 4 - Shifting towards a low-carbon economy	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 4 - Shifting towards a low-carbon economy
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.A.1 Priority axis

ID of the priority axis	PA 5
Title of the priority axis	Protecting our environment - investing in natural and cultural assets

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/A

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF	Transition	Public	

2.A.4 Investment priority

ID of the investment priority	6c
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ID of the investment priority	6c
Title of the investment priority	Conserving, protecting, promoting and developing natural and cultural heritage

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Improve the Maltese competitiveness standing within the tourism sector through the promotion, protection and preservation of natural/cultural/historical assets intended to improve the Maltese cultural tourism experience whilst maintaining increased tourist flows.
Results that the Member States seek to achieve with Union support	<p>Considering the size of the Islands, Malta is adorned with a considerable amount of natural, cultural and historical assets. The rich cultural and historical heritage, including three World heritage sites, fortifications, archaeological sites and other historical buildings, which endows the Maltese Islands is a key asset which directly contributes towards the Maltese economy particularly the tourism sector. In fact, cultural heritage is considered as an important niche market showcasing the Maltese Islands as an all-year-round destination. The Maltese archipelago is also rich in natural assets which constitute Malta's natural capital and whose potential for tourism purposes remains untapped. Tourism market surveys carried out in 2012 show that 42% of tourists' respondents chose history and culture as the main motivator to visit Malta.[1] Thus, there is a need to continue investing within this area with a view to protect and preserve these assets.</p> <p>In this regard, Government has embarked in a number of initiatives aimed to further develop Malta's tourism product as well as contributing towards the amelioration of the cultural heritage experience. Government has over the years invested in Malta's cultural fabric both through EU and national funds. Notwithstanding, more investment is still required to address the needs of natural, cultural and historical heritage sites. These sites can be preserved and developed with a view to improve the Maltese tourism product and enhance the country's endowment and attractiveness.</p> <p>Within this context, the challenges that will be addressed under this priority axis include: the valorisation of natural, cultural and historical assets for tourism purposes as well as the need to improve the accessibility of historical sites. The expected result of this investment priority is to maintain, consolidate and further develop Malta's natural, cultural and historical heritage to improve Malta's tourism product.</p>

[1] 'Market profile Survey' by the Malta Tourism Authority, 2013

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Improve the Maltese competitiveness standing within the tourism sector through the promotion, protection and preservation of natural/cultural/historical assets intended to improve the Maltese cultural tourism experience whilst maintaining increased tourist flows.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR5a	Tourists visiting Malta for history, culture and natural heritage.	Percentage	Transition	42.00	2012	46.00	Monitoring	Annual
PSR5b	Overall rating of the Maltese Experience	Percentage	Transition	62.80	2013	66.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>The Maltese Islands possess a unique cultural landscape with a rich cultural heritage varying from museums, fortifications, baroque architecture and various archaeological sites. Cultural heritage is an important niche market that contributes towards all year round tourism on the Islands. It is within this context, that Valletta has also been awarded the European Capital of Culture for 2018 whereby Malta will have the opportunity to showcase its unique cultural heritage.</p> <p>Cultural heritage is one of the major attractions of the Maltese Islands with 77.6% of tourists visiting Malta tend to prefer sightseeing whereas 50% of tourists also make it a point to visit historical sites and museums.[1] Given the growth potential of the cultural tourism sector, Government recognises the need to ensure ongoing investment towards the improvement of the tourism product through the preservation and promotion of cultural and historical sites. The Maltese archipelago is also rich in natural assets which constitute Malta's natural capital and whose potential for tourism purposes remains untapped.</p> <p>During 2014-2020 programming period, Government intends to continue investing in natural, cultural and historical assets to sustain and enhance the valorisation of these assets for tourism purposes as well as to improve accessibility to these sites with a view to exploit the potential of the country's cultural and natural heritage whilst undertaking the necessary interventions to create a new tourism experience.[2]</p> <p>Target groups, beneficiaries and territories targeted</p> <p>Interventions envisaged under this investment priority are targeted mainly towards the conservation, protection, promotion and development of natural, cultural and historical assets in line with Article 3 (1) (e) of the ERDF Regulation. The main beneficiary under this objective is the Public Administration, including local councils. Moreover, Government will seek to promote investment by private enterprise and relevant non-governmental organisations through this investment priority.</p>	

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>Investments to be undertaken will cover the whole territory of Malta and Gozo with a view to boost the potential of natural, cultural and historical assets in different towns and cities. Particular sites such as the capital city of Valletta will be given due attention due to its concentration of cultural sites. Furthermore, the specific cultural sites within the sister island of Gozo will also be given particular attention.</p> <p>Target Groups</p> <p>Tourism and Cultural Industry, Tourists, Artists, the General Public</p> <p>Beneficiaries</p> <p>Public Administration (including local councils), Enterprises and relevant NGOs</p> <p>Territories</p> <p>Malta and Gozo</p> <p>Types of Interventions</p> <p>Cultural and historical heritage is an integral part of the Maltese tourism fabric and has the potential to grow and to further contribute towards the economic development of the Islands. Within this context, during 2014-2020 programming period, Government will support the protection, conservation and development of cultural and historical sites which will contribute towards boosting Malta's economic competitiveness, the generation of sustainable employment in supporting ancillary areas including the creative sector, the preservation and sustainable reuse of the built historical environment and the enhancement of the quality of life of citizens.[2] In addition, during 2014-2020 Government aims to invest in the potential of</p>	

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
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natural heritage sites for tourism purposes to secure their valuable contribution towards the Maltese cultural tourism experience. Interventions under this investment priority will ensure the valorisation of natural and cultural assets for tourism purposes and improved accessibility of natural, cultural and historical assets.

List of Potential Interventions

- *Investment in natural/cultural/historical assets*

Notwithstanding the investment carried out during the past years, further investment is necessary to provide access to additional cultural and historical sites which are currently not available to the public and to invest in sites which require repair and restoration in order to leverage their potential economic contribution. In this regard, it is the intention of Government to invest in the restoration, conservation and promotion of cultural and historical assets (including infrastructure and ancillary facilities as well as the digitisation of visual records) with a view to ensuring that these assets are preserved and protected. [3] The objectives of these interventions will also include accessibility issues including to people with special accessibility needs (the disabled, the elderly, families with young children etc...) whilst also ensuring their sustainability. Examples of possible interventions include the preservation and valorisation of museums, the Notarial Archives and public buildings in Valletta amongst others.

Furthermore, Government will seek to foster a strategic relationship between the cultural industry and technological innovation in the green economy through interventions in the designing and retrofitting of cultural buildings to ensure energy efficiency and zero emissions. Greener preventive conservation will in fact aim to capitalise on the present features of the historic structures and complement them with modern technologies. Cultural heritage will therefore act as a catalyst for innovation through achieving state of the art innovative green buildings. Investment directed to ensure that cultural spaces and venues can benefit from smarter, greener and cleaner energy solutions is a way how Government can develop the creative economy by linking it with the green economy and creating the necessary synergy towards redirecting creative content with more sustainable practices. In addition, through this investment priority, Government intends to stimulate private sector investment in order to preserve and protect the cultural fabric within the Islands with a view to stimulate economic activity in the sector whilst also creating an innovative cultural experience.

Through the envisaged interventions under this investment priority, Government aims to exploit the potential of existing cultural buildings and ensure

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
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that such sites become more sustainable and accessible whilst enhancing the economic, social and urban potential of these public assets.

Culture is too often linked with the past whereas there is untapped potential to create an environment for new culture and creativity. To exploit this untapped potential, initiatives have to be implemented to promote culture in its diverse forms. Within this context, Government is committed to support different strands of heritage (including industrial and energy heritage) as well as the creation of cultural and art hubs equipped with a view to ensure that the necessary ancillary facilities in an effort to promote and develop various forms of culture within the community.

Cultural and art hubs are a platform that can house different types of arts and cultural heritage that can attract citizens and visitors to appreciate different forms of culture. These hubs will not only attract local talent but also provide opportunities to allow the local community to experience the diversity of artistic expression. These hubs are a model of creativity, generating value in terms of ideas, talent attraction, inspiring creativity and experimentation. Within this context, Government envisages to target EU funds to broaden the scope of cultural heritage while preserving and promoting traditional characteristics and values. Cultural hubs are the engine for the development of Malta's cultural sector which accentuates the value of the tourism product while transforming the cultural experience for all. These hubs can in fact develop new attractions thus evolving the tourist experience across the Islands and also spearheading innovative educational and social programmes that promote local cultural identity.

Government also aims to invest in the potential of natural heritage sites (such as for example Chadwick Lakes) for tourism purposes. Investment is envisaged to conserve, protect and promote these sites (including the rich biodiversity present in these areas) that aim to increase the value added of these sites for tourism purposes. Government also envisages to invest in natural heritage sites to increase their accessibility as well as to increase awareness on the importance to sustain and protect the country's natural heritage. Investment in natural heritage will also contribute towards an improved environmental management of the site.

[1] Market Profile Survey by the Malta Tourism Authority, 2013

[2] Actions under this priority axis may complement interventions under Priority Axis 6.

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>[3] As far as this is feasible, complementarity of interventions will be sought under all ESI Funds as explained in section 8 of this programme.</p> <p>[4] Investment will be line with Article 3 (1) (e) of the ERDF Regulation</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period.</p> <p>The project selection process for the ERDF will be undertaken through the following procedures:</p> <p>Open call for applications</p> <p>The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised. Project application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised. The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:</p> <ul style="list-style-type: none"> • quality of the project proposal and its potential to contribute towards the achievement of the expected results; • overall costs of the proposed project, including the project's cost effectiveness and project sustainability; • degree of additional leverage that the project will obtain through the deployment of EU funds; • effective integration of the horizontal principles in the proposed project; • capacity of the organisation to implement the proposed project; and 	

Investment priority

6c - Conserving, protecting, promoting and developing natural and cultural heritage

- state of readiness for the commencement of the project.

Separate calls will be issued for the participation of local councils and NGOs in order to ensure a more level playing field in the selection process.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the MA to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.

Sustainable Urban Development

Sustainable Urban Development projects (under PA 6) are national projects that will be implemented in accordance with the integrated urban

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>development strategies. Within this context, no public call for applications will be issued for the selection of these projects. Through the Coordination Committee for Sustainable Urban Development, Government will decide on the allocation of funds for the different interventions taking into account the integrated urban development strategies. The MA will retain the right of the final verification of eligibility of operations before approval.</p> <p>Technical Assistance</p> <p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the TA.</p> <p>Flexibility Facility</p> <p>In line with Article 98(2) of the Council Regulation (EU) 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10% of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10%. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
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Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		6c - Conserving, protecting, promoting and developing natural and cultural heritage							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSR5a	Rehabilitated/ Preserved Land	Square metres	ERDF	Transition			5,000.00	Monitoring	Annual
CO09	Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	ERDF	Transition			180,000.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 5 - Protecting our environment - investing in natural and cultural assets
n/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 5 - Protecting our environment - investing in natural and cultural assets											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
FI5.1	F	Financial Indicator	Euro	ERDF	Transition			17,879,603.00			63,316,372.50	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
PSR5a	O	Rehabilitated/ Preserved Land	Square metres	ERDF	Transition			1,000			5,000.00	Monitoring	Two output indicators were selected to represent the majority of resources allocated to the priority. Milestones have been determined based on the 2007-2013 experience.
CO09	O	Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	ERDF	Transition			3,000			180,000.00	Monitoring	Two output indicators were selected to represent the majority of resources allocated to the priority. Milestones have been determined based on the 2007-2013 experience.

Additional qualitative information on the establishment of the performance framework

Financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). The figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level and experience from the implementation under the 2007 – 2013 Operational Programme. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not to subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 21% of the expenditure (at Programme level) had been certified by the end of 2011 in the ERDF Operational Programme 2007-2013. In addition, in setting the milestone due note was taken in relation to the state of the programming process as well as key steps within the implementation process such as project selection, permitting requirements and the procurement process that the majority of expenditure under this Axis relates to the investment in cultural/historical assets. Within this context, the financial milestone values for 2018 are set at 25% of the final target value.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 5 - Protecting our environment - investing in natural and cultural assets	
Fund	Category of region	Code	€ amount
ERDF	Transition	085. Protection and enhancement of biodiversity, nature protection and green infrastructure	2,662,148.00
ERDF	Transition	086. Protection, restoration and sustainable use of Natura 2000 sites	500,000.00
ERDF	Transition	092. Protection, development and promotion of public tourism assets	6,311,031.00
ERDF	Transition	094. Protection, development and promotion of public cultural and heritage assets	41,179,919.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 5 - Protecting our environment - investing in natural and cultural assets	
Fund	Category of region	Code	€ amount

Priority axis		PA 5 - Protecting our environment - investing in natural and cultural assets	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Non-repayable grant	50,653,098.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 5 - Protecting our environment - investing in natural and cultural assets	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Large Urban areas (densely populated >50 000 population)	28,290,409.40
ERDF	Transition	02. Small Urban areas (intermediate density >5 000 population)	12,300,178.17
ERDF	Transition	03. Rural areas (thinly populated)	1,757,168.31
ERDF	Transition	07. Not applicable	8,305,342.12

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 5 - Protecting our environment - investing in natural and cultural assets	
Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	50,653,098.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 5 - Protecting our environment - investing in natural and cultural assets	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 5 - Protecting our environment - investing in natural and cultural assets
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.A.1 Priority axis

ID of the priority axis	PA 6
Title of the priority axis	Sustainable Urban Development

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

The development of the urban fabric is meant to provide a safe living environment supported by the provision of adequate social and community facilities complemented with a thriving business community. Within this context and in line with the guiding principle of the Strategic Plan for Environment and Development,[1] Government is committed to develop an integrated approach towards the continuing enhancement of urban areas to improve the quality of life and sustainable living standards of deprived communities. Government recognises that a multi-faceted approach is necessary to holistically address the needs of urban communities. In line with Article 7 of Regulation 1303/2013, different thematic objectives have been identified under this Axis.

Statistics show that a strong North-South divide is evident in Malta with the Northern part experiencing less inequalities and better conditions than Southern localities.[2] Within this context, Government has identified the Harbour area[3] as a priority in terms of sustainable urban development.

The Harbour area is the most densely populated with the highest rate of persons at risk of poverty.[4] This area is characterised by high unemployment[5] particularly for youth.[6] The challenges faced by youth in this region are also reflected in the high rate of authorised absences from school.[7] This is also contributing to a high crime and vandalism rate in the area.[8]

Another characteristic of the Harbour area is the high number of old properties. 2% of occupied dwellings are in a state of dilapidation or need serious repairs[9]. Accessibility and the lack of basic facilities particularly in housing blocks is also a pressing challenge. The Harbour area is also adorned with a high concentration of historical and cultural buildings which can have a direct effect on the economic and tourism activity in the area.

To address these inequalities and socio economic challenges, Government will develop and implement an Integrated Sustainable Urban Development Strategy in line with Article 7 of ERDF regulation. The strategy will establish the specific urban area/s within the Harbour area that will be targeted under this axis supported with an analysis of the situation and needs of the area/s and integrated measures to address these needs. The integrated approach adopted will aim towards creating an environment which is conducive to economic development whilst sustaining improved urban environment which is safe, liveable and environmentally-friendly and improved housing and social infrastructure complemented with social and educational services for stronger sustainable neighbourhoods. Measures foreseen will be determined through the sustainable urban development strategy and will ensure complementarity with measures envisaged under priority axis 3, 5, 7 and 9.

[1] As displayed on <http://www.mepa.org.mt/sped>

[2] Survey on Income and Living Conditions (SILC) 2012, National Statistics Office (NSO), 2014

[3] Cospicua, Fgura, Floriana, Hal Luqa, Haż Żabbar, Kalkara, Marsa, Paola, Santa Lucija, Senglea, Tarxien, Valletta, Vittoriosa, Xgħajra.

[4] SILC 2012, NSO 2014

[5] Labour Force Survey Q3 2013, NSO 2013

[6] National Youth Employment Strategy, 2015 Ministry of Education and Employment (statistics of 2011)

[7] An Early School Leaving Strategy for Malta, Ministry for Education and Employment, 2012

[8] SILC 2012, NSO 2014

[9] Census of Population and Housing 2011, NSO

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF	Transition	Public	

2.A.4 Investment priority

ID of the investment priority	3a
Title of the investment priority	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 3
Title of the specific objective	Regeneration of the dilapidated urban areas through the development of the infrastructures for SMEs.
Results that the Member States seek to achieve with Union support	<p>The development of SMEs goes hand in hand with the development and growth of the Maltese economy since SMEs are considered as the backbone of the Maltese economy. In this regard, SMEs not only play a crucial role in the economic development of the country but also significantly affect employment development in Malta. Figures in 2013 indicate that the share of employment attributable to SMEs in Malta amounted to 78%, which is considerably higher than the 66.9% average prevailing at EU-28 level [1]. This shows that the cultivation of the growth potential of SMEs play an important role in addressing economic activities and creating employment opportunities. This notion can target the challenges being faced in the Southern Harbour Area in Malta which is considered as the most densely populated area with the highest rate of persons at risk of poverty[2]. This area is characterised by high unemployment[3], particularly youth[4].</p> <p>To address these socio-economic challenges, the Government will seek to regenerate dilapidated areas in the Southern Harbour Area through the development of infrastructures for SMEs. Indeed, Government will aim to create an environment which is conducive to private sector investment, attracts industries, promotes and supports start-ups and enables SMEs to develop and grow. In this regard, through this investment priority Government aims to invest in the availability of adequate physical infrastructure in the Southern Harbour Area through regeneration of dilapidated areas to increase economic activity. This is expected to yield an increase in employment.</p> <p>[1] European Commission, Enterprise and Industry, Small Business Act (SBA) Fact Sheet 2014, Malta (http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2014/malta_en.pdf)</p> <p>[2] SILC 2012, NSO 2014</p>

[3] Labour Force Survey Q3 2013, NSO 2013

[4] National Youth Employment Strategy, 2015 Ministry of Education and Employment (statistics of 2011)

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 3 - Regeneration of the dilapidated urban areas through the development of the infrastructures for SMEs.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PS6a1	Number of business enterprises in Valletta	Number	Transition	1,772.00	2013	1,896.00	Monitoring	Twice a year

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
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Under this investment priority, Government will invest in physical infrastructure for SMEs through the regeneration of dilapidated areas within the Southern Harbour Area to encourage the development of infrastructure aimed at attracting business investment and the setting up of businesses including the creation of clusters and business parks. Within this context, this investment is of great importance to stimulate the low economic activity in the Southern Harbour area whilst creating an environment which is conducive to the economic development. Also, such investment will not only be open for opportunities for the business community within the area but will also contribute towards the regeneration of the Southern Harbour Area.

Target Groups, beneficiaries and territories targeted

Interventions targeted under this investment priority aim to address dilapidated areas within the Southern Harbour Area for the provision of facilities necessary for SMEs to grow and consolidate. It is expected that these interventions will create employment opportunities and address the economic activity in the area. The target groups are primarily the community living within the harbour, the businesses and SMEs to operate within the area. The primary beneficiary within this priority is the Public Administration. The interventions targeted under this investment priority will be complemented with the measures envisaged under this priority axis aiming for sustainable urban development. Measures foreseen under this axis will also ensure complementarity with measures envisaged under priority axis 3 and 5.

Communities living within the Harbour Area; Entrepreneurs, Small Self-Employed, Micro, Small and Medium sized

Enterprises

Private entities including civil society

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p data-bbox="125 304 327 336">General Public</p> <p data-bbox="125 405 304 437">Beneficiaries</p> <p data-bbox="125 505 1330 537">Public and Private Sector including small self-employed, family businesses, micro and SMEs</p> <p data-bbox="125 606 271 638">Territories</p> <p data-bbox="125 707 315 738">Harbour Area</p> <p data-bbox="125 807 427 839">Type of Interventions</p> <p data-bbox="125 908 2051 1054">The quality of life of the citizens within the Southern Harbour Area is intertwined with the quality of the environment as well as with the employment opportunities created through the commercial activities. Therefore, the interventions envisaged within this Investment Priority will aim at the rehabilitation of dilapidated sites within the Southern Harbour Area for the provision of physical space for SMEs aiming to sustain an improved urban environment which is conducive to economic development.</p> <p data-bbox="125 1123 539 1155">List of Potential interventions</p> <p data-bbox="125 1224 1084 1256"><i>Rehabilitate dilapidated sites within the Southern Harbour Area for SMEs</i></p> <p data-bbox="125 1324 2029 1356">Government aims to rehabilitate dilapidated sites within the Southern Harbour Area to convert them into spaces for economic activities enabling the</p>	

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>creation of a business environment conducive to SMEs. Indeed, this will help in boosting the commercial activity.</p> <p>Within this context, these interventions shall primarily boost the economic activity in the Southern Harbour Area through the increase in employment in the enterprises. These interventions will not only provide the opportunity to spur commercial activity but also will result in the upgrading and restoring of the physical dilapidated buildings. Indeed, such interventions shall also contribute towards the expansion of the tourism product offered whilst generating the economic activity.</p> <p>All of the above will be carried out within a holistic approach to comprehensively address the needs and problems of the Harbour area and its functional areas through focused interventions with a view to create an environment which is more attractive and conducive to generate activity and ameliorate the wellbeing of the citizens within the Southern Harbour Area.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>The project selection process to be adopted for 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p> <p>Sustainable Urban Development</p>	

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
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Sustainable Urban Development projects are national projects that will be implemented in accordance with the integrated urban development strategies. Within this context, no public call for applications will be issued for the selection of these projects. Through the Coordination Committee for Sustainable Urban Development, Government will decide on the allocation of funds for the different interventions taking into account the integrated urban development strategies. The MA will retain the right of the final verification of eligibility of operations before approval.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.

Technical Assistance

Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.

Flexibility Facility

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO39	Urban Development: Public or commercial buildings built or renovated in urban areas	Square meters	ERDF	Transition			2,500.00	Monitoring	Annual

2.A.4 Investment priority

ID of the investment priority	6c
Title of the investment priority	Conserving, protecting, promoting and developing natural and cultural heritage

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Improve the urban environment in the Southern Harbour in line with the integrated urban development strategy through the preservation and promotion of cultural/historical assets in the public domain intended to improve employment opportunities in social deprived areas.
Results that the Member States seek to achieve with Union support	<p>Malta's cultural heritage resources are remarkable, especially considering the small size of the country. Malta has a rich cultural heritage which includes World heritage sites, fortifications, archaeological sites and other historical buildings which are scattered all over the Islands. The City of Valletta has now been rewarded as European Capital for Cultural in 2018 thus placing Malta's cultural assets at the forefront.</p> <p>A high concentration of cultural assets resides within the Southern Harbour area. Although some investment aimed at revamping cultural assets within the area has been undertaken, the potential of the cultural heritage which is still dilapidated and can contribute towards the economic development of this region is significant. Investment has been undertaken on various important historical and cultural sites, including the fortifications in Valletta and Vittoriosa, which added significant value to the tourism product offered by Malta, however there are other historical and cultural assets in the Southern Harbour region which are still under exploited. Investment in these cultural and historical assets is thus necessary to stimulate the low economic activity within the area whilst contributing towards further developing the Maltese tourism experience. In this regard, there is a need to rehabilitate sites which are currently in a state of physical degradation and are inaccessible. Furthermore, there is a need to maximise the potential of underutilised assets with a view to maximise the contribution towards the development of the tourism product as well as an improved urban environment.</p> <p>Within this context, Government will seek to maximise the potential of cultural assets in those areas which will have a significant impact on the contribution to the tourism sector and which will positively contribute to the community in terms of the amelioration of the urban environment, enhancement of economic activity and employment opportunities and improve the quality of life of citizens.[1]</p>

	<p>The expected result for this investment priority is to stimulate improved social and economic activity in the Southern Harbour area through investment in historical and cultural assets resulting in increased employment opportunities within the area.</p>
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[1] Investment will be in line with Article 3 (1) (e) of the ERDF Regulation

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Improve the urban environment in the Southern Harbour in line with the integrated urban development strategy through the preservation and promotion of cultural/ historical assets in the public domain intended to improve employment opportunities in social deprived areas.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR6a	Unemployment rate in Southern Harbour	Percentage	Transition	7.00	2013	6.50	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>Cultural heritage is an important niche tourism market for the Maltese Islands especially when considering that 50% of tourists visiting the Islands in 2012[1] made it a point to visit historical sites and museums. Taking into account this reality, coupled with the fact that a significant part of Malta's cultural assets are located within the Harbour area, investment aimed towards conserving and promoting cultural heritage within this area is required. This investment is necessary to stimulate the low economic activity in the area and to maximise the potential of under exploited cultural assets in the Southern Harbour area. Within this context, Government will be investing in cultural/historical assets in the public domain within the Southern Harbour aiming to create an environment which is conducive to economic activity and improves the quality of the local environment. Investment in cultural tourism will not only boost the economy and tourism product of the region but will also open opportunities for the business community within the area.[2]</p> <p>Target groups, beneficiaries and territories targeted</p> <p>Interventions targeted under this investment priority aim to restore and promote cultural and historical buildings within the Harbour area. The investment envisaged targets particularly the community living within the Harbour area as well as the tourism sector through the creation of new cultural tourism experiences. The primary beneficiary within this priority is the Public Administration. The interventions targeted under this investment priority will be complemented with the measures envisaged under this priority axis aiming for sustainable urban development. Measures foreseen under this axis will also ensure complementarity with measures envisaged under priority axis 3 and 5.</p> <p>Target Groups</p> <p>Community living within the Harbour Area; Tourism Sector; Private entities including civil society working in tourism and culture sector; General Public</p>	

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p data-bbox="116 288 309 320">Beneficiaries</p> <p data-bbox="116 389 517 421">Public Administration; NGOs</p> <p data-bbox="116 489 271 521">Territories</p> <p data-bbox="116 590 315 622">Harbour Area</p> <p data-bbox="116 691 443 722">Types of Interventions</p> <p data-bbox="116 791 2033 938">Given the growth potential of cultural tourism, investment to maximise the potential of Malta’s cultural heritage found in the Harbour area, is being envisaged. Interventions to restore and promote existing cultural buildings and historical sites are envisaged to uplift the potential of various under exploited cultural assets, to expand the tourism product offered and to generate economic activity within the region.[3] Investments are also targeted towards the development of heritage trail to accentuate the added value of the cultural heritage located within the Harbour area.</p> <p data-bbox="116 1007 539 1038">List of potential interventions</p> <ul data-bbox="197 1107 1379 1139" style="list-style-type: none"> <li data-bbox="197 1107 1379 1139">• <i>Investment in cultural/historical assets in the public domain within the Southern Harbour</i> <p data-bbox="116 1208 2067 1353">Due to the significant impact of cultural heritage on the Maltese tourism product and economic development, Government aims to support investment in cultural infrastructure within the Harbour area. This investment is necessary to implement sustainable urban development in the area resulting in the regeneration of the towns and cities and improving the quality of life of communities living in the area. Interventions envisaged include upgrading or preserving of degraded cultural buildings whilst ensuring the necessary promotion of cultural sites which potential remain untapped. These</p>	

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>interventions will not only result in the upgrading and restoring the physical buildings but will provide the opportunity to spur commercial activity within the area.</p> <p>Investment in cultural heritage also aims to focus on the greening of this public infrastructure as a way to interlink historical features with modern technology. Such interventions will not only upgrade the energy performance of buildings and ensure protection of the environment but will also promote the creation of green jobs.</p> <p>In order to further develop and promote culture heritage within the Harbour area, physical upgrading of infrastructure will be complemented with innovative initiatives to tap into the added value of cultural sites. For an integrated approach towards cultural heritage, Government aims to undertake interventions to develop trails that stress the importance of the Maltese history and culture within the region. This targeted approach will ensure better accessibility of cultural heritage within the region aiming to contribute towards economic activity in the area and the creation of jobs whilst enhancing the potential of a new tourism experience within the area.</p> <p>[1] Market Profile Survey by the Malta Tourism Authority, 2013</p> <p>[2] The delineation of interventions between Priority Axis 5 and 6 of this programme will be established through the Sustainable Urban Development Strategy that will be developed in line with Article 7 of ERDF Regulation which will identify the urban area/s to invest in under Priority Axis 6. However, Government will seek to complement interventions under this Axis with interventions under Axis 5.</p> <p>[3] Investments will be in line with Article 3 (1) (e) of the ERDF Regulation</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to	

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
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build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.

The project selection process for the European Regional Development Fund will be undertaken through the following procedures:

Sustainable Urban Development

Sustainable Urban Development projects are national projects that will be implemented in accordance with the integrated urban development strategies. Within this context, no public call for applications will be issued for the selection of these projects. Through the Coordination Committee for Sustainable Urban Development, Government will decide on the allocation of funds for the different interventions taking into account the integrated urban development strategies. The MA will retain the right of the final verification of eligibility of operations before approval.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.

Technical Assistance

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.</p> <p>Flexibility Facility</p> <p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		6c - Conserving, protecting, promoting and developing natural and cultural heritage							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PS1a	Area of constructed heritage upgraded or renovated in urban areas.	Square metres	ERDF	Transition			6,000.00	Monitoring	Annual
CO09	Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	ERDF	Transition			5,000.00	Monitoring	Annual

2.A.4 Investment priority

ID of the investment priority	9b
Title of the investment priority	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 2
Title of the specific objective	Regeneration of public open spaces and public social housing within deprived neighbourhoods to lift people out of risk of poverty. In addition, this investment priority will be supported through infrastructure in education / community centres which will be complimented by ESF type of measures.
Results that the Member States seek to achieve with Union support	<p>The high population density coupled with the high level of urbanisation has an impact over the environmental conditions in the Southern Harbour. The urban fabric in the area revolves around old dwellings mainly utilised for residential property which pose challenges in terms of accessibility and physical limitations. Statistics show that households living in the area are the most that suffer from problems with their main dwellings due to physical damages in buildings, noise, pollution and environmental problems and crime, violence and vandalism in the area.[1] This element is also contributing towards the high rate of vacant old dwellings with 12% of vacant property located in the Harbour area is in a dilapidated state or need serious repairs.[2] Besides the need to intervene in social housing to address issues in relation to dilapidated housing, investment is required to enable the transformation of private property for housing purposes. These investments should be complemented with the development of open public spaces to address issues in relation to dilapidated public areas in order to ensure an improved urban environment which is more environmental friendly, more accessible and more responsive to people's needs.</p> <p>The Northern part of Malta is experiencing less inequalities and better conditions than the Southern localities. 54% of</p>

households earning disposable income of €10,000 and under live in the Harbour area.[3] The highest number of persons at risk of poverty is also concentrated in this area with the rate of persons at risk of poverty reaching 17.8% in the Southern Harbour area.[4] A significant contributor towards a higher at-risk-of-poverty rate is unemployment. In fact, unemployment is high[5] which calls for investment to provide the necessary skills and employment opportunities for people living in the area.

The high concentration of inequalities within the Harbour area creates the need for a holistic approach to address the challenges and needs of communities living in these localities. Albeit the investment that was undertaken over the past years to revitalise the towns and cities in the Harbour area, further investment is required to address the economic, social and environmental challenges of communities across the whole area. Within this context, Government envisages to take an integrated approach to comprehensively address the needs and problems of the Harbour area and its functional areas through focused interventions with a view to create an environment which is more attractive and conducive to generate economic activity and ameliorate the well being of citizens.

The expected result of this investment priority is to renovate public social housing and open spaces in the Southern Harbour thus reducing the number of dilapidated housing and public areas. Furthermore, this investment priority will support the provision of educational and/or community centres in urban neighbourhoods to provide the necessary skills/ employment opportunities to deprived communities thus empowering citizens to lift them out of risk of poverty.

[1] Survey on Income and Living Conditions (SILC) 2012, National Statistics Office 2014

[2] Census of Population and Housing 2011, National Statistics Office 2014

[3] Survey on Income and Living Conditions (SILC) 2012, National Statistics Office 2014

[4] Ibid.

	[5] Labour Force Survey Q3 2013, National Statistics Office 2013
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Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 2 - Regeneration of public open spaces and public social housing within deprived neighbourhoods to lift people out of risk of poverty. In addition, this investment priority will be supported through infrastructure in education / community centres which will be complimented by ESF type of measures.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR6d	Number of persons lifted out of risk of poverty	Persons	Transition	99,000.00	2013	6,560.00	Monitoring	Every two years

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>The multidimensional aspect of the challenges that communities living in the Harbour area face, call for a targeted approach towards their specific needs. Integrated urban development actions are vital mechanisms to boost commercial activity and industries in targeted areas within the Southern Harbour area. Considering the high at risk of poverty rate, high unemployment rate and the socio-economic challenges of the Southern Harbour area, urban development and regeneration projects are required to revitalise these towns and cities ensuring better infrastructure to address the social and educational needs of citizens whilst enhancing the environmental aspects of localities.</p> <p>Government intends to embark on projects aimed to develop the Southern Harbour area as a successful socio-economic hub and foster an environment which is attractive and conducive to economic activity and maximises the characteristics of the area. This will be achieved through investment for the development and renovation of social housing and open public spaces within the urban area and the development of community spaces to address family needs in these urban areas. These interventions will be supported by ESF type of measures aimed to improve skills/employment opportunities. This approach is in line with the specific objectives of the Strategic Plan for Environment and Development[1] which aims to support the lifting of persons out of risk of poverty and social exclusion by seeking to integrate infrastructural and environmental related investment with social facilities for vulnerable groups within existing communities and increase the supply of and assistance for affordable and social housing in deprived neighbourhoods.[2]</p> <p>Target groups, beneficiaries and territories targeted</p> <p>Interventions envisaged under this investment priority are aimed to revitalise the towns and cities located in the Southern Harbour Area. The target groups are primarily the residents and communities living in this area including civil society organisations and businesses that operate in the area. The Public Administration is the primary beneficiary of projects envisaged under this investment priority. The interventions targeted under this investment priority will be complemented with the measures envisaged under this priority axis aiming for sustainable urban development. Measures foreseen under this axis will also ensure complementarity with measures envisaged under priority axes 7 and 9.</p>	

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p data-bbox="116 284 324 323">Target Groups</p> <p data-bbox="116 387 1989 459">Residents and communities living in these areas including civil society organisations, business and tourism operators and General Public visiting upgraded areas</p> <p data-bbox="116 523 309 563">Beneficiaries</p> <p data-bbox="116 627 674 667">Public Administration, NGOs, enterprises</p> <p data-bbox="116 730 271 770">Territories</p> <p data-bbox="116 834 315 874">Harbour Area</p> <p data-bbox="116 930 450 970">Types of Interventions</p> <p data-bbox="116 1034 2056 1329">The quality of life of communities is intertwined with the quality of the environment therefore Government aims to improve the urban environment and revitalise the commercial and social activity of the Southern Harbour area. Interventions relate to physical renovation and upgrading of existing social housing stock primarily, and rehabilitation of social housing including the development and refurbishment of landscaped and recreational areas in the neighbourhood to ensure high quality safe[3] public spaces and modernised infrastructure through better and improved urban design. Interventions are also envisaged for the creation of community centres and educational facilities to address family needs in the area which will be complemented with ESF type of measures aimed to improve the skills/employment opportunities of people living in the area. These interventions will be carried out within the context of the integrated sustainable urban development strategy that will be developed in line with Article 7 of ERDF regulation.</p>	

List of Potential Interventions

- *Development and renovation of social housing and open public spaces within urban areas*

Government recognises that there is a high concentration of social housing within the Harbour area that is in a state of decay. The lack of good quality housing has a significant impact on the quality of life of residents which put strain on health, accessibility and social issues. Adequate housing infrastructure is a basic need and therefore Government aims to support the necessary investment to ensure that residents living in inadequate housing conditions within the Harbour area can benefit from improved quality of housing and surrounding areas.

Interventions envisaged include the renovation of very old housing blocks which need to be rehabilitated to meet household needs as well as the upgrading of existing social housing stock including the introduction of accessibility measures for persons with disability and the elderly; improved energy performance in building through renewable energy sources and energy efficient measures; and the introduction of water conservation measures.[4] Physical interventions are also envisaged for the surrounding areas of housing estates with open spaces for recreational areas for children, elderly and families living in the social housing estate in line within the integrated sustainable urban development strategy. Improved landscaped areas give way for more liveable surroundings which can be utilized for leisure, educational and social purposes. These initiatives will be developed with the assistance of local councils and NGOs working within the community so as to meet the specific needs of this generation and especially address social challenges in an innovative way.

Besides interventions within social housing estates, Government aims to invest in the development of high quality public spaces in the Southern Harbour. The objective is to utilise public land to develop and increase the number of available public spaces and pedestrian zones across the identified urban areas. Innovation in the design and use of public spaces, will directly affect the quality of life of the community through enhanced region identity, improved urban environment and the creation of more lively communities. Within this context, Government envisages to support investments that can provide for a makeover of deprived neighbourhoods to make them more environmental friendly, more accessible, and more responsive to people's needs. The development of public spaces and pedestrian zones will be also promoting resource efficiency and renewable energy sources, thus promoting respect for the environment through resource efficiency, both in terms of energy and water, as well as the generation of energy

through clean sources thus contributing towards improved air quality within urban areas.

- *Community spaces to address family needs in urban areas supported by ESF type of measures aimed to improve skills/employment opportunities*

For Government to address the needs of socio-economic deprived communities within the Harbour area interventions are envisaged to ensure that community space and public facilities to assist families are in place. This community space is necessary to promote active participation within the community and to empower residents to be part of the regeneration of their community. Community space can be used for social and educational purposes targeting children, families and elderly as well as for cultural activities that can bring together locals and tourists. These spaces enhance social integration of families and ensure integration of communities within the neighbourhood.

This community space can be developed within a framework to provide services to families that have social and financial problems to ensure sustainable regeneration. These services can include amongst others, the development of child care centres and child services as a measure to stimulate social and educational integration including emotional and behavioural development of young children whilst providing more flexibility for parents to look for work as well as health related services for children, families and the elderly. Similar services for the development of day care centres for elder dependents are also envisaged. The creation of accessibility to such services in deprived neighbourhoods is necessary to tackle social exclusion, mitigate risks of aggressive behaviour and delinquency particularly among children, to stimulate employment and to empower communities with the necessary skills and knowledge to integrate within society. These interventions will be supported by ESF type of measures aimed to improve skills/employment opportunities for communities living in the identified urban areas.

[1] Available online: <http://www.mepa.org.mt/sped>

[2] The delineation of interventions in urban settings between Priority Axis 9 and 6 of this programme will be established through the Sustainable Urban Development Strategy that will be developed in line with Article 7 of ERDF Regulation which will identify the urban area/s to invest in under Priority Axis 6. However it is not excluded that measures under Axis 9 will complement interventions under this Axis.

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>[3] Investment leading towards safe urban areas will also contribute to equality, for example very well lit areas to avoid the intimidation of persons living in the area.</p> <p>[4] EU funds will not cover the cost of buying property and property taxes.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p> <p>Sustainable Urban Development</p> <p>Sustainable Urban Development projects are national projects that will be implemented in accordance with the integrated urban development strategies. Within this context, no public call for applications will be issued for the selection of these projects. Through the Coordination Committee for Sustainable Urban Development, Government will decide on the allocation of funds for the different interventions taking into account the integrated urban development strategies. The MA will retain the right of the final verification of eligibility of operations before approval.</p> <p>Small projects and projects of particular interest</p> <p>Taking into account the duration of the selection process, close to the end of the programming period it may not be feasible to launch an open call. In</p>	

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.</p> <p>Projects considered would still have to be aligned with the criteria as approved by the Monitoring Committee.</p> <p>Technical Assistance</p> <p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.</p> <p>Flexibility Facility</p> <p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
N/A	

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
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2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO37	Urban Development: Population living in areas with integrated urban development strategies	Persons	ERDF	Transition			120,000.00	Monitoring	Annual
CO39	Urban Development: Public or commercial buildings built or renovated in urban areas	Square meters	ERDF	Transition			6,000.00	Monitoring	Annual
CO40	Urban Development: Rehabilitated housing	Housing units	ERDF	Transition			50.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 6 - Sustainable Urban Development
N/A	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 6 - Sustainable Urban Development											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
FI6.1	F	Financial Indicator	Euro	ERDF	Transition			6,246,810.02			24,022,125.00	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
CO39	O	Urban Development: Public or commercial buildings built or renovated in urban areas	Square meters	ERDF	Transition			600			8,500.00	Monitoring	Annual
CO40	O	Urban Development: Rehabilitated housing	Housing units	ERDF	Transition			10			50.00	Monitoring	Two output indicators have been selected to represent the majority of resources allocated to this priority. Milestones have been based on the 2007-2013 experience.

Additional qualitative information on the establishment of the performance framework

The financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). Such figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level and experience from the implementation under the 2007 – 2013 Operational Programme. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not to subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 21% of the expenditure (at Programme level) had been certified by the end of 2011 in the ERDF Operational Programme 2007-2013. In addition, in setting the milestone due note was taken in relation to the state of the programming process as well as key steps within the implementation process such as project selection, permitting requirements and procurement process of infrastructure given that the majority of expenditure under this Axis relates to infrastructure both in relation to housing and the development of public cultural and heritage assets. Within this context, the financial milestone values for 2018 is set at 26% of the final target value.

The selected output indicators are related to infrastructural projects related to the public or commercial assets (given that these represent more than 50% of the Priority Axis in line with Article 5 -Implementing Act 215/2014), it is expected that no infrastructure will be completed by the set milestone date. In this regard a key implementation step is being included.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 6 - Sustainable Urban Development	
Fund	Category of region	Code	€ amount
ERDF	Transition	054. Housing infrastructure	8,000,000.00
ERDF	Transition	074. Development and promotion of tourism assets in SMEs	400,000.00
ERDF	Transition	077. Development and promotion of cultural and creative services in or for SMEs	2,817,700.00
ERDF	Transition	094. Protection, development and promotion of public cultural and heritage assets	7,000,000.00
ERDF	Transition	101. Cross financing under the ERDF (support to ESF type actions necessary for the satisfactory implementation of the ERDF part of the operation and directly linked to it)	1,000,000.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 6 - Sustainable Urban Development	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Non-repayable grant	19,217,700.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 6 - Sustainable Urban Development	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Large Urban areas (densely populated >50 000 population)	19,217,700.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 6 - Sustainable Urban Development	
Fund	Category of region	Code	€ amount
ERDF	Transition	02. Other integrated approaches to sustainable urban development	19,217,700.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 6 - Sustainable Urban Development	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 6 - Sustainable Urban Development
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.A.1 Priority axis

ID of the priority axis	PA 7
Title of the priority axis	Shifting towards a more low-carbon transport sector

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/A

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF	Transition	Public	

2.A.4 Investment priority

ID of the investment priority	7c
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ID of the investment priority	7c
Title of the investment priority	Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Infrastructural investment in collective public transport to increase patronage through: information systems, greening of public spaces in urban areas as well as campaigns earmarked to influence behavioural patterns. Studies linked to the use and the introduction of new/improved and or additional modes of transport as well as additional complementary investment in this area including sea landing places as well as investment in cleaner public transport will be supported.
Results that the Member States seek to achieve with Union support	<p>Land transport is mainly characterised by private car transportation with the number of private car vehicle registrations, by end 2012, amounting to 79%[1] of total vehicle registrations. The high level of private car ownership is negatively impinging on air quality and the environment due to the high level of Green House Gas (GHG) emissions from transport activities. Additional measures are therefore needed to encourage a shift towards sustainable, low-carbon transport systems.</p> <p>Government plans to take further steps towards implementing a sustainable modal shift and to increase the share of cleaner transportation, whilst reducing GHG emissions emanating from the transport sector. In order to address these challenges, Government aims to take a multifaceted approach through measures that promote forms of mobility that are sustainable, energy efficient and respectful to the environment. This will contribute towards improved air quality whilst ensuring wider accessibility and a more efficient public transport service that responds effectively to the needs of commuters.</p> <p>In order to continue supporting a shift towards sustainable transportation systems, Government will focus its efforts to implement measures aimed at reducing the use of private vehicles and an increased use of mass transport, thus contributing towards a reduction in traffic congestion and journey time, hence minimizing GHG emissions from the transport sector. Integrating transport systems to maximise and facilitate the use of public transport (including implementing intelligent traffic management systems which favour the use of public transport) and the promotion and support of greener transport modes may also be supported. This approach should strengthen internal mobility and enhance efficiency in the national transport sector whilst encouraging commuters to make a shift from private transport to collective public modes of transport.</p> <p>Furthermore, in an effort to promote a modal shift, Government will also invest in measures aimed to promote a modal shift</p>

	<p>through the promotion of alternative modes of transport, including land and sea transport. Sea based public transport can in some cases be considered as an alternative option for commuters to reduce the usage of private vehicles and traffic congestion on the roads. Collective sea transport, within a Maltese context, is critical for inter-island transportation since it is the only connection between the two islands. Government acknowledges that investment is needed to improve the efficiency of transport infrastructure and enhance connectivity between Malta and Gozo, through the current ferry service, as well as other infrastructural interventions and/or studies intended to introduce or study ways to facilitate inter-island transport. Such investment may be considered for support under this Specific Objective.</p> <p>Within this context, the challenges to be addressed under this investment priority include: the low use of collective public transport, the need to develop and explore multi-modal modes of transport, which will result in a reduction in emissions from the transport sector. The expected results of this investment priority are an increase in the use of public transport and in different modes of transport, identification of different options available in this area to increase the modal shift, as well as the promotion of cleaner collective transport systems.</p> <p>[1] Transport Statistics 2013, National Statistics Office, Malta, 2013.</p>
ID of the specific objective	SO 2
Title of the specific objective	Investment in transport sector through schemes or other measures intended to promote the use of cleaner transport vehicles in order to reduce carbon emissions.
Results that the Member States seek to achieve with Union support	<p>When taking into account recent current trends, traffic and road transport remain a significant contributor to emissions which can adversely affect human health. Public health is directly affected from close proximity of buildings to busy roads, be it in a residential, commercial or professional context. According to the WHO[1], premature deaths and issues with reproduction are linked to road transport related air pollution. Variables such as proximity to roads, the composition of the vehicle fleet, traffic patterns and other pollutant sources, contribute towards the level thereof.</p> <p>In Malta, the past 30 years have seen an undesirable increase in the average age of motor vehicle stock which has increased from 13.8 years to 14.7 years, compared to the EU average of 8.6 years.[2] Government thus has to intervene to promote actively the uptake of low and zero-emission vehicles.</p>

Based on the Malta National Electromobility Action Plan [3], this SO will facilitate the financing of greener modes of transport, including EVs, as a step in Malta's journey towards a low carbon economy and lower GHG emissions. In September 2022, Malta had 8,107 [4] EVs on its roads when compared to the mere 36 registered in 2013.[5] However more efforts are needed to achieve a more impactful changeover, considering that the current electric fleet represents only 1.92% of the whole vehicle fleet in Malta.

Government is committed to increase the uptake of EVs as an alternative to fossil fuel powered cars and a means to promote cleaner transportation. The 2023 Budget will introduce an additional 1,200 electric charging points for EVs. Government is also offering new competitive electricity rates for EV users, using a system of on and off-peak hours, for residential and non-residential charging.[6]

This SO aligns itself to the EU Sustainable and Smart Mobility Strategy and the commitment reached by EU MS to embrace a shift towards zero-emission mobility, phasing out of the sale of new ICE vehicles by 2035. Malta has also pledged carbon neutrality by the end of 2050. The switch towards EVs and other forms of green transport will play a crucial role in achieving this goal.

Government would like to set itself as a pioneer for a more positive outlook towards green transport, including EVs. This SO will also include support through the form of a FI which will provide loans with favourable interest rates to preferably replace ICE vehicles with an EV. Since an ICE vehicle remains cheaper to purchase than an electric version, favourable loans will incentivise consumers to opt for green transport, like the purchase of pedelecs, e-scooters and other forms of sustainable transport, which might otherwise be financially challenging. The FI complements other efforts being promoted by Government towards a multi-modal shift in transportation be it the promotion of increased active travel, cycling and walking; greater use of public transport, and the shift towards zero-emission vehicles.

[1] Health Effects of transport-related air pollution: summary for policy makers, Krzyzanowski, M, 2005

[2] Transport Malta (2016), Transport Master Plan, 2025

[3] Transport Statistics 2014, National Statistics Office Malta, 2014

[4] NSO, Motor Vehicles: Q3: 2022

[5] National Policy for Electric Vehicle Public Charging Infrastructure (February 2022), Ministry for Environment, Energy and Enterprise

[6] Shaping the island's charging EV infrastructure, Miriam Dalli, 2 May 2022 (accessed November 2022, online)

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Infrastructural investment in collective public transport to increase patronage through: information systems, greening of public spaces in urban areas as well as campaigns earmarked to influence behavioural patterns. Studies linked to the use and the introduction of new/improved and or additional modes of transport as well as additional complementary investment in this area including sea landing places as well as investment in cleaner public transport will be supported.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR7	Number of passengers using public transport	passengers	Transition	34,030,681.00	2012	36,000,000.00	Monitoring	Annual
PSR7a	Annual Harbour Passenger crossings	Passengers	Transition	390,000.00	2013	425,000.00	Monitoring	Annual
PSR7c	Emission reduction from the transport sector	CO2 (tons/year)	Transition	624.87	2015	410.79	Monitoring	Annual

Specific objective		SO 2 - Investment in transport sector through schemes or other measures intended to promote the use of cleaner transport vehicles in order to reduce carbon emissions.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR7b	Emission reduction from the transport sector	CO2 (tons/year)	Transition	624.87	2015	410.79	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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Investing in a sustainable and reliable transport system remains a key objective. During the 2007-2013 programming period, investment aimed at improving the reliability, efficiency and sustainability of public transport systems including the introduction of alternative modes of transportation has been undertaken, however, more investment is required with a view to achieve the EU 2020 objectives and beyond. Within this context, the decarbonisation of the transport system particularly road transport remains a priority for Malta during the 2014-2020 programming period.

The actions to be supported under this investment priority include collective transport measures and modal shift as well as schemes/measures/financial instruments intended to promote, in an active way, the uptake of low and zero-emission vehicles support as a means of gradually and sustainably converting Malta's vehicle fleet, in line with Government's pledge of achieving carbon neutrality by the year 2050. In line with the development of Malta's National Transport Strategy and Plan, Government is committed to promote and support sustainable mobility across the Islands. In this respect, Government is looking at maximising the potential and use of collective transport through the provision of the necessary infrastructure that will make collective transport more attractive, more demand driven and more sustainable. This will be complemented with investment aimed to integrate transport systems as well as the implementation of transport infrastructure including intelligent traffic management systems that will favour public transport to improve air quality. In order to reverse the trend from using private vehicles to more efficient public transport, Government plans to also undertake a nationwide campaign aimed at changing public perception towards public transport and influencing behavioural patterns.

In an effort to promote improved air quality, Government may consider the promotion of alternative modes of transport including green transport such as electric vehicles and electric bicycles and other forms of e-transport. The promotion and provision of alternative modes of transport including transport by sea may also be supported under this PA. Such investment is envisaged to improve the inner harbour transport system as well as exploring the provision of alternate fast, secure, sustainable and reliable alternative mode of transport between Malta and Gozo.

In line with the Malta National Electro-mobility Action Plan Government may consider the possibility to support less polluting, low carbon and non

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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carbon transport vehicles to sustain a shift towards more environmentally-friendly transport modes.

Furthermore, in order to increase the take up of non conventional vehicles, which in Malta remains well below the European average, Government will seek to promote the conversion of vehicle fleets from conventional fossil fuel cars to non-conventional fuel. The aim of such an investment is to incentivize, also through a leading by example approach, together with improved charging infrastructure in Malta. To achieve the objective related to cleaner transport, Government, under this Priority Axis, may also consider providing incentives to the private sector to shift to cleaner transport. To this end, Government aims to support consumers, towards making a shift to green means of transport used, as a means of positively contributing to a reduction in GHG emissions from the transport sector. Support will be provided under the *Energy Efficiency and Renewable Energy (EERE) Malta* Financial Instrument, whereby loans will provide an incentive to persons and/or public entities seeking to purchase any form of green transport, and to private individuals opting to preferably replace their existing private passenger with other means of electric transport.

Broad target Groups, beneficiaries and territories targeted

The measures and interventions foreseen under this investment priority aim to increase the patronage of collective transport through the following infrastructural investments: information systems, greening of public spaces in urban areas as well as campaigns and interventions earmarked to influence behavioural patterns. Studies on multi-modal transport and additional complementary investment in this area including sea transport as well as investment in cleaner transport, will be supported. These actions will contribute towards better air quality. The investment envisaged, in the necessary infrastructure to support sustainable transport systems and a more efficient and reliable public transport and the implementation of a modal shift particularly from land to sea, as well as from conventional to non-conventional vehicles, will be beneficial to all commuters and the general public. Interventions will cover the whole territory of Malta and Gozo. The main beneficiaries of these interventions will be the Public Sector along with private individuals in relation to support covered by the Financial Instrument. .

Target Groups

Commuters, General Public, Regulatory authorities, Constituted bodies listed as core members of the Malta Council for Social Economic Development

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>or included within the list under the Small Business Act Chapter 512, NGOs and other organizations duly listed and registered in Malta, which do not qualify as ‘undertakings’ within the meaning of State aid rules.</p>	
<p>Beneficiaries</p> <p>Individuals, Public Sector and Private Sector bodies which do not qualify as ‘undertakings’ within the meaning of State Aid rules.</p>	
<p>Territories</p> <p>Malta and Gozo</p>	
<p>Types of Interventions</p> <p>In order to strike a balance between the socio-economic demands of transport and safeguarding the environment, Government will undertake measures to ensure a modal shift that addresses both its economic and environmental needs. In this regard, the objective of the Maltese Government is to promote a sustainable modal shift with a view to increase the patronage of collective transport and increase multi modal transport and support the transition towards zero-emission means of transport, whilst also contributing towards improved air quality.</p> <p>In line with Government’s efforts to curb GHG emissions resulting from the transport sector, during 2014-2020, the ERDF will support measures aimed at contributing towards the reduction of emission levels in transport including, amongst others, collective transport vehicles, the government owned fleet and vehicular-type equipment whilst ensuring sustainable transportation systems across the Islands. For the national transport sector to be sustainable, investment is envisaged in the provision of adequate transport infrastructure that can support efficient, demand driven and reliable public transport. Government will support measures to maximise the use and potential of collective transport to ensure a shift from the use of private vehicles</p>	

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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to collective transport.

Through this investment priority Government will also assess and explore the development and use of alternative modes of transport. Government believes that investment in alternative modes of transport, including by sea, and non-conventional vehicles, is fundamental to implement a sustainable modal shift ensuring a shift from private transportation to more efficient and reliable collective transport systems also through intra-island transportation.

In an effort to increase the penetration of less polluting, low carbon and non carbon environmental friendly transport systems, Government will be looking at the promotion of cleaner transport vehicles, and greener transportation, such as electric vehicles, pedelecs and e-scooters, as a means of supporting Europe's pledge of a zero-emission fleet within the EU by the year 2050. Government shall support incentives aimed at creating a change in mindset and behaviour in relation to the purchase of road vehicles, thereby contributing to the overall shift and longer-term goal of using more sustainable modes of transportation, including the use of Electric models in the mix of transport options available for private and public use.

List of Potential Interventions

- *Public Transport Measures*

Reducing road congestion and curbing high transport emissions is one of the main priorities within the transport sector. In this regard, Government is envisaging implementing various measures aimed to promote the use of demand driven and efficient and reliable and sustainable public transport system with a view to reduce the use of private passenger vehicles from the roads.

Adequate transport infrastructure including ICT and other enabling infrastructure on the road network to be used as a platform for journey planning, optimisation of routes and timings leading to better integration of different transport modes are envisaged to maximise the potential and facilitate the use of collective public transport across the Islands. Investment in applications such as integrating bus scheduling and ticketing services and investment in bus interchanges and bus priority measures with real time information are necessary to ensure a shift from private vehicles to public

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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transport. These measures will be complemented with initiatives aimed at changing public perception and creating a real shift from private to public transport usage.

Government is also envisaging undertaking investment in necessary road infrastructure such as intelligent transport systems and real time information systems to contribute towards sustainable land transport systems that favour public transport whilst achieving a reduction in private vehicle usage. This investment will contribute towards improved traffic management. The objective is to change public perception towards public transport, i.e. public transport becomes the preferred mode of transport for commuters, particularly for point to point journeys. This investment will also contribute towards improved air quality through less pollution and congestion on the road network.

In order to reverse the trend from using private vehicles to more efficient public transport, Government will undertake a comprehensive campaign aimed at changing public perception towards public transport and influencing behavioural patterns with a view to promote a shift from private car usage towards the utilisation of collective public transport. These efforts will also be underpinned by appropriate incentives that will aim to attract new commuters towards public transport. The objective is to cause a meaningful shift in consumer behavioural and attitudinal patterns from private vehicle use to public transport.

Other measures that deter the use of conventional private passenger vehicles will be also considered under this investment priority in order to sustain and facilitate the use of public transport as the preferred mode of transport whilst contributing towards improved air quality and a cleaner and safer environment. In this regard, campaigns will be complemented by measures designed to provide greener and pedestrianised zones to enhance further the shift towards more environmental and sustainable practices in the transport sector.

- *Promote and explore investments in modal shift*

As part of its strategy to embark on a more environmentally-friendly transport system, during the 2014-2020 programming period, Government will also seek to promote modal shift through the provision and promotion of alternate modes of transport by sea to reduce cars from the road.

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Government is committed to provide a number of options to the transport user, which include the provision of fast, efficient, affordable, frequent and comfortable service by sea together with complementary measures including integrated bus schedule and ticketing systems and infrastructural interventions such as improved ferry landing places, with a view to improve efficiency and sustainability of sea transport. This investment is envisaged to improve the inner harbour transport system.

Government is also considering investing in improving the transport system between the two islands with a view to enhance mobility and accessibility between Malta and Gozo. Under this investment priority, Government will invest in the studies to explore different routes between Malta and Gozo together with necessary infrastructural investment including the development of landing places and facilities required to develop and introduce an alternative, fast and more efficient ferry service between Malta and Gozo. Complementary measures including integrating scheduling and ticketing services to make the service more attractive will also be supported. The aim of this investment will not only facilitate inter-island transport and address the double insularity of Gozo but also contribute towards implementing modal shift to sea transport and reduce the number of private vehicles on the roads thus reducing GHG emissions.

- *Support measures for cleaner transport*

The provision of financial incentives is deemed to be necessary to ensure that there will be an increase in greener transport vehicles in Malta. This will help in reaching Malta's targets to reduce greenhouse gas emissions from the transport sector. Therefore, the Government will seek to develop adequate measures intended to support investment in low carbon cleaner transport vehicles so that there will be a shift towards cleaner transport in Malta contributing to sustainable transport.

Interventions under this investment priority will complement interventions foreseen to shift to a low-carbon economy under priority axis 4 and interventions foreseen for sustainable urban development under priority axis 6.

- *Support Measures to incentivise investment in cleaner vehicles*

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Decarbonising road transport will be supported through this investment priority. In this regard, Government will consider interventions under this Investment Priority that will positively contribute towards Malta's target in relation to lower emissions from transport activities. Interventions considered include the shift towards cleaner transport vehicles, as well as the conversion of vehicle fleets used by government Ministries and Public Entities as well as the support to the private sector to shift to the use of vehicles that do not use conventional fuel.

2.A.6.2 Guiding principles for selection of operations

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.

The project selection process for the European Regional Development Fund will be undertaken through the following procedures:

Open call for applications

The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

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- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Separate calls will be issued for the participation of local councils and NGOs in order to ensure a more level playing field in the selection process.

Under this Axis, priority will be given to actions which positively contribute towards carbon impact.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the Monitoring Committee.

Small projects and projects of particular interest

Taking into account the duration of the selection process, close to the end of the programming period it may not be feasible to launch an open call. In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.</p> <p>Projects considered would still have to be aligned with the criteria as approved by the Monitoring Committee.</p> <p>Technical Assistance</p> <p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of technical assistance.</p> <p>Flexibility Facility</p> <p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>This Investment Priority foresees the use of the Energy Efficiency and Renewable Energy (EERE) Malta Financial Instrument.</p>	

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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Financial Instrument

Following an Ex-Ante assessment, the EERE Financial Instrument is being implemented in line with Article 37 of the CPR. The Managing Authority (MA) entrusted the implementation of the instrument to a Fund of Fund (FoF) Manager with the objective of facilitating access to finance to Final Recipients. A Funding Agreement in this sense has been signed between the MA and the FoF.

The FoF has selected financial institutions (local banks) to act as Financial Intermediaries and has entered into Operational Agreements with each selected Financial Intermediary. The appraisal and selection of Financial Intermediaries was carried out by the FoF following a Call for Expression of Interest. The Financial Intermediaries have been entrusted to build up a portfolio of loans under this Instrument. The MA has designated an Investment Board with a view to monitor and supervise the implementation of the Investment Strategy and Business plan as provided in the Funding Agreement.

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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N/A

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		

Investment priority		7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSR7d	Number of persons reached by campaigns	Persons	ERDF	Transition			100,000.00	Monitoring	Annual
PSO7a	Projects and schemes promoting and/or exploring collective transport methods	Number	ERDF	Transition			1.00	Monitoring	Annual
PSO7e	Projects and/or schemes promoting and/or exploring cleaner transport methods	Number	ERDF	Transition			1.00	Monitoring	Annual
CO34	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2eq	ERDF	Transition			11,000.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 7 - Shifting towards a more low-carbon transport sector
n/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 7 - Shifting towards a more low-carbon transport sector											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
FI7.1	F	Financial Indicator	Euro	ERDF	Transition			9,027,047.51			35,504,700.00	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
KIS7c	I	Number of projects and/or schemes promoting and/or exploring cleaner transport methods being implemented (constructed) or completed	Number	ERDF	Transition			1			1.00	Monitoring	1 Key Implementation Step and the relevant Output Indicator have been selected to represent the majority of resources allocated to the priority.
PSO7c	O	Projects and/or schemes promoting and/or exploring cleaner transport methods	Number	ERDF	Transition			0			1.00	Monitoring	1 Key implementation Step and the relevant output indicator have been selected to represent the majority of resources to this priority.

Additional qualitative information on the establishment of the performance framework

The financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). Such figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level and experience from the implementation under the 2007 – 2013 Operational Programme.. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not

to subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 23% of the expenditure (at Programme level) had been certified by the end of 2011 in the Operational Programme 2007-2013 in terms of CF. In addition, in setting the milestone due note was taken in relation to the state of the programming process as well as key steps within the implementation process such as project selection, permitting and procurement process given that the majority of expenditure under this Axis relates to multimodal transport. Within this context, the financial milestone values for 2018 are set at 25% of the final target value.

The selected output indicators are related to projects and schemes promoting and/or exploring cleaner transport methods. It is expected that no projects will be finalised by the set milestone date. In this regard a key implementation step is being included. The milestone for the key implementation step as at 2018 is calculated on the basis of the experience of the ERDF Operational Programme 2007-2013 and similar projects selected by the Managing Authority whereby 100% of the projects selected.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 7 - Shifting towards a more low-carbon transport sector	
Fund	Category of region	Code	€ amount
ERDF	Transition	036. Multimodal transport	16,203,760.00
ERDF	Transition	040. Other seaports	5,388,791.00
ERDF	Transition	043. Clean urban transport infrastructure and promotion (including equipment and rolling stock)	4,718,939.00
ERDF	Transition	044. Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)	2,092,270.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 7 - Shifting towards a more low-carbon transport sector	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Non-repayable grant	25,203,760.00
ERDF	Transition	04. Support through financial instruments: loan or equivalent	3,200,000.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 7 - Shifting towards a more low-carbon transport sector	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Large Urban areas (densely populated >50 000 population)	5,388,791.00
ERDF	Transition	03. Rural areas (thinly populated)	6,400,000.00
ERDF	Transition	07. Not applicable	16,614,969.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 7 - Shifting towards a more low-carbon transport sector	
Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	28,403,760.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 7 - Shifting towards a more low-carbon transport sector	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 7 - Shifting towards a more low-carbon transport sector
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.A.1 Priority axis

ID of the priority axis	PA 8
Title of the priority axis	Investing towards a more socially-inclusive society

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/A

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF	Transition	Public	

2.A.4 Investment priority

ID of the investment priority	9a
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ID of the investment priority	9a
Title of the investment priority	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Investment in public health infrastructures aimed to alleviate the pressures from the main hospital and investment aimed to provide additional health services as well as infrastructural measures to promote a healthy lifestyle.
Results that the Member States seek to achieve with Union support	<p>Across the decades, health systems have adapted in response to new diseases, innovations, social expectations and developments in medical interventions. The increase in the ageing population of Malta and in the incidence of chronic diseases requires the provision of quality health services. While the standardised mortality rates for circulatory diseases have decreased between 1990 and 2010, the rate experienced in Malta remains higher than the average EU-15.[1] Malta also has the highest rate of obesity amongst males and the 3rd highest of overweight and obese females.[2] Today, Government aims to address health challenges posed by an ageing population and the incidence of chronic diseases and also by the global spread of Covid-19 which has overwhelmed the health system and caused widespread disruption. This will be done by investing in facilities which will contribute to the promotion of healthy lifestyles and to the protection of the community. It will also seek to support the ability to manage a sudden increase in patient volume that would severely challenge or exceed the previous capacity and alleviate the main hospital from cases which can be addressed in primary and regional health centres as well as through collaborations with private operators in this area. Estimates indicate that 25% of cases seen in A&E are cases which should be seen in primary care. Thus, shifting inappropriate attenders within the main acute hospital in Malta, to primary care is estimated to create savings amounting to approximately 0.03% of GDP.[3] The benefits of interventions in health at regional level will be two-fold: firstly aiming to address the sustainability of health financing through investments promoting the shift from institutional services to regional services and secondly, bringing health services closer to communities particularly in areas with the highest rates of persons aged 65+ as well as those at risk of poverty, thus making health services more accessible to the more vulnerable.</p> <p>Whilst the Maltese territory is too small for significant statistical variations in terms of socio-economic inequalities, regional variations are observed.[4] In Malta, the Southern Harbour and the Northern Harbour regions show the highest proportion of the population aged 65 and over with the former having also the highest rate of persons with an unmet need for medical examination or treatment in both the 16+ and the 65+ cohorts.</p>

	<p>In order to address the gaps within the current provision of healthcare services, ensure a sustainable healthcare system and achieve a culture change towards active and healthy ageing, Government will increase and improve the services offered and will alleviate pressures at the main hospital, while increasing the rate of moderate or high level regular physical activity amongst the population.</p> <p>As COVID-19 transmission has advanced globally, the Maltese healthcare system faces extreme pressure. Government will support investments in the health sector, expenditure for the protection of the community and of professionals being on the frontline fighting the epidemic within all settings.</p> <p>[1] NHSS Malta 2014-2020.</p> <p>[2] A Healthy Weight for Life: A National Strategy for Malta 2012-2020.</p> <p>[3] Malta’s NRP under the Europe 2020 Strategy, pg 13.</p> <p>[4] For information on territorial development needs and target groups see Malta’s Partnership Agreement under section 3.1.5.</p>
ID of the specific objective	SO2
Title of the specific objective	Support the integration of vulnerable persons, including young persons with challenging behaviours, within the community through public infrastructure, community based centres and therapeutic centres, intended to provide necessary social services to vulnerable groups and to bring vulnerable persons closer to the labour market.
Results that the Member States seek to achieve with Union support	Apart from health inequalities, social exclusion and poverty remain high on Malta’s agenda. According to Eurostat figures, the number of persons at risk of poverty or social exclusion in Malta (24% of the total population in 2013) has increased at a faster pace than that registered at EU level.[1] In line with the European aim to eradicate poverty and promote social inclusion, under this investment priority Government is committed to provide support through adequate social services within the community and address the lack of physical infrastructure aimed to integrate and support vulnerable persons within the community particularly persons with disability and young persons with challenging behaviour. To this end, Government will invest in

	<p>public infrastructure aimed to integrate vulnerable groups within communities through employment, to assist young people with challenging behaviour to contribute towards them becoming well-functioning members of society, as well as reduce poverty by meeting the social needs in communities through more appropriate matching between the needs and services offered. Such measures will aim to contribute towards the national 2020 target of lifting 6,560 persons from the risk of poverty. In this respect the shift towards community-based services will also be extended towards the provision of facilities aimed at integrating disadvantaged groups within communities, including persons with disability and children, amongst others, in the spirit of social inclusion, equality and a better provision of services.</p>
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Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Investment in public health infrastructures aimed to alleviate the pressures from the main hospital and investment aimed to provide additional health services as well as infrastructural measures to promote a healthy lifestyle.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR8e	Number of hospital admissions due to improved primary health care services	Number	Transition	730,000.00	2013	720,000.00	Monitoring	Annual
PSR8g	Proportion of young people with an improved healthy lifestyle through regular exercise	Percentage	Transition	37.00	2012	50.00	Monitoring	Every two years
PSR8h	Number of health services offered	Number	Transition	37.00	2017	50.00	Monitoring	Annual

Specific objective		SO2 - Support the integration of vulnerable persons, including young persons with challenging behaviours, within the community through public infrastructure, community based centres and therapeutic centres, intended to provide necessary social services to vulnerable groups and to bring vulnerable persons closer to the labour market.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR6d	Number of persons lifted out of risk of poverty	Persons	Transition	99,000.00	2013	6,560.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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Within a society which depends on human capacity as its only natural resource, investment in the well-being of citizens in terms of health provision and accessibility remains of utmost importance. The challenges posed by an ever increasing ageing population, the relatively high number of persons suffering from chronic health problems, as well as the current limitations vis-a-vis health services in Malta, require interventions aimed at retaining persons active within the labour market for longer periods.

In this regard, Government will adopt a multifaceted approach under this investment priority with the aim of moving towards more community-based health services whilst increasing the health services on offer. Investments will focus on strengthening healthcare (including through an appropriate specialised trained workforce)[1], provision of health infrastructure to align new concepts and increase new services, concepts and technology, reducing health inequalities, facilitating active and healthy ageing, and alleviating pressures from the main hospital, thus moving towards a more sustainable health system.

Besides this, in 2020, the trajectories changed dramatically when the World Health Organization (WHO) put countries on alert to the threat to humans from the coronavirus disease, COVID-19, and its causal virus Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2). Faced with this new reality, Government will support investments in the healthcare system to ensure an adequate response to the COVID-19 including expenditure for the protection of the community and of professionals on the frontline fighting the epidemic within all settings. Thus, in order to ensure assistance to all those in need, reduce exposure and suppress transmission, investments will focus on the availability of hospital beds to deal with increase demand of specialised services, availability of crucial equipment such as medical ventilators, availability of testing kits, the availability of medical supplies including vaccinations for the protection of the community and the availability of personal protective equipment for professionals on the frontline fighting the epidemic within all settings.

Moreover, in an effort to lift people from poverty and from the risk of social exclusion, integrate vulnerable groups within the labour market, help young people with challenging behaviour become well-functioning members of society, and match the needs of communities with the services offered

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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Government will invest in public infrastructure aimed to provide the necessary social support within the community. Such a holistic approach will be a priority under the 2014-2020 period and will seek to integrate all groups within society whilst at the same time provide the necessary social support structures.

Broad target groups, beneficiaries and territories targeted

Government is committed to provide the necessary health and social infrastructure with the aim of maintaining a healthy and active population. Within this context, the target groups for such investments will primarily involve the general public with particular focus on vulnerable groups[2] and young persons, whilst the primary beneficiaries of such investments will be the Public Administration.

Target Groups

General public, vulnerable and disadvantaged groups including children, the elderly, and persons with disability.

Youths

Beneficiaries

Public Administration, NGOs

Territories

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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Malta and Gozo

Type of interventions

Interventions in health under this investment priority will be in line with the health reform as well as the relevant ex ante conditionality,[3] and will seek to support the objectives identified under the National Health Systems Strategy[4] namely to enhance access, quality and the sustainability of the Maltese health system and support new measures to address chronic diseases including obesity and diabetes, which are both identified as national health challenges and strengthening primary health care by upgrading/establishing regional centres to alleviate the pressure from more costly acute care provision.

Moreover, following the COVID-19 outbreak, interventions in the health sector will focus on the need to provide assistance not only to treat patients with the COVID-19 virus, but also in order to reduce exposure to this virus as well as suppress its transmission. Investments will potentially cover the availability of equipment to support treatment of COVID-19 patients, the creation of additional bed space, the provision of personal protective equipment for professionals on the frontline within all settings, testing capacity to diagnose and test for COVID-19, as well as medical supplies including vaccinations for the protection of the community.

Thus, under this investment priority, apart from COVID-19 related measures, Government will also support interventions aimed at improving healthcare provision through investment in primary health care services and health services at regional level, investments in the provision of new health services and improve existing ones, as well as small scale infrastructural sports facilities with a view to instil a culture change towards active and healthy ageing.

Government will also support infrastructure aimed to provide the necessary social support within the community. These interventions will contribute towards integrating vulnerable persons within communities, reducing poverty by meeting the social needs in communities through more appropriate matching between the needs and services offered whilst assisting youths with challenging behaviour become well-functioning members of society. Such measures will lead towards a more inclusive society which will enable Government to provide more targeted services based on the needs of

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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individual persons.

Thus, under this investment priority, Government will support interventions aimed at improving healthcare provision through investment in primary health care services and health services at regional level, investments in the provision of new health services and improve existing ones, as well as small scale infrastructural sports facilities with a view to instil a culture change towards active and healthy ageing.

Government will also support public infrastructure aimed to provide the necessary social support within the community. These interventions will contribute towards integrating vulnerable groups within communities through employment, reducing poverty by meeting the social needs in communities through more appropriate matching between the needs and services offered whilst assisting youths with challenging behaviour become well-functioning members of society. Such measures will lead towards a more inclusive society which will enable Government to provide more targeted services based on the needs of individual persons.

List of potential interventions

- *Investment in infrastructure for primary healthcare services*

Government's aim is to take concrete action which optimises capacity by investing in appropriate health structures and services (also through the setting up of specialisation units and ancillary services) contributing towards a sustainable approach within the health sector. In this regard, Government will seek to encourage community-based approaches whereby ESI funds will support the drive to optimise capacity in the provision of health services and establish a more sustainable primary health care system.

The development and/or modernisation of primary healthcare infrastructure (including equipment) remains necessary to decrease the dependence on the main acute hospital. In this respect, Government will support infrastructural measures which provide primary health services, including services for pro-active preventive care directed to educate society (including socially vulnerable groups).[5] Such facilities are expected to act as hubs providing specialised care for a number of prevalent diseases and conditions and will enable a more comprehensive health care service provision which is closer

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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to the community resulting in an enhanced access to health care services whilst providing support to the main acute hospital by treating minor yet urgent injuries in an effort to offload pressure. This will result in a more efficient service for patients and a more sustainable healthcare provision.

In order to address the needs of primary health care provision in a holistic manner, measures under this investment priority will be complemented by interventions financed by ESF under OP II such as the training of health care professionals. [6]

- *Preventive health measures to promote active and healthy ageing*

Under this investment priority, Government will also support measures which aim to instil the notion of a healthy lifestyle from a very young age. According to the Healthy Weight for Life Strategy (2012-2020), the childhood phase has a life course impact on a person's health and wellbeing including effects on obesity, heart and mental health.[7] Within this context, Government will support social, cultural and recreational facilities, including sports, which will provide services aimed at promoting healthy and active lifestyle, particularly amongst children, youths, the elderly and other vulnerable groups. Apart from contributing to the health dimension, these interventions will also form a channel through which socially excluded individuals can be better integrated within society and provide opportunities for education which will help bring down barriers to social equality.

With the aim to address health problems at an early age and the continuous promotion of a healthy lifestyle, such measures will be complemented by interventions financed through ESF under OPII which will focus on empowering individuals to pursue healthy lifestyles and promote their own health.

- *Investment in health infrastructure to increase the provision of services and quality and investment linked to COVID-19*

Government will also support investment in health infrastructure to allow for the benefit of the citizens living in Malta. Some of the current health infrastructures, including those providing palliative care services, are not fit for today's needs and limit the services available for patients. The possibility to increase the present capacity, including the capacity to provide palliative care services, and to invest in new health services will lead to considerable health benefits to the local population.

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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Moreover, in view of the COVID-19 outbreak, potential interventions supported by the Government will include provision of equipment to support treatment of COVID-19 patients including but not limited to ventilators, the creation of additional bed space, the supply of personal protective equipment for professionals on the frontline within all settings, the provision of testing capacity to diagnose and test for COVID-19, as well as the provision of medical supplies to combat the COVID-19 virus including vaccinations, for the protection of the community.

It should be noted that the financial indicator targets related to the different COVID-measures in Table 5 below have been set on the basis of reasonable assumptions based on the best assessment of the information available and are subject to changes. The financial indicator target CV2* related to the value of medical equipment, as indicated in Table 5 below, is also covering the expenditure related to the lease of bed space.

- *Facilities for community-based social services, people with challenging behaviour, and for the promotion of social inclusion*

Government is committed towards ensuring that Maltese society is an inclusive one which caters for the needs of disadvantaged groups. In this regard, the aim is to provide adequate services and resources to vulnerable groups in society in order to reinforce the social fabric at its roots. Within this context, Government will support actions aimed at providing the necessary infrastructure for the provision of community-based services as well as other support including therapeutic interventions to vulnerable persons, people with challenging behaviour and other disadvantaged groups or marginalised communities within society burdened with physical, psychological and/or economic difficulties, amongst others, in various areas around Malta and Gozo. Such infrastructure will not only increase the quality, value and accessibility of the services being provided but also provide the possibility of introducing new additional services.

[1] Measures will be complemented with interventions relating to the training of the workforce within OP II.

[2] Vulnerable groups may include, amongst others, the long-term unemployed, the working poor, persons with a disability, persons with mental health difficulties, older persons, vulnerable women, victims of domestic violence, children, migrants and young people in institutional care.

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>[3] Information on the fulfilment of the ex-ante conditionalities which are relevant to the health sector may be found under section 9 of this OP.</p> <p>[4] Malta's National Reform Programme under the Europe 2020 Strategy (2014).</p> <p>[5] Vulnerable groups may include, amongst others, the long-term unemployed, the working poor, persons with a disability, persons with mental health difficulties, older persons, vulnerable women, victims of domestic violence, children, migrants and young people in institutional care.</p> <p>[6] Further information on ESF interventions related to the health sector may be found under OPII.</p> <p>[7] A Healthy Weight for Life: A National Strategy for Malta 2012-2020, page 22.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p> <p>Open call for applications</p>	

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Separate calls will be issued for the participation of local councils and NGOs in order to ensure a more level playing field in the selection process.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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the MC.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.

Sustainable Urban Development

Sustainable Urban Development projects (under Priority Axis 6) are national projects that will be implemented in accordance with the integrated urban development strategies. Within this context, no public call for applications will be issued for the selection of these projects. Through the Coordination Committee for Sustainable Urban Development, Government will decide on the allocation of funds for the different interventions taking into account the integrated urban development strategies. The MA will retain the right of the final verification of eligibility of operations before approval.

Technical Assistance

Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme.

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.	
Flexibility Facility	
In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PS8j	Value of total public eligible cost contracted (health)	Euro	ERDF	Transition			29,000,000.00	Monitoring	Annual
PS8a	Persons benefitting from new/upgraded infrastructure (including equipment/services).	Persons	ERDF	Transition			8,000.00	Monitoring	Annual
PS8h	No of admissions using new/upgraded infrastructure	Persons	ERDF	Transition			350,000.00	Monitoring	Annual
PS8i	Vulnerable persons covered by improved social services	Persons	ERDF	Transition			115,000.00	Monitoring	Annual
CV1	Value of personal protective equipment purchased	EUR	ERDF	Transition			13,300,000.00	monitoring	annual
CV2	Value of medical equipment purchased	EUR	ERDF	Transition			1,700,000.00	monitoring	annual
CV3	Value of medicines purchased linked to COVID-19	EUR	ERDF	Transition			3,000,000.00	monitoring	annual
CV60	Value of all vaccinations costs	EUR	ERDF	Transition			15,000,000.00	Monitoring	Annual
CV6	Items of personal protective equipment (PPE)	Number of items	ERDF	Transition			5,000,000.00	monitoring	annual
CV7	Ventilators to support treatment of COVID-19	Number of medical devices	ERDF	Transition			340.00	monitoring	annual
CV63	Vaccination doses purchased	doses	ERDF	Transition			1,000,000.00	Monitoring	Annual
CV64	People vaccinated with EU support	Persons	ERDF	Transition			335,000.00	Monitoring	Annual
CO36	Health: Population covered by improved health services	Persons	ERDF	Transition			460,000.00	Monitoring	Annual

2.A.4 Investment priority

ID of the investment priority	9b
Title of the investment priority	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 3
Title of the specific objective	Integration of deprived families through the upgrading of public social housing.
Results that the Member States seek to achieve with Union support	<p>Shelter is one of the basic needs which remains fundamental for the well-being of individuals and the communities within which they interact. In this respect, the provision of adequate housing in particular to disadvantaged groups contributes towards mitigating social exclusion and poverty. According to the Statistics on Income and Living Conditions Survey issued by NSO, in 2013, the material deprivation rate amongst households stood at 19.4%[1] while the severe material deprivation rate stood at 9.5%.[2] In recent years, Government has undertaken various measures to address the need for social housing as well as upgrade housing estates in order to address emerging needs. Nevertheless, further investment in public social housing particularly housing estates in disadvantaged or deprived communities is necessary to improve and preserve the quality of affordable housing and foster a safe and independent living.</p> <p>Within this context, under this investment priority Government aims to address the current challenges stemming from the need to upgrade sub-standard public social housing as a means to reduce crime, violence or vandalism in the area. Government will thus invest in the regeneration of public social housing including housing which is not in an adequate habitable state. Such interventions will translate into dwellings and communities which are accessible, safe and environmentally-friendly, coherent with the surrounding environment and which will restore dignity to the area and its inhabitants.</p> <p>The achievement of these results will form part of a series of measures to be implemented during the 2014-2020 period which will aim to contribute towards social inclusion and address social barriers to equality, in line with the relevant EU 2020 and national targets.</p> <p>[1] National Statistics Office, News Release 002/2014, Statistics on Income and Living Conditions Survey 2012: Main Dwellings and Material Deprivation, 6 January 2014, page 8.</p> <p>[2] –NSO:SILC 2013. News Release 164/2014.</p>

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 3 - Integration of deprived families through the upgrading of public social housing.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR8d	Crime, Violence or Vandalism in the Area (persons)	Persons	Transition	15,640.00	2010	15,440.00	Monitoring	Annual
PSR8f	Number of persons living in rehabilitated social housing	Persons	Transition	50.00	2013	2,000.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>The challenges that arise in relation to poverty and social exclusion aspects are complex and multi-dimensional requiring a holistic and integrated approach in the interventions to be adopted in order to be effective. Actions to be supported under this investment priority will tackle the needs of vulnerable, marginalised and/or deprived groups who live or will start living in social housing or the surrounding areas. In this regard, interventions will also seek to upgrade public social housing within the territory and thus contribute towards an improved standard of living and reduce crime, violence or vandalism in the area.</p> <p>Broad target groups, beneficiaries and territories targeted</p> <p>Government plans to invest in adequate social housing infrastructure and surrounding areas with the aim of promoting social inclusion and combating poverty. Within this context, the target groups for such investments will primarily involve marginalised communities and vulnerable groups including the elderly, single parents, disadvantaged children, low income earners and the working poor, amongst others. Interventions under this investment priority will cover the entire Maltese territory where particular attention will be given to the most deprived areas.</p> <p>Target Groups</p> <p>Marginalised and/or deprived communities including persons with disability, low income earners, the elderly, persons at risk of poverty, children, youth, low skilled persons, single parents etc.</p> <p>Beneficiaries</p>	

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p data-bbox="123 284 517 320">Public Administration, NGOs</p> <p data-bbox="123 384 271 421">Territories</p> <p data-bbox="123 485 342 521">Malta and Gozo</p> <p data-bbox="123 585 427 622">Type of interventions</p> <p data-bbox="123 686 2049 948">Interventions under this investment priority will focus mainly on developing and rehabilitating public social housing infrastructure with the aim of regenerating deprived communities. Moreover, in line with Government’s strategy of adopting a multifaceted approach when addressing the needs of persons at risk of poverty and social exclusion, Government will not only support investments in social housing per se but will also focus on interventions aimed at improving the surrounding area, through increased community facilities, recreational areas, open spaces and the provision of support services. These interventions will be carried out within the framework of integrated plans complementing interventions in sectors such as employment, education, health care and social integration. Such interventions will be consistent with the Sustainable Urban Development strategies and actions to be implemented under priority axes 6.[1]</p> <p data-bbox="123 1011 539 1048">List of potential interventions</p> <ul data-bbox="197 1112 1072 1149" style="list-style-type: none"> • <i>Regeneration and upgrade of public social housing infrastructure</i> <p data-bbox="123 1212 2069 1326">Given the long waiting list for social housing and the precarious state of a number of public social housing estates, Government believes that the development and renovation of such buildings is an important part of the integrated approach that is being adopted to reduce poverty and address social exclusion.</p>	

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>Within this context, Government will support measures aimed at developing, upgrading and improving the accessibility of housing estates and the development of adequate dwellings in terms of space and commodities. Furthermore, interventions foreseen will aim to maximise resource efficiency, in particular water and energy efficiency measures, as well as energy generation through renewable sources.</p> <p>In this respect, in an effort to revitalise deprived areas, Government will also support interventions such as the building of recreational areas, childcare facilities as well as day care centres for the elderly.</p> <p>[1] Actions under this priority axis may complement interventions under Priority Axis 6.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p> <p>Open call for applications</p> <p>The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the</p>	

Investment priority

9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas

necessary details on the project application and selection process.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Separate calls will be issued for the participation of local councils and NGOs in order to ensure a more level playing field in the selection process.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.

Sustainable Urban Development

Sustainable Urban Development projects (under Priority Axis 6) are national projects that will be implemented in accordance with the integrated urban development strategies. Within this context, no public call for applications will be issued for the selection of these projects. Through the Coordination Committee for Sustainable Urban Development, Government will decide on the allocation of funds for the different interventions taking into account the integrated urban development strategies. The MA will retain the right of the final verification of eligibility of operations before approval.

Technical Assistance

Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
Flexibility Facility	
<p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		

Investment priority		9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO40	Urban Development: Rehabilitated housing	Housing units	ERDF	Transition			600.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 8 - Investing towards a more socially-inclusive society
N/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 8 - Investing towards a more socially-inclusive society											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
FI8.1	F	Financial Indicator	Euro	ERDF	Transition			14,715,483.43			64,998,337.50	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
KIS8j	I	Value of total public eligible cost contracted (health)	Euro	ERDF	Transition			17,400,000			29,000,000.00	Monitoring	1 Key implementation Step and the relevant Output indicator have been selected to represent the majority of resources allocated to the priority.
CO36	O	Health: Population covered by improved health services	Persons	ERDF	Transition			0			460,000.00	Monitoring	Two output indicators were selected to represent the majority of resources allocated to the priority.
CO40	O	Urban Development: Rehabilitated housing	Housing units	ERDF	Transition			20			600.00	Monitoring	Two output indicators were selected to represent the majority of resources allocated to the priority. Milestones have been determined based on the 2007-2013 experience.

Additional qualitative information on the establishment of the performance framework

The financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). Such figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level as well as experience in the implementation of the ERDF 2007-2013 Operational Programme. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not to subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 21% of the expenditure (at Programme level) had been certified by the end of 2011 in the ERDF Operational Programme 2007-2013. In addition, in setting the milestone due note was taken of key steps within the implementation process such as environmental and planning requirements, regulatory requirements

and the procurement process given that the majority of expenditure under this Axis relates to infrastructure within the health and housing sector. Within this context, the financial milestone values for 2018 were set at 24% of the final target value.

Due to the fact that the selected output indicators are related to infrastructural projects related to health and housing (given that this represents more than 50% of the Priority Axis in line with Article 5-Implementing Act 215/2014), it is expected that two output indicators related to Specific Objective 1 and Specific Objective 3 have been selected and included in the performance framework.

It is expected that no infrastructure in relation to health will be completed by the set milestone date. In this regard a key implementation step is being included.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 8 - Investing towards a more socially-inclusive society	
Fund	Category of region	Code	€ amount
ERDF	Transition	052. Infrastructure for early childhood education and care	100,000.00
ERDF	Transition	053. Health infrastructure	41,631,503.00
ERDF	Transition	054. Housing infrastructure	7,893,536.00
ERDF	Transition	055. Other social infrastructure contributing to regional and local development	2,373,631.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 8 - Investing towards a more socially-inclusive society	
Fund	Category of region	Code	€ amount

Priority axis		PA 8 - Investing towards a more socially-inclusive society	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Non-repayable grant	51,998,670.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 8 - Investing towards a more socially-inclusive society	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Large Urban areas (densely populated >50 000 population)	13,200,000.00
ERDF	Transition	02. Small Urban areas (intermediate density >5 000 population)	11,840,000.00
ERDF	Transition	03. Rural areas (thinly populated)	4,800,000.00
ERDF	Transition	07. Not applicable	22,158,670.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 8 - Investing towards a more socially-inclusive society	
Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	51,998,670.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 8 - Investing towards a more socially-inclusive society	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 8 - Investing towards a more socially-inclusive society
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.A.1 Priority axis

ID of the priority axis	PA 9
Title of the priority axis	Developing our future through education, training and lifelong learning

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/A

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ERDF	Transition	Public	

2.A.4 Investment priority

ID of the investment priority	10a
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ID of the investment priority	10a
Title of the investment priority	Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Invest in public infrastructure aimed to provide education and training facilities for academic and vocational education and training (VET) to reduce early school leavers as well as improve tertiary education attainment.
Results that the Member States seek to achieve with Union support	<p>Malta's progress in the education sector and the need to increase the employability of the workforce remain of key importance for Government. In 2012, employment rates ranged from 47.9% for individuals with less than upper-secondary and post-secondary education to 67.4% for persons with upper-secondary and post-secondary education and 86.7% for those who had achieved tertiary education qualifications.[1] Moreover, 31.4% of early school leavers were not in employment.[2]</p> <p>In 2013, the rate of early school leavers stood at 20.8% which was high compared to the EU-28 average rate of 12.0% for the same year.[3] Within this context and having surpassed the National 2020 headline target of reducing ESL to 29% in 2009,[4] Government has embarked on an ESL Strategy which will serve as the basis for measures aimed at reducing ESL. In this regard, Government has identified the following development needs: lack of physical infrastructure for both VET and tertiary education as well as the need to provide training which is more in line with the needs of industry and economy. In an effort to address the relevant CSR and stemming from the constraints of the current ESL rate, Government has set a new target, in line with the ambitions of the Europe 2020 Strategy, to reduce the percentage of early school leavers to 10% by 2020.</p> <p>Moreover, whilst the overall tertiary education attainment (15-64 year olds) has been on the increase between 2008 and 2012, the participation rate in tertiary education or equivalent of 30-34 year olds remained constant between 2006-2010 and has since been relatively increasing reaching 26% in 2013. This rate remains lower than the EU-28 average of 36.9% that was reached in 2013 and is still distant from the national EU 2020 target of 33%.[5] This scenario prompts the need for Government to invest in measures which encourage a higher participation and attainment rate in tertiary education amongst 30-34 year olds.</p>

During the 2014-2020 programming period, Government will give priority to investments in education and training infrastructure with a view to provide physical infrastructure addressing the development of VET and improving tertiary education attainment. Such investments will aim to reduce the rate of ESLs and increase attainment rates at tertiary education level in line with the national targets as set out in the Draft National ESL Strategy, the Further and Higher Education 2020 Strategy and the NRP, whilst taking account of the CSR which is relevant to this sector. Interventions under this priority axis will be complemented by measures under the ESF operational programme to address the challenges posed by ESL and low tertiary education.

[1] National Statistics Office: Survey on Income and Living Conditions (SILC) 2012.

[2] National Statistics Office: Annual Labour Force Survey dataset (2012).

[3] Eurostat Early School Leavers from education and training
(<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=+2020>) accessed on 27 October 2014.

[4] Ibid.

[5] EUROSTAT, Tertiary Education Attainment (Age group 30-34),
http://epp.eurostat.ec.europa.eu/portal/page/portal/europe_2020_indicators/headline_indicators/statistical_dashboards/education/attainment,
accessed on 27 October 2014.

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Invest in public infrastructure aimed to provide education and training facilities for academic and vocational education and training (VET) to reduce early school leavers as well as improve tertiary education attainment.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR9	National target: Early School Leaving Rate	percentage	Transition	22.60	2012	10.00	Monitoring	Annual
PSR9b	Tertiary Education: Share of 30-34 year olds having completed tertiary education or equivalent	Percentage	Transition	22.40	2012	33.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p>Recognising the importance of developing human capital, Government has invested in the education sector and reforms in education service provision have been ongoing. In recent years, investment in education and training infrastructure, including improved ambience and modern teaching tools, have had a positive effect in the reduction of ESLs. The investment in further and higher education infrastructure carried out in recent years such as the initial phases of the MCAST master plan and new faculties within the University of Malta have also resulted in a significant increase in the overall participation in tertiary education, vocational education and training as well as in lifelong learning.</p> <p>Nonetheless, Government recognises that with a high ESL rate and a low rate of tertiary education attainment, the possibility of making full use of the abilities of Malta's human capital will not be fully exploited. In this respect, Government will support targeted infrastructural projects in VET and tertiary education facilities under this Investment Priority, building on the interventions already undertaken under the 2007-2013 programming period, to provide improved and high quality education facilities as part of Government's mission to match the students' needs for high quality facilities, variety of subjects and flexible learning opportunities within the current and future demands of the industry.</p> <p>Target groups, beneficiaries and territories targeted</p> <p>Government is committed to provide sufficient learning resource facilities and educational tools throughout Malta and Gozo for students to develop during their studies as well as create the right environment to attract and entice new students to undertake further and higher education studies. In this respect, the target groups for such investments will primarily involve students at various levels of education and active participants in the labour market whilst the primary beneficiaries of such investments will be education, training and research providers.</p> <p>Target Groups</p>	

Investment priority	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p data-bbox="123 284 1601 327">Students, teaching and support staff, as well as labour market participants including self-employed, employees etc.</p> <p data-bbox="123 383 302 422">Beneficiaries</p> <p data-bbox="123 486 414 526">Public Administration</p> <p data-bbox="123 590 268 630">Territories</p> <p data-bbox="123 694 347 734">Malta and Gozo</p> <p data-bbox="123 790 425 829">Type of interventions</p> <p data-bbox="123 893 2083 1077">In recent years, Government has embarked on a Further and Higher Education strategy and the finalisation of ESL strategy with a view to strengthen policy efforts to tackle education attainment in a coordinated and targeted manner. Such policy developments progressed in line with new infrastructural projects which Government has carried out in further and higher education institutions, including VET institutions, also with the support of European funds. These efforts have translated in an increase in the number of students entering further and higher education which has been possible primarily through the expansion of MCAST and developments within the University of Malta.</p> <p data-bbox="123 1141 2083 1324">Building upon the developments in the education sector over the past years, Government will invest in the development and modernisation of further and higher academic and vocational institutions through targeted infrastructural measures. Interventions supported will be in line with Government’s strategy towards early school leaving, vocational and tertiary education[1] with a view to contributing towards the reduction of the rate of ESL and increasing the rate of vocational and tertiary education attainment. The needs in terms of infrastructure and equipment are being identified within the framework of Government’s strategies in these areas.</p>	

Investment priority

10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure

List of potential interventions

- *Investment in VET facilities[2]*

During the past ten years Malta witnessed a significant increase in the total student participation rates in Further and Higher Education[3]. This increase is not only reflected in attainment levels, student mobility, number of awarded scholarships, etc. but is also mirrored in the relatively stable employment levels. In this respect, Government aims to focus its interventions for the 2014-2020 programming period on two main strands, namely: the building and modernisation of facilities within VET and training institutions as well as the development of high quality education facilities within further and higher education institutions.

Government aims to improve the range and standards of VET courses available, narrow the skills gap between the needs of the industry and the competences of students, and improve access to lifelong learning which enables the re-skilling and up-skilling of workers. Within this context, Government will seek to invest in the final phase of the MCAST master plan with a view to accommodate the long term growth in VET.[4] Specific actions under this measure will provide access to high quality education and will include infrastructural projects in VET institutions, in order to broaden the spectrum of courses and provide the necessary modern teaching resources and equipment. Such interventions will offer students the facilities to acquire the skills and competencies needed to move up the education ladder and to enter and move within the labour market. In addition, interventions under this priority will include investment in VET infrastructure specifically targeting the tourism and hospitality industry which are necessary for developing the necessary human capacity required to ensure that Malta maintains its competitive edge within the sector.

- *Investment in Tertiary Education Facilities*

Investment within the educational sector will also address the needs of tertiary education. The investment undertaken in recent years within the University of Malta campus has enabled an improved learning experience and also contributed to address the demand of the increasing number of students. Within this context, whilst building upon interventions undertaken to date, Government will also seek to support the expansion of the medical, surgery and healthcare sciences faculty within the University Campus and in Gozo. Such interventions will enable the provision of state of the

Investment priority	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p>art learning facilities keeping abreast with the developments within the health sector.</p> <p>[1] For information on the fulfilment of the ex-ante conditionalities relevant to the ESL and the Higher Education sectors see section 9 of this OP.</p> <p>[2] Investments to strengthen the infrastructural capacity of Further and Higher Education Institutions are in line with the strategic thrust of the National Further and Higher Education 2020 Strategy. They also reflect the aim of the relevant ex-ante conditionalities which promote an increase in quality and efficiency of VET systems and Higher Education.</p> <p>[3] NCFHE Further and Higher Education Statistics 2012 Report (Oct 2013), page 4.</p> <p>[4] NCHE, Further and Higher Education Strategy 2020 (April 2009).</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p> <p>Open call for applications</p> <p>The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls</p>	

Investment priority	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
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will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Separate calls will be issued for the participation of local councils and NGOs in order to ensure a more level playing field in the selection process.

Small projects and projects of particular interest

Taking into account the duration of the selection process, close to the end of the programming period it may not be feasible to launch an open call. In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed

Investment priority	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p>€500,000 in total public eligible cost.</p> <p>Projects considered would still have to be aligned with the criteria as approved by the Monitoring Committee.</p> <p>Technical Assistance</p> <p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.</p> <p>Flexibility Facility</p> <p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
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Investment priority	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PSO9a	Capacity of VET and Tertiary education infrastructure	Persons	ERDF	Transition			10,000.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 9 - Developing our future through education, training and lifelong learning
n/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 9 - Developing our future through education, training and lifelong learning											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
FI9.1	F	Financial Indicator	Euro	ERDF	Transition			8,573,368.74			33,630,975.00	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
PSO9a	O	Capacity of VET and Tertiary education infrastructure	Persons	ERDF	Transition			2,000			10,000.00	Monitoring	One output indicator has been selected to represent the majority of resources allocated to this priority.

Additional qualitative information on the establishment of the performance framework

Financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). The figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level and experience from the implementation under the 2007 – 2013 Operational Programme. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not to subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 21% of the expenditure (at Programme level) had been certified by the end of 2011 in the ERDF Operational Programme 2007-2013. In addition, in setting the milestone due note was taken in relation to the state of the programming process as well as key steps within the implementation process such as project selection, permitting requirements and the procurement process given that the majority of expenditure under this Axis relates to the VET and Tertiary education facilities in terms of physical infrastructure. Within this context, the financial milestone values for 2018 is set at 25% of the final target value.

Due to the fact that the selected interventions are solely related to investment in VET and tertiary education physical this represents more than 50% of the Priority Axis in line with Article 5 -Implementing Act 215/2014).The milestone for common output indicator in relation to the capacity supported education infrastructure as at 2018 is calculated on the basis of the experience of the ERDF Operational Programme 2007-2013 in terms of similar projects.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis	PA 9 - Developing our future through education, training and lifelong learning
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Fund	Category of region	Code	€ amount
ERDF	Transition	049. Education infrastructure for tertiary education	12,904,780.00
ERDF	Transition	050. Education infrastructure for vocational education and training and adult learning	14,000,000.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 9 - Developing our future through education, training and lifelong learning	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Non-repayable grant	26,904,780.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 9 - Developing our future through education, training and lifelong learning	
Fund	Category of region	Code	€ amount
ERDF	Transition	01. Large Urban areas (densely populated >50 000 population)	26,904,780.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 9 - Developing our future through education, training and lifelong learning	
Fund	Category of region	Code	€ amount
ERDF	Transition	07. Not applicable	26,904,780.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 9 - Developing our future through education, training and lifelong learning	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 9 - Developing our future through education, training and lifelong learning
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.A.1 Priority axis

ID of the priority axis	PA14
Title of the priority axis	SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/a

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
CF		Public	

2.A.4 Investment priority

ID of the investment priority	9iv
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ID of the investment priority	9iv
Title of the investment priority	Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO2
Title of the specific objective	Supporting vulnerable households through exceptional measures to help them meet their energy consumption costs
Results that the Member States seek to achieve with Union support	<p>In line with Article 25b of Regulation (EU) 1303/2013, 3% of the total ERDF, ESF and Cohesion Fund resources, including REACT-EU resources under the Investment for growth and jobs goal, allocated to Malta for the 14-20 programme is being directed towards supporting vulnerable households hit by the energy crisis resulting from the war in Ukraine.</p> <p>The SAFE allocation will be directed towards the assistance provided to vulnerable households to preserve their already limited purchasing power and meet their daily energy needs without falling into the risk of poverty. As a result, fewer vulnerable households should be at risk of energy poverty during this crisis and the lives and wellbeing of people affected by the high energy prices will be better safeguarded.</p>

Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for ESF and the ESF REACT-EU)

Investment priority : 9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest														
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T			M	W	T		

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest
<p>This investment priority (IP) will partially support Malta in this initiative by targeting the financial assistance that was specifically provided to the vulnerable households to meet their energy consumption costs in line with Article 25b (1) of Regulation (EU) No. 1303/2013. Vulnerable households are defined, in statistics issued by the National Statistics Office (NSO), as those falling below the at-risk-of-poverty threshold (ARPT) for the purposes of this Priority Axis. This threshold is equivalent to 60% of the median national equivalised income (NEI) of persons living in private households [1] and this definition is in line with the European Statistics on Income and Living Conditions (EU-SILC) respondents [2] whose NEI falls below this threshold and who are considered to be at-risk-of-poverty (ARP). In accordance with National Statistics Office (NSO) data, the ARPT derived from EU-SILC 2022 was estimated to be €10,893.</p> <p>The share of households at-risk-of-poverty from EU-SILC 2022, is 20.8%, equivalent to 44,042 households in line with the abovementioned NSO data. The financial assistance aimed for this measure shall cover the subsidization of the inflation costs of energy prices in 2022/2023 for these identified vulnerable households, in line with the eligibility parameters for temporary intervention established by the regulation. Expenditure under this PA represents around (3%) of the total national cohesion policy funds allocation and therefore less than 10% threshold as outlined in the regulatory framework. This priority axis will make use of the cross-financing possibility (on the basis of the rules applicable to ESF), to provide exceptional temporary support at 100% financing under the SAFE initiative.</p> <p>Indicative target groups, beneficiaries and territories targeted</p>	

Investment priority	9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest
<p>Target groups: Vulnerable households</p> <p>Beneficiaries: The Ministry responsible for Energy</p> <p>Territories: Malta and Gozo</p> <p>Interventions under this investment priority aim to support the subsidization of the inflation costs of energy prices in 2022/2023 of vulnerable households, who benefitted from the said support in order to meet their energy consumption costs due to the energy crisis resulting from the war in Ukraine.</p> <p>The sole beneficiary envisaged under this investment priority is the Ministry responsible for Energy, due to the nature of investment, as the said financial assistance to vulnerable households has already been borne by Government in view of the measure implemented to address the energy crisis.</p> <p>Types of Interventions</p> <p>This investment priority (IP) shall target the costs incurred since 1 February 2022 for vulnerable households in relation to the increase in energy consumption costs in line with Article 25b of Regulation (EU) 1303/2013 taking into account established inflation rates on energy prices in 2022/2023. A simplified cost option in the form of a lump sum shall form the basis of the reimbursement mechanism established under this initiative.</p> <p>List of Potential Interventions</p> <p><i>Exceptional Measures for vulnerable households</i></p>	

Investment priority	9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest
<p>This measure is intended to support the assistance given to vulnerable households to meet their energy consumption costs to address the energy crisis resulting from the war in Ukraine. This intervention in this respect further supports Government’s commitment towards counteracting energy expenditure growth to foster long term sustainability and resilience.</p> <p>[1]The NEI of a household is defined as the household’s total disposable income divided by its ‘equivalent size’. The NEI takes into account the size and age distribution of household members.</p> <p>[2]The European Statistics on Income and Living Conditions (EU-SILC) survey is an annual enquiry conducted by the National Statistics Office (NSO) among persons residing in private households in Malta and Gozo.</p> <p>[3]National Statistics Office, News Release 103/ 2023, June 2023. EU-SILC 2022: Salient Indicators. Source: https://nso.gov.mt/eu-silc-2022-salient-indicators/</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest
<p>The operations to be considered are those operations defined at national level as vulnerable households that benefit from the measure addressing the impact of high energy prices resulting from the war in Ukraine.</p> <p>A restricted call for applications will be issued for the Ministry responsible for Energy as the responsible / competent authority implementing this measure targeting direct final beneficiaries. Actions under this priority axis may be selected prior to the approval of the amended programme as a</p>	

Investment priority	9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest
means of derogation from Article 125 (3) and may support completed operations in line with the derogation from Article 65 (6).	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CV36	Number of vulnerable households supported to help them meet their energy consumption costs	households	ESF				44,042.00	National Statistics Office	Annually

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA14 - SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs
n/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA14 - SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		

Additional qualitative information on the establishment of the performance framework

n/a

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA14 - SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs	
Fund	Category of region	Code	€ amount
CF		112. Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest	24,000,000.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA14 - SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs	
Fund	Category of region	Code	€ amount
CF		01. Non-repayable grant	24,000,000.00

Table 9: Dimension 3 - Territory type

Priority axis		PA14 - SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs	
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Fund	Category of region	Code	€ amount
CF		07. Not applicable	24,000,000.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis	PA14 - SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs		
Fund	Category of region	Code	€ amount
CF		07. Not applicable	24,000,000.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis	PA14 - SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs		
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA14 - SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs

2.A.1 Priority axis

ID of the priority axis	PA 10
Title of the priority axis	Investing in a more environmentally-friendly society

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/A

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
CF		Public	

2.A.4 Investment priority

ID of the investment priority	6i
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ID of the investment priority	6i
Title of the investment priority	Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Increase awareness and recycling of waste and reduce the volume and improve the quality of waste going to landfill through investment in waste management related infrastructure including the rehabilitation of closed landfills for other non-waste related uses as well as education campaigns.
Results that the Member States seek to achieve with Union support	<p>Despite the significant investment in the waste sector in recent years, particularly with the assistance of European funds, waste remains a very challenging sector in Malta. In 2011, 56% of the waste generated was land filled while 21% was recycled[1]. This high dependence on land filling poses a significant challenge within the Maltese Islands particularly due to the lack of physical space available as well as the lack of economies of scale required to make interventions in this sector economically viable and sustainable.</p> <p>The population growth over the years, combined with a growth in GDP per capita, is contributing towards a change in people's consumption patterns, which also has a consequential impact on the waste sector in terms of the amount of waste produced. The increase in waste, particularly of specialised waste due to increased economic activity and the greater flow of goods, puts further pressure on the sustainable management of waste.</p> <p>Government is committed towards ensuring the sustainability of the waste sector and thus has adopted a holistic approach with a view to address the challenges emanating from this sector. In this regard, in January 2014 a Waste Management Plan 2014-2020 was published that addresses different waste streams with the aim to implement a sustainable waste management strategy for the years to come. Key issues and challenges have been identified and national interventions are being directed to move towards sustainable waste management practices whilst aiming to achieve the EU 2020 targets. To further consolidate waste management policy, a Waste Prevention Plan has been included identifying the key issues and necessary measures to move waste in line with the waste hierarchy.</p> <p>Government recognises that in order to achieve the required sustainability in the waste sector, investment has to be targeted to address Malta's main challenges in the sector including the need to increase recycling, reduce the volume and improve the</p>

quality of the waste going to landfill. Hence, investment in line with the waste hierarchy is considered crucial to achieve the necessary sustainability and to minimise the effects of waste on the environment and society. Thus efforts to minimise waste going to landfills will also continue with a view to ensure the long term sustainable management of waste. Moreover Government will also seek to invest in rehabilitating existing closed landfills with a view to render the areas suitable for other non-waste related uses.

The expected results of this investment priority are to increase awareness, as well as the amount and quality of recycled waste, to reduce waste going to landfill and to rehabilitate contaminated land to be used for non waste related purposes.

[1] Data provided by the Ministry for Sustainable Development, the Environment and Climate Change, October 2013

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Increase awareness and recycling of waste and reduce the volume and improve the quality of waste going to landfill through investment in waste management related infrastructure including the rehabilitation of closed landfills for other non-waste related uses as well as education campaigns.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PSR10	Recycled Household Waste	Percentage		23.00		50.00	Monitoring	Annual
PR10a	Volume of Waste landfilled as at 2023	Percentage		100.00		61.00	Monitoring	Annual
PR10b	Percentage of rehabilitated contaminated land previously used as landfill.	Percentage		60.00		85.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
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Malta has long relied on landfilling as its main waste treatment option, however, in recent years efforts have been undertaken to recycle and divert waste away from landfills thus moving waste in line with the waste hierarchy. In this regard, further efforts are necessary to move towards a more sustainable waste management system which aims to reduce the environmental impact of waste management practices including air, land and water pollution, health and safety, etc.

Shifting waste management to more sustainable practices in line with the waste hierarchy depends on a variety of factors including population habits, waste volumes, waste collection practices, waste infrastructure and output markets[1]. Within the Maltese context, this proves to be very challenging when taking into account the high population density, limited land space as well as the lack of economies of scale.

In this regard, Government intends to undertake investment to further address waste management issues with a view to reduce the health risks and environmental concerns typically associated with waste operations, whilst ensuring a long term sustainable approach towards waste management in Malta and Gozo. Proposed interventions to be carried out through this investment priority aim to make people more aware and thus increasing the amount of waste recycled, reduce the volume of waste going to landfill and to rehabilitate contaminated land in order to be used for non-waste related purposes. To this end, Government aims to increase awareness about recycling, take actions to improve recycling and take actions to rehabilitate closed landfills[2] for purposes other than waste[3].

This approach is in line with Government's efforts to divert less waste to landfills and move waste up the waste hierarchy. This will contribute towards the socio-economic development of the country, while safeguarding the natural and urban environment.

Target groups, beneficiaries and territories targeted

Investment priority	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
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Interventions in the waste sector are envisaged to be implemented at national level covering the whole territory of Malta and Gozo and will target all citizens in particular households, local councils and local communities, business, operators within the tourism sector, industry, civil society as well as entities in the public and private sector. The aim is to ensure that sustainable waste management options are promoted and implemented universally. The primary beneficiary of investments in the waste sector is the Public Administration.

Target Groups: Households, local councils and communities, commercial businesses, tourism sector, industry, civil society, Public and Private sector

Beneficiaries: Public Administration

Territories: Malta and Gozo

Types of Interventions

Government recognises that despite the significant investment undertaken within the waste sector over the years, particularly with the assistance of European funds, continued investment is necessary to address the challenges posed by the sector. Malta is committed towards achieving its national targets, and in this regard Government will seek to maximise the use of the Cohesion Fund to implement sustainable waste management investments. In this regard, Government aims to continue investing in measures to increase awareness and improve recycling levels with the aim to reach the EU 2020 target. Government also recognises the importance of sustainable waste management to divert waste from landfill disposal. Moreover, investment is also envisaged in the rehabilitation of existing closed contaminated landfill sites with the objective of closing these sites and reutilising the land for purposes other than waste.

List of Potential Interventions

Investment priority	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
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- *Actions to increase awareness about recycling and improve recycling*

Government aims to embark on a nationwide campaign as part of its Waste Prevention Programme that seeks to promote and incentivise the domestic sector as well as other sectors in the economy to minimise waste and to increase waste separation at source thus enabling increased re-use and recycling in line with the waste hierarchy, amongst others. In this regard, Government will also aim to invest in the upgrade and increase the potential of existing communal waste collection facilities whilst considering the possibility of new facilities. Moreover, Government will promote widening the scope of waste separation to new waste streams, where possible, such as organic and biodegradable waste, in order to increase the potential of waste that can be re-used, recycled or treated whilst diverting waste from going to landfills. This investment will be complemented with adequate monitoring systems necessary to ensure the proper use of such facilities thus facilitating the collection of waste that can be recycled, re-used or treated in mechanical and biological treatment (MBT) plants. This approach will support Government's efforts to maximise the capacity of existing recycling and MBT plants whilst reducing waste.

- *Rehabilitation of closed landfills*

Government is committed to continue rehabilitating closed landfills, such as Wied Fulija located in the limits of Żurrieq (located in the South West of Malta) with a view to reducing air pollution, through the control of aerial emissions from landfill and combustion gases, as well as improving the visual impact of such landfills. The intention is that rehabilitated landfills will be used for a different purpose, other than land filling.

[1] Markets that produce goods and services within the economy

[2] A study is currently underway that will take into account all alternatives with the aim of ensuring sustainable waste management.

Investment priority	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>[3] EU Funds will not be used to fund new landfills or expansion of existing ones.</p> <p>[4] Waste Management Plan 2014-2020.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.</p> <p>The project selection process for the Cohesion Fund (CF) will be undertaken through the following procedures:</p> <p>Given that the CF projects are national projects and inherent to a limited number of entities within the public sector, no public call for applications will be issued for the selection of the CF projects. Government will decide on the allocation of funds for the different areas within each of the sectors, namely transport and environment. The projects received from the relevant entities will be assessed according to the selection criteria.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p> <p>Open call for applications</p> <p>The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and</p>	

Investment priority	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
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guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:

- quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI);
- overall costs of the proposed project, including the project's cost effectiveness and project sustainability;
- degree of additional leverage that the project will obtain through the deployment of EU funds;
- effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project;
- capacity of the organisation to implement the proposed project; and
- state of readiness for the commencement of the project.

Separate calls will be issued for the participation of local councils and NGOs in order to ensure a more level playing field in the selection process.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Investment priority	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
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Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.

Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.

Technical Assistance

Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.

Flexibility Facility

In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ERDF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
N/A	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PR10c	No of households targeted through campaigns	Households	CF				200,000.00	Monitoring	Annual
PR10d	No of Waste Recovery Facilities	Number	CF				1.00	Monitoring	Annual
CO17	Solid waste: Additional waste recycling capacity	Tonnes/year	CF				7,000.00	Monitoring	Annual
CO22	Land rehabilitation: Total surface area of rehabilitated land	Hectares	CF				9.00	Monitoring	Annual

2.A.4 Investment priority

ID of the investment priority	6ii
Title of the investment	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes

ID of the investment priority	6ii
priority	beyond those requirements

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 2
Title of the specific objective	Investment to improve the sustainability of water resources through the consolidation of investment in groundwater, rain water harvesting and desalination leading towards better water quality and enhanced water conservation and efficiency, including campaigns aimed to raise awareness.
Results that the Member States seek to achieve with Union support	<p>Security of water supply is a challenge for the Maltese Islands and plays a key role in addressing climate change. Malta's climate is typical semi-arid Mediterranean, characterised by hot, dry summers and mild, wet winters. Malta's freshwater resources are totally dependent on precipitation as no inflow or outflow of water resources from or to other countries takes place. In addition, the Islands are also characterised by high population density which puts significant pressure on the Islands' scarce water resources.</p> <p>In recent years, Malta has been experiencing intense rainfall but for short duration. This is exerting increased pressure on infrastructure and reducing the national resource base through reduced natural recharge to the aquifer systems. Considering the Islands' quasi-permanent drought conditions, meeting the national water demand whilst conserving and protecting the naturally renewable resource base and its quantitative status is a major challenge.</p> <p>Water quality is also a priority area. Since the hydromorphological structure of the Islands does not support the development of surface waters that can be exploited economically, the Islands' naturally renewable freshwater resources are groundwater resources. However, the over reliance on groundwater resources is leading to their gradual depletion and the intrusion of saline waters which results in increased reliance on desalinated water production which carries a substantial carbon footprint.</p> <p>The sustainable management of water resources is vital, hence investment is necessary to address the challenges in the water sector emanating from high water scarcity and the need to ensure improved water quality and supply. This needs to be complemented with appropriate awareness campaigns in order to increase the awareness on the scarcity of water. Moreover, the improvement of water quality and supply, the level of operational efficiency in the provision of water and waste water services and the monitoring infrastructure and capacity of the distribution network in Malta needs to be strengthened and increased.</p>

In order to mitigate the prevailing water scarcity conditions, Government aims to focus on the implementation of water supply augmentation measures and the development of new unconventional water and demand management measures. In addition, Government also aims to continue maximising the operational efficiency (desalination, water reuse and rainwater harvesting) in the provision of water and waste water services together with the strengthening of the hydrological monitoring capacity. Efforts to improve the quality of groundwater will be undertaken by maximising the efficient use of water resources and adopting measures aimed at improving the quality of water. Besides infrastructural investment, measures are also needed to achieve a cultural change involving all stakeholders including households, industrial and commercial users. This approach is in line with Malta's 1st River Basin Management Plan (RBMP) and the approach which is being adopted in the 2nd RBMP[1] to ensure full compliance with the Water Framework Directive.

The expected results are to achieve improved water quality supply and sustainability, to increase the operational efficiency in the provision of water and waste water services, to increase the hydrological monitoring capacity and to increase awareness on the better use and conservation of water.

[1] Refer to Partnership Agreement of Malta 2014-2020 p.113-116

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 2 - Investment to improve the sustainability of water resources through the consolidation of investment in groundwater, rain water harvesting and desalination leading towards better water quality and enhanced water conservation and efficiency, including campaigns aimed to raise awareness.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PR10e	Increase in the number of monitored hydrological parameters	Number of hydrological parameters		1.00	2016	5.00	Monitoring	Annual
PR10c	Gap between the mean annual water supply and demand	metres cubed		16,000,000.00	2013	12,000,000.00	Monitoring	Annual
PR10f	Electrical conductivity levels in municipal water supplied to the population	µS/cm		3,200.00	2013	2,500.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
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The sustainability of water supply as well as water quality raise a number of challenges which need to be addressed in a coherent and integrated approach. The objective of Government is to effectively manage water resources and ensure its sustainability in the long run. A significant contributing factor in this process is the required culture change whereby water is not seen as a commodity which is readily available, but rather a scarce resource which needs to be managed efficiently.

In this regard, Government intends to undertake a multi-faceted approach with a view to maximising the sustainability and efficiency of water supply as well as improving water quality. This approach is in line with the Malta's second River Basin Management Plan (RBMP) which is being prepared to ensure full compliance with the Water Framework Directive. The RBMP will take into account water supply augmentation measures and demand management measures complemented with the establishment of water pricing policies and adequate contribution of the different water uses based on the principle of recovery of the costs of water services, including environmental and resources costs. The RBMP will also take into account Malta's commitment towards implementing monitoring programmes of its surface and coastal waters as part of its water quality monitoring obligations under the Water Framework Directive[1]. To this end, efforts will continue to be directed to protect, improve and enhance the water environment in line with the Water Framework Directive and Habitats Directive.

The Cohesion Fund under this investment priority will be channelled towards improving public infrastructure aiming for a sustainable balance between water demand and long term viability of Malta's water resources. Investment is envisaged in the groundwater production network aimed towards enhancing a better distribution of groundwater to improve the efficiency, quality and long term sustainability of groundwater abstraction. Investment is also envisaged in groundwater quantitative monitoring infrastructure to enable better assessments of the resource aiming to improve the status of groundwater in Malta. Government will also seek to invest in upgrading programmes in the water distribution system to reduce frictional losses while continuing its efforts to reduce leakages thus maximising the use of the water resource. In this regard, investment in the water production infrastructure (including desalination) and in the primary water distribution network is envisaged. In addition, Government aims to invest in increased hydrological monitoring capacity for the quality of wastewater being discharged to the sewer network as well as investment in waste water treatment/reuse and in the wastewater collection network. Government will also seek to maximise the use of rainwater through investment in new and existing rainwater

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>harvesting infrastructure as well as efforts to facilitate the utilisation of other sources of water including TSE and grey water recycling through the adoption of innovative technologies which reduce O&M costs amongst others. These investments will be complemented by awareness and educational nationwide campaigns aimed to change behavioural patterns and norms with regards to the use and conservation of water resources.</p>	
<p>Target groups, beneficiaries and territories targeted</p>	
<p>Interventions promoting the sustainability of water are earmarked for the whole territory of Malta and Gozo. Infrastructural investments and educational campaigns will target all citizens including economic and social actors and civil society. The aim is to ensure that sustainable water management solutions are promoted and implemented universally. The Public Administration is expected to implement the interventions envisaged under this investment priority.</p>	
<p>Target Groups</p>	
<p>Business Community; Industry; Tourism Sector; General Public; Tourists</p>	
<p>Beneficiaries</p>	
<p>Public Administration</p>	
<p>Territories</p>	
<p>Malta and Gozo</p>	

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
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Types of Interventions

The need for effective management of water resources is pressing due to the limited availability of freshwater. Given the scarcity of water resources in Malta, the effective and efficient management of this resource is given priority with a view to ensure its sustainability. Interventions foreseen under this investment priority are aimed towards ensuring that the limited water naturally available is not be used wastefully and its efficiency in use is enhanced through sustainable water practices and management in line with Malta's River Basin Management Plan and the National Water Management Plan, following its adoption in 2015.

Malta also needs to source additional sources of water, as the amount of groundwater sustainably available simply cannot meet Malta's demand. In view of this, interventions are being considered to maximise the use of rainwater through harvesting and the use of grey-water. In addition interventions are also envisaged to identify alternatives to substitute the use of groundwater. The quality of water is also an important issue that must be addressed, particularly when it comes to human consumption. In this regard, interventions are earmarked to achieve higher quality of potable water, whilst maximising on the efficiency of the provision of water and waste water services.

To address the scarcity and sustainability of water supply, Government envisages complementing infrastructural investments in the groundwater production network, rainwater harvesting infrastructure and the water production infrastructure including desalination and the primary water network with a nationwide campaign that seeks to promote and incentivise the domestic as well as the agricultural, touristic and industrial/commercial user to harvest, recover, recycle, conserve and improve water efficiency. In addition, Government aims to invest in hydrological monitoring networks for the quality of wastewater being discharged to the sewer network as well as in waste water treatment/reuse and in the wastewater collection network.

The interventions envisaged under this investment priority will complement the priorities identified under the European Innovation Partnership on Water. This in particular with respect to the following priority areas: innovative water re-use and recycling technologies, flood and drought risk management, water-energy nexus and governance. Furthermore, research initiatives aimed to support the integration of these priority areas within the national water management framework will be actively supported.

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
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List of potential interventions

- *Investment in the groundwater production network as well as rainwater harvesting infrastructure, investment in hydrological monitoring and investment in waste water treatment/reuse and in the wastewater collection network*

Groundwater is a national asset and has strategic significance for the country's development. In line with Malta's River Basin Management Plan and the National Water Management Plan, following its adoption in 2015, Government will seek long term sustainable management of groundwater taking into consideration the principle of sustainable development and realities of the country.

Within this context, Government will invest in improving the efficiency, quality and long-term sustainability of groundwater abstraction through a better distribution of pumping stations in order to balance the spatial distribution of groundwater abstraction and thereby significantly limit the impact of localised sea-water intrusion, while at the same time aiming to reduce the overall volume of abstraction and improve aquifer levels. This process aims at the optimisation of groundwater abstraction, namely by ensuring that the annual volume of groundwater abstracted from the public groundwater abstraction network is not increased and achieves the lowest technically possible levels of salinity, enabling the achievement of a better quality and long-term sustainability of water supply without the need of increasing the level of production of energy intensive desalinated water. This will be achieved through the introduction of adaptive groundwater abstraction strategies based on improved abstraction technology. These initiatives will be complemented by investment in water polishing infrastructure in Malta and Gozo, mainly to ensure the continued use of abstraction stations which are highly vulnerable to surface anthropogenic pollution as well as measures to increase the hydrological monitoring networks and capacity for the quality of wastewater being discharged to the sewer network.

Government will also seek to widen the application of innovative groundwater management tools such as managed artificial recharge schemes aimed at increasing the level of protection from seawater intrusion and maximising the storage potential of closed groundwater bodies. Moreover, consideration will be given to coastal natural discharge of groundwater with the aim of assessing and developing the exploitation potential of this discharge.

This investment will be supported with measures aimed towards the optimisation of groundwater quantitative monitoring infrastructure[2].

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>Government aims to continue implementing and reinforcing monitoring methodologies to optimise the understanding of the islands' aquifer systems and thus enable an improved assessment of the qualitative and quantitative trends in the islands' groundwater bodies. Investment will be channelled towards the rehabilitation and development of new monitoring stations for hydrological parameters relevant for water balance estimations and optimisation of groundwater level monitoring stations in the sea level aquifer systems to permit the monitoring of the base of the freshwater lens. Measures are also envisaged to rehabilitate water flow monitoring stations in high-level groundwater springs. The establishment of an enhanced information platform on groundwater resources, will provide an important management tool to support Government's objective of achieving sustainable use levels for this strategically important freshwater resource and thus ensure its role for the future, This investment will also support other water management areas such as drought management and flood mitigation.</p> <p>Efforts will be also undertaken to substitute the use of ground water particularly for agriculture, commercial and industrial needs by alternative sources. In this regard, Government will seek to facilitate the utilisation of Treated Sewage Effluent (TSE) for agriculture, industry, landscaping and other secondary uses. This will be achieved through the development of new and/or upgrading of existing wastewater treatment and/or polishing facilities facilities with the aim of lowering operational costs for water reuse and the development of dedicated distribution facilities required to deliver the treated water to the point of use.</p> <p>Furthermore, Government will seek to expand the public sewage network by investing in public infrastructure to connect existing or recently formed centres to the main sewage network and reduce seawater infiltrations into the sewage collection network. The objective is also to consolidate the network by addressing existing gaps in the network and integrate localities which are in the periphery. In order to ensure that the level of purification treatment required achieving the quality levels necessary to enable the re-use of water is minimised, measures will be taken to reduce seawater infiltrations into the sewage collection network and to establish the required capacity to ensure an effective regulation of discharges to the sewage network. These initiatives will also be complemented by the appropriate measures including educational programmes aimed at incentivising the adoption of in-house recycling and re-use of grey-waters.</p> <p>Government will also seek to maximise the utilisation of existing rainwater harvesting infrastructures and identify possibilities for the development of new similar infrastructure. In this regard, the necessary management structures will be established to ensure the effective reuse of this water. These measures will be complemented by other initiatives aimed at incentivising the harvesting and use of rainwater runoff at the local level as well as the</p>	

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
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rehabilitation of valleys and soakaways.

Furthermore, it is the intention of Government to give increased consideration to sustainable rainwater runoff management systems (such as Sustainable Urban Drainage Systems and Natural Water Retention Measures) within flood mitigation programmes, to create opportunities through the optimised management of rainwater runoff for increased catchment capacity, urban regeneration and an adaptation to climate change. This will be pursued as far as this is feasible.[3]

- *Investment in the water production infrastructure (including desalination) and in the primary water distribution network*

Government will seek to further develop the water network (used for ground and desalinated water) with a view to enhance the overall performance of the distribution system. Upgrading programmes on the whole municipal network will be optimised aiming to further reduce frictional losses in the network to the lowest technically and economically optimum levels possible and thus reducing energy needed for the distribution of water. In addition, this investment will also aim to continue Government's efforts to reduce leakages from the water distribution network thus maximising the use of the water resource.

Furthermore, endeavours to maximise the efficiency of the desalination process will be undertaken. Desalination is the primary reason for the reliability of Malta's water supply during the past thirty years. Yet, desalination is dependent on electricity generation and therefore carries a substantial carbon footprint. Within this context, Government aims to establish and develop a desalination plant in Gozo in an effort to save energy by eliminating the pumping process between the islands and, more importantly, will be securing water supply for Gozo whilst providing an additional tool which can be used to reduce the pressure on the sea-level aquifer system in the island. This investment will sustain Government's efforts to ensure energy efficiency and an innovative approach in the water sector and particularly in the energy intensive process of desalination.

- *Awareness Campaign on the use of water resources*

Addressing the scarcity and sustainability of water supply not only requires investment in terms of infrastructure but also requires change in behaviour

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>and norms with regard to the use and conservation of water. Within this context, Government will be embarking on a nationwide awareness campaign to promote through different means (such as demonstration kits for households) and incentivise the domestic as well as the agricultural, fisheries and industrial/commercial users to harvest, recover, recycle, conserve and improve water efficiency. Through a nationwide campaign, Government will also seek to raise awareness on the consequences of water wastage both in economic and environmental terms in an effort to increase responsibility among users and to optimise the use of water by the different sectors. Government will also promote measures to enhance local research for the development of locally adapted water management solutions. The national water conservation campaign will thus seek to establish the necessary synergies between the different water management initiatives being considered by Government in order to ensure their implementation within an integrated resource management framework. Government will also seek to invest in capacity building measures which will be promoted through Operational Programme II.</p> <p>[1] Malta is undergoing discussions with the European Commission to ensure that monitoring of its surface and coastal waters is in line with the Water Framework Directive.</p> <p>[2] The qualitative groundwater monitoring network operated in the Maltese Islands is in full compliance with the requirements of the Water Framework Directive.</p> <p>[3] These interventions may be also pursued within investments under priority axes 5, 6, 11</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming</p>	

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>periods.</p> <p>The project selection process for the Cohesion Fund (CF) will be undertaken through the following procedures:</p> <p>Given that the CF projects are national projects and inherent to a limited number of entities within the public sector, no public call for applications will be issued for the selection of the CF projects. Government will decide on the allocation of funds for the different areas within each of the sectors, namely transport and environment. The projects received from the relevant entities will be assessed according to the selection criteria. It should be noted that one project foreseen for funding under the CF will be a major project and is included under the relevant priority axis.</p> <p>The project selection process for the European Regional Development Fund will be undertaken through the following procedures:</p> <p>Open call for applications</p> <p>The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised so as to provide interested applicants with the necessary details on the project application and selection process.</p> <p>The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered, amongst others, when selecting projects include the:</p> <ul style="list-style-type: none"> • quality of the project proposal and its potential to contribute towards the achievement of the expected results as stated in the Operational Programme (OPI); • overall costs of the proposed project, including the project's cost effectiveness and project sustainability; 	

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<ul style="list-style-type: none"> • degree of additional leverage that the project will obtain through the deployment of EU funds; • effective integration of the horizontal principles (particularly sustainable development and equal opportunities principles) in the proposed project; • capacity of the organisation to implement the proposed project; and • state of readiness for the commencement of the project. <p>Separate calls will be issued for the participation of local councils and NGOs in order to ensure a more level playing field in the selection process.</p> <p>Aid schemes</p> <p>No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.</p> <p>Small projects and projects of particular interest</p> <p>Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost.</p> <p>Projects considered, under such simplified procedure, would still need to be aligned with the criteria as approved by the Monitoring Committee.</p>	

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>Technical Assistance</p> <p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.</p> <p>Flexibility Facility</p> <p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>The National Water Policy for the Maltese Islands (2015-2030) strives to optimise resource management whilst protecting the quality of natural water resources. Indeed, the local increase in demand for water in Malta is very evident and it is expected to continue increasing over the years. Therefore, Government intends to invest in a major project with three main interventions which will involve measures to maximise the sustainability and</p>	

Investment priority	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
efficiency of water supply as well as improving the water quality in Malta.	
<p>Primarily, this project aims to ameliorate effectively the production and distribution of drinking water through the increase in amount of desalinated water within the supply of potable water whilst investing in addition Reverse Osmosis plants' capacity. As a direct consequence, the project will also be protecting the ground water, as a natural resource. Secondly, this project shall also aim to produce and distribute highly polished tertiary-treated water (HPTTW) at the three local plants to create new water resources and enhance the sustainability of water use in Malta and Gozo. It is envisaged that this intervention will effectively broaden the national water resource by providing opportunities for shifting the water use outcome and reduce groundwater abstractions. Moreover, this major project shall introduce and increase control over discharge points to collect and treat wastewater in an effective manner. This will address the need of the current lack of infrastructure as regards surveillance, access control and the monitoring of the quality of wastewater being discharged to the sewer network. Through the improved monitoring of wastewater discharge, this would allow for improving the effectiveness of the treatment process as well as possible re-use opportunities. The project as a whole is geared towards minimising the impact on Climate Change.</p>	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PR10m	Value of total public eligible cost contracted (water)	Euro	CF				96,800,000.00	Monitoring	Annual
PR10i	Upgraded/new wastewater treatment/polishing plants	Number	CF				1.00	Monitoring	Annual
PR10l	Number of Monitoring Networks	Number	CF				5.00	Monitoring	Annual
PR10e	M3 of new/upgraded harvesting infrastructure	cubic metres	CF				40,000.00	Monitoring	Annual
PR10f	Number of households targeted through campaigns	households	CF				200,000.00	Monitoring	Annual
PR10k	Additional Annual production capacity of desalinated water	cubic meters	CF				5,000,000.00	Monitoring	Annual

Investment priority		6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PR10g	Public groundwater abstraction stations showing a reduction in the chloride content of abstracted groundwater	number	CF				25.00	Monitoring	Annual
PR10h	Upgraded water/sewage network infrastructure	kilometres	CF				75.00	Monitoring	Annual
CO18	Water supply: Additional population served by improved water supply	Persons	CF				32,000.00	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 10 - Investing in a more environmentally-friendly society
n/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 10 - Investing in a more environmentally-friendly society												
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate	
						M	W	T	M	W	T			
F10.1	F	Financial Indicator	Euro	CF				45,005,847.18				141,508,671.76	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
KS10m	I	Value of total public eligible cost contracted (water)	Euro	CF				58,000,000				96,800,000.00	Monitoring	1 Key implementation Step and the relevant Output indicator have been selected to represent the majority of resources allocated to the priority.
CO18	O	Water supply: Additional population served by improved water supply	Persons	CF				0				32,000.00	Monitoring	Output indicator was selected to represent the majority of resources allocated to the priority.

Additional qualitative information on the establishment of the performance framework

The financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). Such figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level and experience from the implementation under the 2007 – 2013 Operational Programme.. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not to subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 23% of the expenditure (at Programme level) had been certified by the end of 2011 in the CF Operational Programme 2007-2013. In addition, in setting the

milestone due note was taken in relation to the state of the programming process as well as key steps within the implementation process such as project selection, permitting requirements and the procurement process given that the majority of expenditure under this Axis relates to infrastructure in waste and water management. Within this context, the financial milestone values for 2018 are set at 27% of the final target value.

The selected output indicators are related to infrastructural projects in the waste and water management area (given that this represents more than 50% of the Priority Axis in line with Article 5 -Implementing Act 215/2014), it is expected that no infrastructure in relation to waste to energy will be completed by the set milestone date. In this regard a key implementation step is being included. The key implementation step reflects the majority of the interventions in relation to investment in water. Such key implementation step is complemented with the relevant output indicator to the interventions related to water. A milestone for 2018 has been established based on past experience.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 10 - Investing in a more environmentally-friendly society	
Fund	Category of region	Code	€ amount
CF		017. Household waste management (including minimisation, sorting, recycling measures)	6,000,000.00
CF		018. Household waste management (including mechanical biological treatment, thermal treatment, incineration and landfill measures)	16,376,912.00
CF		019. Commercial, industrial or hazardous waste management	500,000.00
CF		020. Provision of water for human consumption (extraction, treatment, storage and distribution infrastructure)	90,491,542.00
CF		021. Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	1,564,000.00
CF		022. Waste water treatment	5,264,917.00
CF		023. Environmental measures aimed at reducing and / or avoiding greenhouse gas emissions (including treatment and storage of methane gas and composting)	85,000.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 10 - Investing in a more environmentally-friendly society	
Fund	Category of region	Code	€ amount
CF		01. Non-repayable grant	120,282,371.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 10 - Investing in a more environmentally-friendly society	
Fund	Category of region	Code	€ amount
CF		01. Large Urban areas (densely populated >50 000 population)	16,150,000.00
CF		02. Small Urban areas (intermediate density >5 000 population)	8,075,000.00
CF		03. Rural areas (thinly populated)	11,575,000.00
CF		07. Not applicable	84,482,371.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 10 - Investing in a more environmentally-friendly society	
Fund	Category of region	Code	€ amount
CF		07. Not applicable	120,282,371.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 10 - Investing in a more environmentally-friendly society	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 10 - Investing in a more environmentally-friendly society
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.A.1 Priority axis

ID of the priority axis	PA 11
Title of the priority axis	Investing in TEN-T Infrastructure

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)
- The entire priority axis is dedicated to fostering crisis repair under REACT-EU
- The entire priority axis will address migratory challenges resulting from the Russian military aggression, including in accordance with Article 98(4) of Regulation (EU) No 1303/2013
- The entire priority axis will use REACT-EU resources to address migratory challenges resulting from the Russian military aggression in accordance with Article 98(4) of Regulation (EU) No 1303/2013

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

N/A

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
CF		Public	

2.A.4 Investment priority

ID of the investment priority	7i
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ID of the investment priority	7i
Title of the investment priority	Supporting a multimodal Single European Transport Area by investing in the TEN-T

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO 1
Title of the specific objective	Investment in (TEN-T) both land transport and maritime with a view to reduce journey time, including the facilitation of movement of goods. This investment priority will also include investment in customs infrastructures to improve efficiency and safety in cross border transactions.
Results that the Member States seek to achieve with Union support	<p>Malta's specific characteristics, including its small size and the relatively high urban density, pose significant challenges to the national transport sector. Over the past years, Government invested in transport infrastructures, including TEN-T infrastructure, required for internal and external accessibility and connectivity. However, for Malta to maximise its development potential and also remove traffic bottlenecks in air, sea and road transport, further development of the TEN-T core and comprehensive networks is required. To this end, Government is currently developing an integrated National Transport Strategy for Malta which will adopt a multi-faceted approach covering all relevant transport modes including road, public transport, sea, and air.</p> <p>Internal mobility is largely dependent on road transport which comprises a route network of over 100km forming part of the TEN-T network. The increasing trend in private car ownership has contributed towards delays in journey times mainly due to high levels of congestion leading to increased costs to business as well as a negative impact on air quality. In order to address these challenges, Government aims to also invest in the necessary road and enabling infrastructure to support a modal shift in favour of public transport and reduce bottlenecks on the road. This will also contribute towards the reduction of emissions from the transport sector.</p> <p>As an island state, ports and airport infrastructure play a critical role in Malta's competitiveness standing. Malta is highly dependent on this infrastructure for the transit of both goods and passengers. In this regard, investment in port infrastructure to enhance efficiency, improve safety of ports and reduce administrative burden will be supported. Cross-border trade is a significant contributor towards the Maltese economy and interventions in this sector will aim to increase its efficiency by alleviating bottlenecks with a view to ensuring faster and more efficient cross border trade.</p> <p>Port infrastructure is also critical in terms of inter-island transportation particularly for the overall development of Gozo, both</p>

in terms of accessibility and economic activity. Past investments in Ċirkewwa and Mġarr Harbours have contributed towards addressing the insularity of Gozo. Notwithstanding, there is a real need to further expand the operations and enhance the capacity of Mġarr Harbour with a view to increasing Gozo's accessibility and competitiveness.

Within this context, the challenges that will be addressed under this priority axis include: the need to reduce the number of bottlenecks on the TEN-T network (roads and maritime) and the need to continue investment in cross border safety and security. The expected results of this investment priority are an increased reduction in journey time through the reduction of bottlenecks at cross border links.

Investment in the TEN-T network will support the integration of Malta in the TEN-T corridors and contribute towards enhanced connectivity, interoperability and competitiveness of the Maltese economy. Interventions under this investment priority will also complement priorities identified under the Connecting Europe Facility aiming to address severe traffic bottlenecks in the national transport sector.

Table 3: Programme-specific result indicators, by specific objective (for ERDF, the Cohesion Fund and ERDF REACT-EU)

Specific objective		SO 1 - Investment in (TEN-T) both land transport and maritime with a view to reduce journey time, including the facilitation of movement of goods. This investment priority will also include investment in customs infrastructures to improve efficiency and safety in cross border transactions.						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
PR11	Journey time in minutes (per 10 minute journey)	Minutes		10.00	2013	8.00	Monitoring	Annual
PR11f	Increase in number of vessel calls [increased to]	Number		824.00	2016	1,295.00	Monitoring	Annual

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>Transport infrastructure is a key element in the functioning of the economy. The social and economic development of the Maltese Islands depends on the timely and regular connections for goods and passengers to and between sea and air ports. Thus, improving the efficiency of transport infrastructure is a constant priority for Government to enhance interconnectivity and interoperability through the provision of road and port infrastructure. To this end, Government will continue undertaking investment on the TEN-T network to ensure improved internal and external connectivity as well as to provide adequate infrastructure for safe, efficient and reliable sustainable transport systems for persons and goods. Investment will also contribute towards alleviating congestion and thus contributing towards reducing GHG emissions from the transport sector.</p> <p>To this effect, the integrated National Transport Strategy which is currently being developed will address the challenges that characterise the transport system. The aim of the strategy is to develop a medium to long term vision interlinking those elements necessary to ensure an effective and sustainable national transport system. A National Transport Model for Malta will be developed to enable the simulation and analysis of the urban and inter-urban transport and to assess likely future transport demand for passengers and freight by mode of transport (road, public transport, sea, air) in the short, medium and long term taking into consideration the impact of both economic and demographic trends. Within this context, the actions to be supported under this investment priority include the upgrading of TEN-T road network, TEN-T maritime transport infrastructure and measures to improve cross border links.</p> <p>Target Groups, beneficiaries and territories targeted</p> <p>The infrastructural investments identified by Government in relation to the TEN-T network, TEN-T maritime transport infrastructure and measures to improve cross border links aim to boost competitiveness and enhance productivity (through reduced journey time and the facilitation of the movement of goods), bolster the tourism industry and improve the quality of life of citizens and visitors. Within this context, the target groups for such investments are the population as a whole and all economic sectors including the tourism and maritime industry, commercial businesses and investors. The Public Administration is the primary beneficiary of interventions to be financed through the Cohesion Fund.</p>	

Investment priority	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>Government has identified investments on the TEN-T road and maritime network for the whole territory of Malta and Gozo. Strategic areas such as Valletta, Marsaxlokk, and Mgarr, Gozo, where TEN-T sea ports are located will be given due consideration. Gozo will also be given particular importance to address its double insularity mainly due to its main dependence on Malta based channels for its connectivity to mainland Malta and the outside world.</p> <p>Target Groups</p> <p>Industrial Sector, Business Community, Tourism Sector, Maritime Sector and the General Public</p> <p>Beneficiaries</p> <p>Public Administration</p> <p>Territory</p> <p>Malta and Gozo</p> <p>Types of Intervention</p> <p>During the 2014-2020 programming period, Government envisages to continue investing in the upgrading of the TEN-T network in order to enhance the competitiveness of the economy. The planned interventions target the core and comprehensive network covering the recently agreed TEN-T road and maritime network in line with the TEN-T guidelines. Furthermore, this investment priority will support actions aimed at improving the efficiency</p>	

of cross border transportation.

List of Potential Interventions

- *Upgrading of the TEN-T Road Network*

In order to sustain the economic sectors and improve accessibility, Malta needs to have the necessary transport infrastructure, including adequate road capacity. It is therefore necessary to invest in the upgrading of the TEN-T road network thus facilitating the development of sustainable urban transportation in Malta and Gozo.

The upgrading of existing road infrastructure in Malta and Gozo will contribute towards alleviating bottlenecks on the road network with the ultimate aim to reduce travel times and achieve a more efficient transport system in Malta. In particular, investment will be targeted to ensure the removal of bottlenecks on bus corridors and the use of Intelligent Traffic Management systems (ITMS) to give public transport the necessary prominence to be regarded as the preferred mode of transport for passengers particularly for point to point journeys. Investment in the road network will pave the way for the development of bus prioritisation and bus segregation from general traffic flow where possible thus ensuring optimisation of routes, better journey planning and reduced journey times for commuters when compared to passengers using private vehicles.

Interventions envisaged will also ensure that the road network is supported by appropriate road infrastructure providing traffic linkages, real time information on traffic conditions and information on roads thus paving the way for enhanced integration of different transport modes. Streamlining traffic by giving priority to public transport while removing bottlenecks on the road network will lead to increased traffic safety and more efficient and sustainable land transportation system on the Islands. In addition, addressing points of congestion and giving public transport the required prominence to enable a modal shift from passenger vehicles to public collective transport along the network will also result in a reduction of vehicle emissions which in turn should reduce the level of pollution generated through road transport and thus contribute towards improved air quality.

- *Maritime transport infrastructure*

Malta's four sea ports are an integral part of the maritime industry which has a vast potential to expand and create a number of job opportunities. The importance of the maritime industry has increased with maritime tourism and international maritime and shipping services gaining ground as important sectors within this industry. In this regard, the objective of the Maltese Government is to support investment in maritime infrastructure which will contribute towards enhanced competitiveness in the maritime sector, improved maritime accessibility as well as the facilitation of the movement of goods. Investment in the TEN-T maritime network is crucial for the Maltese Islands as it provides for increased integration of Malta in the TEN-T corridors and strengthens the role of Maltese ports as Motorways of the Sea.

The Valletta Grand Harbour and the port in Marsaxlokk are the main ports serving international traffic. These ports provide a myriad of maritime services including cargo storage and handling as well as maritime tourism services. In fact, Valletta is also a multipurpose port serving cruise liners, cargo, pleasure ships and yachts. The increasing shipping activity and new ancillary maritime services give an added value to the Maltese economy which requires the strengthening of maritime accessibility and improvement of port infrastructure to boost the potential of the country's ports whilst meeting the needs of today's port business. In this regard, investment including the upgrading and development of port infrastructure in Marsaxlokk and Valletta is envisaged under this investment priority. The interventions undertaken will aim to contribute towards increased safety and capacity whilst ensuring that the ports will be operational under all weather conditions.

Government intends to carry out maritime investment that would also target maritime ports (within the core and comprehensive network) which serve an important function in the Maltese socio-economic fabric. The ports in Ċirkewwa and Mġarr mainly serve inter-island transportation and business however these ports, particularly the Mġarr Harbour, has the potential to expand its operations and offer enhanced maritime services. Infrastructural investment in the Mġarr Harbour has been identified as an important requirement in support of the economic development in Gozo. Over the past years, investment has been carried out for Mġarr Harbour to become a multi-purpose port meeting the needs of the Island of Gozo in terms of tourism and maritime leisure. However, further infrastructural investment is necessary to facilitate current and future maritime activities whilst sustaining Gozo's potential to attract new industries and the creation of niche tourism activities including the boutique cruise liner industry. Within this context, steps will be undertaken to explore the necessary interventions, including potential expansion, at the Mġarr Harbour with a view to maximise efficiency in operations and facilitate the development of new services resulting in increased economic activity and accessibility.

Investment priority	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
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2.A.6.2 Guiding principles for selection of operations

Investment priority	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
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The project selection process to be adopted for the 2014-2020 period will follow the process already established under the 2007-2013 period in order to build on the administrative set ups that are already in place and to capitalise on the experience that has been gained over the two previous programming periods.

The project selection process for the Cohesion Fund (CF) will be undertaken through the following procedures:

Given that the CF projects are national projects and inherent to a limited number of entities within the public sector, no public call for applications will be issued for the selection of the CF projects. Government will decide on the allocation of funds for the different areas within each of the sectors, namely transport and environment. The projects received from the relevant entities will be assessed according to the selection criteria. It should be noted that one project foreseen for funding under the CF will be a major project and is included under the relevant priority axis.

The project selection process for the European Regional Development Fund will be undertaken through the following procedures:

Open call for applications

The Managing Authority (MA) will launch calls for project proposals highlighting which priority axis is open and who is eligible to apply. These calls will be widely publicised in the media, on the website of the MA as well as other Government websites. Once a call is launched, application packs and guidance notes will be uploaded on the website of the MA and information sessions will be organised to reach out to interested applicants.

The criteria for selection of the projects will be proposed by the MA and approved by the Monitoring Committee (MC). Cross cutting criteria that will be considered include the quality of the project proposal, overall costs, the degree of additional leverage, the effective integration of the horizontal

Investment priority

7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T

principles and the capacity of the organisation to implement the project, amongst others.

Under this Axis, priority will be given to actions which positively contribute towards carbon impact.

Aid schemes

No public calls will be issued for the management of aid schemes. Intermediate bodies designated by the MA will be allocated a sum of money and will manage the schemes on behalf of the MA. Similar to the open call procedure, the selection criteria will be drawn up by the MA and approved by the MC.

Small projects and projects of particular interest

Taking into account the duration of the selection process, in the last year of the Implementation of the Operational Programme it may not be feasible to launch an open call for residual funds (savings from approved project). In this regard the Maltese Authorities propose that close to the end of the programming period, funds may also be allocated directly to small projects that contribute to the achievement of the objectives of the OP. The beneficiary will be required to complete a project application form and sign a letter of grant with the MA. The beneficiary will be expected to follow rules and procedures as directed by the MA. The decision of the Managing Authority to follow the said procedure in such cases shall be final. The size of each individual operation that can be selected under this procedure will not exceed €500,000 in total public eligible cost. Projects considered, under such simplified procedure, would still have to be aligned with the criteria as approved by the Monitoring Committee.

Sustainable Urban Development

Sustainable Urban Development projects (under Priority Axis 6) are national projects that will be implemented in accordance with the integrated urban development strategies. Within this context, no public call for applications will be issued for the selection of these projects. Through the Coordination

Investment priority	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>Committee for Sustainable Urban Development, Government will decide on the allocation of funds for the different interventions taking into account the integrated urban development strategies. The MA will retain the right of the final verification of eligibility of operations before approval.</p>	
<p>Technical Assistance</p> <p>Unlike the other Priority Axis, technical assistance is demand driven and requests are normally submitted throughout the life-time of the Programme. The MA will set up procedures for any of the eligible stakeholders wanting to make use of the technical assistance.</p>	
<p>Flexibility Facility</p> <p>In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ESF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
N/A	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
N/A	

Investment priority	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
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2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PS11a	Square metres in new/upgraded port infrastructure	Square metres	CF				1,300.00	Monitoring	Annual
CO14a	Roads: Total length of reconstructed or upgraded roads, of which: TEN-T	km	CF				2.50	Monitoring	Annual

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7 and 13

Priority axis	PA 11 - Investing in TEN-T Infrastructure
n/a	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		PA 11 - Investing in TEN-T Infrastructure												
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate	
						M	W	T	M	W	T			
F11.1	F	Financial Indicator	Euro	CF				24,233,917.53				72,058,516.00	Monitoring	Amount to be certified by 2018 taking into account the de-commitment values for 2018. Figures were based on past experience during the 2007-2013 programming period.
CO14a	O	Roads: Total length of reconstructed or upgraded roads, of which: TEN-T	km	CF				0.5				2.50	Monitoring	Output indicator selected represents the majority of resources allocated to the priority. Milestone has been determined based on the 2007-2013 experience.

Additional qualitative information on the establishment of the performance framework

The financial indicator reflects the total allocation (EU and MT share) which needs to be achieved by 2018 (milestone) and 2023 (target). Such figure was based on the de-commitment figure to be certified by 2018 (i.e. 2014 and 2015 allocations) at Programme level and experience from the

implementation under the 2007 – 2013 Operational Programme. The de-commitment amount was subsequently apportioned amongst the Priority Axis taking into account the share of the axis when compared to ERDF and the share of technical assistance (which is subject to de-commitment however not to subject to the performance framework). Past experience in terms of project implementation was also taken into account in that approximately 23% of the expenditure (at Programme level) had been certified by the end of 2011 in the CF Operational Programme 2007-2013. In addition, in setting the milestone due note was taken in relation to the state of the programming process as well as key steps within the implementation process such as project selection, permitting requirements and procurement process given that the majority of expenditure under this Axis relates to infrastructure. Within this context, the financial milestone values for 2018 is set at 27% of the final target value.

The selected output indicators are related to infrastructural projects (given that this represents more than 50% of the Priority Axis in line with Article 5 - Implementing Act 215/2014), it is expected that part of the infrastructure will be completed by the set milestone date. The milestone for the common output indicator related to the total length of reconstructed or upgraded roads as at 2018 is calculated on the basis of the experience of the CF Operational Programme 2007-2013.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		PA 11 - Investing in TEN-T Infrastructure	
Fund	Category of region	Code	€ amount
CF		033. TEN-T reconstructed or improved road	52,306,749.00
CF		039. Seaports (TEN-T)	8,402,989.00

Table 8: Dimension 2 - Form of finance

Priority axis		PA 11 - Investing in TEN-T Infrastructure	
Fund	Category of region	Code	€ amount
CF		01. Non-repayable grant	60,709,738.00

Table 9: Dimension 3 - Territory type

Priority axis		PA 11 - Investing in TEN-T Infrastructure	
Fund	Category of region	Code	€ amount
CF		01. Large Urban areas (densely populated >50 000 population)	45,409,738.00
CF		03. Rural areas (thinly populated)	15,300,000.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		PA 11 - Investing in TEN-T Infrastructure	
Fund	Category of region	Code	€ amount
CF		07. Not applicable	60,709,738.00

Table 11: Dimension 6 - ESF and ESF REACT-EU secondary theme (ESF and YEI only)

Priority axis		PA 11 - Investing in TEN-T Infrastructure	
Fund	Category of region	Code	€ amount

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	PA 11 - Investing in TEN-T Infrastructure
The planned use of technical assistance is explained in detail under Section 2.B of this programme.	

2.B DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE

2.B.1 Priority axis

ID of the priority axis	PA 12
Title of the priority axis	Technical Assistance

The entire priority axis is dedicated to technical assistance supported under REACT-EU

2.B.2 Justification for establishing a priority axis covering more than one category of region (where applicable)

N/A

2.B.3 Fund and category of region

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Transition	Public

2.B.4 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
SO 1	Investing in the implementation of the Operational Programme with a view to optimise the programme's delivery in line with regulatory requirements and procedures.	N/A

2.B.5 Result indicators

Table 12: Programme-specific result indicators (by specific objective)(for ERDF/ESF/Cohesion Fund/ERDF REACT-EU/ESF REACT-EU) (by specific objective) (for ERDF/ESF/Cohesion Fund)

Priority axis		SO 1 - Investing in the implementation of the Operational Programme with a view to optimise the programme's delivery in line with regulatory requirements and procedures.									
ID	Indicator	Measurement unit	Baseline value			Baseline year	Target value (2023)			Source of data	Frequency of reporting
			M	W	T		M	W	T		

2.B.6 Actions to be supported and their expected contribution to the specific objectives (by priority axis)

2.B.6.1 A description of actions to be supported and their expected contribution to the specific objectives

Priority axis	PA 12 - Technical Assistance
<p>Through technical assistance, Government will seek to facilitate the implementation of the Operational Programme with a view to enhance programme delivery in line with the Regulatory Framework.</p>	
<p>Types of Interventions</p> <p>The actions under this Priority Axis will support programme implementation, in accordance with Article 59 of the Common Provisions Regulation (EU) 1303/2013 with a view to effectively manage and control the programme.</p> <p>Government is committed to reinforce and ensure adequate capacity within the entities involved in the management and control of the funds with the aim to ascertain efficiency and effectiveness in the overall implementation of the 2014-2020 Programme. Thus, this Priority Axis will support the increase in capacity in entities involved in the management and control of the Programme. This will be complemented with the necessary capacity building measures in the field including training (both locally and abroad) and networking including exchange of experiences (within the Member State as well as with other Member States). In addition, external expert assistance such as expertise in the implementation of simplified cost options, monitoring and evaluation, etc. will also be supported.</p> <p>Technical Assistance is also expected to support any necessary studies, communication and evaluation plans, ICT related systems and equipment,</p>	

which contribute towards an effective and simplified approach during the implementation of the programme contributing towards more efficiency and effectiveness in the management of the funds.

In line with article 125 paragraph 4 (c) of the Common Provisions Regulation (EU) 1303/2013; as regards the financial management and control of the Operational Programme(s), the Managing Authority shall put in place effective and proportionate anti-fraud measures taking into account already existing mitigating controls as well as identified risks. In this regard, technical assistance may be used to support anti-fraud measures.

List of Potential Interventions

Information and Publicity Measures

The main aim of information and publicity activities is to promote public awareness of the Operational Programme to potential beneficiaries as well as the general public. These activities are expected to increase overall transparency in the management, control and implementation of the Funds and also support absorption. In line with Article 115 (1) (a), Article 116 and Annex XII Article 4 of the Common Provisions Regulation (EU) 1303/2013, Malta will be drafting the Communication Strategy for the ESI Funds 2014-2020. In this regard, technical assistance will support the drafting as well as the implementation of this strategy. Specific communication measures, including targeted promotional material including through digital/social platforms will promote investments supported through REACT-EU.

Investing in the adequate implementation of the Programmes

The provision of highly trained human resources tasked with the implementation and monitoring of the Operational Programmes remains a priority during the 2014-2020 programming period. Government is in the process of concluding a detailed assessment of the capacity and expertise of the human resources involved in the implementation of the programmes. The objective of this exercise is to take into account the lessons learnt from the implementation of 2007-2013 programme as well as to identify the needs both in terms of human resources as well as expertise with a view to ensure

the adequate implementation of the 2014-2020 programme.

Within this context, TA will finance expenditure related to the adequate management, implementation and control of the programme such as the recruitment of officers, investment in IT systems and studies including simplified cost options, monitoring and evaluation, amongst others.

Capacity Building measures

The adequate implementation of the funds hinges on the skills and expertise of the persons working within the entities involved in the process. In this regard, TA will support the drafting and implementation of the Training Strategy for the entities involved in the management of EU Structural and Cohesion Funds. A training programme for all stakeholders and beneficiaries of EU funds will be developed based on the experience of the implementation and monitoring of the 2007-2013 programme. Training envisaged will include project management, cost benefit analysis, ICT training pertaining to the database managing the funds, evaluation, monitoring amongst others. Such an approach will consolidate the skills available amongst existing stakeholders as well as provide the necessary competences to new staff members within the relevant authorities and beneficiaries.

Monitoring and Evaluation

During the 2014-2020 programming period, the Managing Authority will seek to invest in the development and implementation of the Evaluation Plan. Particular emphasis will also be given to the implementation of the Performance Framework with a view to ascertain that the necessary capacity and expertise is available both at the level of the MA / IB.

Closure of 2007-2013 programmes

Costs incurred after the final date of eligibility of the 2007-2013 Programmes relating to the closure of these Programmes may be co-financed by the TA budgets of the 2014-2020 Programmes.

Priority axis	PA 12 - Technical Assistance
<p>Programming Post 2020</p> <p>Costs incurred in preparation for the post 2020 programming period may also be co-financed by the TA budgets of the 2014-2020 Programmes.</p> <p>Common actions between OPI and OPII</p> <p>In view of the fact that Malta has a centralised implementation system, there will be actions which are common to both OPI and OPII. These include, amongst others, actions related to the common IT database, publicity actions, evaluations, services of internal staff and external expertise. Costs related to actions common to both OPs, that is, having a component contributing to both Programmes such as the electronic monitoring system, common publicity actions, as well as the salaries of officers working on both programmes shall be apportioned between the two OPs on the basis of a flat rate ratio of 70:30 (OPI:OPII). The computation of the flat rate ratio of 70:30 takes into account the fact that the financial volume of the OPs alone would result in an unbalanced apportionment of costs towards OPI since the financial allocation of OPI is substantially higher than that of OPII. In addition, the fragmentation of the ESF projects and the laborious control mechanisms required for ESF kind of interventions have also been taken into account and have led to an increased ratio for OPII when establishing the flat rate ratio.</p>	

2.B.6.2 Output indicators expected to contribute to results

Table 13: Output indicators(for ERDF/ESF/Cohesion Fund/ERDF REACT-EU/ESF REACT-EU) (by priority axis) (for ERDF/ESF/Cohesion Fund)

Priority axis	PA 12 - Technical Assistance					
ID	Indicator (name of indicator)	Measurement unit	Target value (2023) (optional)			Source of data
			M	W	T	
TASO1	Number of persons trained?????	Persons			250.00	Monitoring

TASO2	Number of evaluations carried out?????	Number			4.00	Monitoring
TASO3	Number of publicity measures undertaken?????	Number			35.00	Monitoring
TASO5	Number of employees working on both ERDF/ESF programmes (70:30) in FTE?????	Number			40.00	Monitoring
TASO4	Number of studies/research activities carried out?????	Number			6.00	Monitoring

2.B.7 Categories of intervention (by priority axis)

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of the Union support

Tables 14-16: Categories of intervention

Table 14: Dimension 1 - Intervention field

Priority axis		PA 12 - Technical Assistance			
Fund	Category of region	Code		€ Amount	
ERDF	Transition	121. Preparation, implementation, monitoring and inspection		9,727,232.00	
ERDF	Transition	122. Evaluation and studies		2,047,838.00	
ERDF	Transition	123. Information and communication		1,023,919.00	

Table 15: Dimension 2 - Form of finance

Priority axis		PA 12 - Technical Assistance			
Fund	Category of region	Code		€ Amount	
ERDF	Transition	01. Non-repayable grant		12,798,989.00	

Table 16: Dimension 3 – Territory type

Priority axis		PA 12 - Technical Assistance			
Fund	Category of region	Code		€ Amount	
ERDF	Transition	07. Not applicable		12,798,989.00	

3. FINANCING PLAN

3.1 Financial appropriation from each fund and amounts for performance reserve

Table 17

Fund	Category of region	2014		2015		2016		2017		2018	
		Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve
ERDF	Transition	47,534,182.00	3,163,538.00	36,306,525.00	2,426,202.00	50,430,941.00	3,357,364.00	51,440,213.00	3,424,576.00	52,469,652.00	3,493,131.00
Total ERDF		47,534,182.00	3,163,538.00	36,306,525.00	2,426,202.00	50,430,941.00	3,357,364.00	51,440,213.00	3,424,576.00	52,469,652.00	3,493,131.00
CF		27,329,166.00	1,744,415.00	27,993,406.00	1,786,813.00	28,660,348.00	1,829,384.00	29,281,402.00	1,869,026.00	29,860,432.00	1,905,985.00
ERDF REACT-EU		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total REACT-EU		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		74,863,348.00	4,907,953.00	64,299,931.00	4,213,015.00	79,091,289.00	5,186,748.00	80,721,615.00	5,293,602.00	82,330,084.00	5,399,116.00

Fund	Category of region	2019		2020		2021	2022	Total	
		Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Main allocation	Main allocation	Performance reserve
ERDF	Transition	46,520,659.00	3,562,056.00	32,550,585.00	2,674,373.00			317,252,757.00	22,101,240.00
Total ERDF		46,520,659.00	3,562,056.00	32,550,585.00	2,674,373.00	0.00	0.00	317,252,757.00	22,101,240.00
CF		30,505,292.00	1,947,146.00	19,062,536.00	1,216,758.00			192,692,582.00	12,299,527.00
ERDF REACT-EU		0.00	0.00	0.00	0.00	0.00	11,162,285.00	11,162,285.00	0.00
Total REACT-EU		0.00	0.00	0.00	0.00	0.00	11,162,285.00	11,162,285.00	0.00
Total		77,025,951.00	5,509,202.00	51,613,121.00	3,891,131.00	0.00	11,162,285.00	521,107,624.00	34,400,767.00

3.2 Total financial appropriation by fund and national co-financing (€)

Table 18a: Financing plan

Priority axis	Fund	Category of region	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of national counterpart	Total funding (e) = (a) + (b)	Co-financing rate (f) = (a) / (e) (2)	100% CO-FINANCING RATE FOR ACCOUNTING YEAR 2020-2021 (3)	100% CO-FINANCING RATE FOR ACCOUNTING YEAR 2021-2022 (4)	EIB contributions (g)	Main allocation	Performance reserve	Performance reserve amount as proportion of total Union support
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						National public funding (c)	National private funding (d) (1)					Union support (h) = (a) - (j)	National Counterpart (i) = (b) - (k)	Union support (j)	National Counterpart (k) = (b) * ((j) / (a))	(l) = (j) / (a) * 100
PA 1	ERDF	Transition	Public	49,653,100.00	12,413,275.00	12,413,275.00	0.00	62,066,375.00	80,000,000,000.00%			46,441,641.00	11,610,410.00	3,211,459.00	802,865.00	6.47%
PA 13	ERDF REACT-EU		Public	11,162,285.00	0.00	0.00	0.00	11,162,285.00	100,000,000,000.00%			11,162,285.00	0.00		0.00	0.00%
PA 2	ERDF	Transition	Public	37,948,320.00	9,487,080.00	9,487,080.00	0.00	47,435,400.00	80,000,000,000.00%			35,493,901.00	8,873,475.00	2,454,419.00	613,605.00	6.47%
PA 3	ERDF	Transition	Public	35,653,100.00	8,913,275.00	8,913,275.00	0.00	44,566,375.00	80,000,000,000.00%			32,366,792.00	8,091,698.00	3,286,308.00	821,577.00	9.22%
PA 4	ERDF	Transition	Public	26,122,480.00	6,530,620.00	6,530,620.00	0.00	32,653,100.00	80,000,000,000.00%			24,432,932.00	6,108,233.00	1,689,548.00	422,387.00	6.47%
PA 5	ERDF	Transition	Public	50,653,098.00	12,663,275.00	12,663,275.00	0.00	63,316,373.00	79,999,996,387.00%			47,376,961.00	11,844,241.00	3,276,137.00	819,034.00	6.47%
PA 6	ERDF	Transition	Public	19,217,700.00	4,804,425.00	4,804,425.00	0.00	24,022,125.00	80,000,000,000.00%			17,974,739.00	4,493,685.00	1,242,961.00	310,740.00	6.47%
PA 7	ERDF	Transition	Public	28,403,760.00	7,100,940.00	7,100,940.00	0.00	35,504,700.00	80,000,000,000.00%			26,566,664.00	6,641,666.00	1,837,096.00	459,274.00	6.47%
PA 8	ERDF	Transition	Public	51,998,670.00	12,999,668.00	12,999,668.00	0.00	64,998,338.00	79,999,993,846.00%			48,635,504.00	12,158,876.00	3,363,166.00	840,792.00	6.47%
PA 9	ERDF	Transition	Public	26,904,780.00	6,726,195.00	6,726,195.00	0.00	33,630,975.00	80,000,000,000.00%			25,164,634.00	6,291,158.00	1,740,146.00	435,037.00	6.47%
PA14	CF		Public	24,000,000.00	0.00	0.00	0.00	24,000,000.00	100,000,000,000.00%			24,000,000.00	0.00	0.00	0.00	0.00%
PA 10	CF		Public	120,282,371.00	21,226,301.00	21,226,301.00	0.00	141,508,672.00	84,999,998,587.00%			113,065,429.00	19,952,723.00	7,216,942.00	1,273,578.00	6.00%
PA 11	CF		Public	60,709,738.00	11,348,778.00	11,348,778.00	0.00	72,058,516.00	84,250,608,214.00%			55,627,153.00	10,398,665.00	5,082,585.00	950,113.00	8.37%
PA 12	ERDF	Transition	Public	12,798,989.00	3,199,748.00	3,199,748.00	0.00	15,998,737.00	79,999,996,249.00%			12,798,989.00	3,199,748.00			
Total	ERDF	Transition	Public	339,353,997.00	84,838,501.00	84,838,501.00	0.00	424,192,498.00	79,999,996,700.00%			317,252,757.00	79,313,190.00	22,101,240.00	5,525,311.00	6.51%
Total	CF			204,992,109.00	32,575,079.00	32,575,079.00	0.00	237,567,188.00	86,288,056,328.00%			192,692,582.00	30,351,388.00	12,299,527.00	2,223,691.00	6.00%
Total	ERDF REACT-EU			11,162,285.00	0.00	0.00	0.00	11,162,285.00	100,000,000,000.00%			11,162,285.00	0.00	0.00	0.00	0.00%
Total	REACT-EU			11,162,285.00	0.00	0.00	0.00	11,162,285.00	100,000,000,000.00%			11,162,285.00	0.00	0.00	0.00	0.00%
Grand total				555,508,391.00	117,413,580.00	117,413,580.00	0.00	672,921,971.00	82,551,679,829.00%			0.00	521,107,624.00	109,664,578.00	34,400,767.00	7,749,002.00

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

(3) By ticking the box the Member State requests to apply, pursuant to Article 25a(1) of Regulation (EU) No 1303/2013, a co-financing rate of 100% to expenditure declared in payment applications during the accounting year starting on 1 July 2020 and ending on 30 June 2021 for all /some of the priority axes of the operational programme.

(4) By ticking the box the Member State requests to apply, pursuant to Article 25a(1a) of Regulation (EU) No 1303/2013, a co-financing rate of 100% to expenditure declared in payment applications during the accounting year starting on 1 July 2021 and ending on 30 June 2022 for all /some of the priority axes of the operational programme.

Table 18c: Breakdown of the financial plan by priority axis, fund, category of region and thematic objective

Priority axis	Fund	Category of region	Thematic objective	Union support	National counterpart	Total funding
Investing in research, technological development and innovation	ERDF	Transition	Strengthening research, technological development and innovation	49,653,100.00	12,413,275.00	62,066,375.00
REACT-EU - Fostering resilience in the healthcare system.	ERDF		Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy	11,162,285.00	0.00	11,162,285.00
Consolidating investment within the ICT sector	ERDF	Transition	Enhancing access to, and use and quality of, information and communication technologies	37,948,320.00	9,487,080.00	47,435,400.00
Enhancing Malta's competitiveness through investment in SMEs	ERDF	Transition	Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)	35,653,100.00	8,913,275.00	44,566,375.00
Shifting towards a low-carbon economy	ERDF	Transition	Supporting the shift towards a low-carbon economy in all sectors	26,122,480.00	6,530,620.00	32,653,100.00
Protecting our environment - investing in natural and cultural assets	ERDF	Transition	Preserving and protecting the environment and promoting resource efficiency	50,653,098.00	12,663,275.00	63,316,373.00
Sustainable Urban Development	ERDF	Transition	Enhancing the competitiveness of small and medium-sized enterprises, the	0.00	0.00	0.00

Priority axis	Fund	Category of region	Thematic objective	Union support	National counterpart	Total funding
			agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)			
Sustainable Urban Development	ERDF	Transition	Preserving and protecting the environment and promoting resource efficiency	11,217,700.00	2,804,425.00	14,022,125.00
Sustainable Urban Development	ERDF	Transition	Promoting social inclusion, combating poverty and any discrimination	8,000,000.00	2,000,000.00	10,000,000.00
Shifting towards a more low-carbon transport sector	ERDF	Transition	Promoting sustainable transport and removing bottlenecks in key network infrastructures	28,403,760.00	7,100,940.00	35,504,700.00
Investing towards a more socially-inclusive society	ERDF	Transition	Promoting social inclusion, combating poverty and any discrimination	51,998,670.00	12,999,668.00	64,998,338.00
Developing our future through education, training and lifelong learning	ERDF	Transition	Investing in education, training and vocational training for skills and lifelong learning	26,904,780.00	6,726,195.00	33,630,975.00
SAFE - Exceptional measures to support vulnerable households to help them meet their energy consumption costs	CF			24,000,000.00	0.00	24,000,000.00
Investing in a more environmentally-friendly society	CF		Preserving and protecting the environment and promoting resource efficiency	120,282,371.00	21,226,301.00	141,508,672.00
Investing in TEN-T Infrastructure	CF		Promoting sustainable transport and removing bottlenecks in key network infrastructures	60,709,738.00	11,348,778.00	72,058,516.00
Total				542,709,402.00	114,213,832.00	656,923,234.00

Table 19: Indicative amount of support to be used for climate change objectives

Priority axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the operational programme (%)
PA 4	25,930,480.00	4.67%
PA 5	1,264,859.20	0.23%
PA 7	11,361,504.00	2.05%
PA 10	710,600.00	0.13%
PA 11	3,361,195.60	0.61%
Total	42,628,638.80	7.67%

4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

Description of the integrated approach to territorial development taking into account the content and objectives of the operational programme having regard to the Partnership Agreement and showing how it the operational programme contributes to the accomplishment of the objectives of the operational programme and expected results Malta's territorial profile[1] is dictated by its size, open economy, high population density, lack of economies of scale, peripherality to mainland Europe, dependence on imports and export concentration. Malta's peripheral position conditions its development in terms of access to markets and innovation and also brings about permanent limitations on what can be achieved on the ground with regard to certain policy areas.

Malta remains by far the most densely populated Member State within the European Union. In particular, the Northern and the Southern Harbour Districts are the two most densely populated districts in Malta with a population density amounting to 4,997 persons/km² and 3,026 persons/km² respectively. The Maltese Islands have a rich urban fabric which is particularly concentrated around the Harbour area. Residential development is the largest user of developed land, with a sizeable vacancy rate especially in historical areas. Many of the older and more valuable parts of the urban fabric are in a state of decay requiring focused intervention with a view to creating an environment which is more attractive and conducive to generate economic activity and ameliorate the wellbeing of citizens.

An integrated territorial approach[2]

The specific characteristics of a Member State must be taken into account when designing development strategies and will also condition the type of strategy and development tools that will be required to address such specificities. This implies a mechanism which allows each territory to bring its own challenges, constraints or limitations as well as potentials to the forefront of any policy discussion. This process also has to remain flexible and dynamic so as to continue to be relevant to the territory in the longer term.

The territorial dimension should be integrated into existing impact assessment procedures without increasing the administrative burden, particularly in the case of a small island state as Malta. For a successful implementation of territorial strategies to take place key methods and tools, adapted to the needs of the territory, need to be employed in a holistic manner.

During the implementation period of this OP, the application of the integrated approach to territorial development will continue to be necessary through a tailor made approach that is specific to the circumstances of Malta and reflects its territorial profile. The integrated approach for the Harbour areas will be implemented through the development of appropriate integrated sustainable urban development strategies. Government will adopt a multi-faceted approach to address the needs of the identified urban communities and it is envisaged that two thematic objectives will be pursued: thematic objective 6, with a focus on the improvement of the urban environment and the revitalisation of cities and the preservation of cultural heritage; and thematic objective 9, with a focus on social housing and community needs. Such an integrated approach will contribute towards the achievement of the specific objectives and expected results.

[1] For the main territorial needs and bottlenecks and the main territorial development potentials see sections 1.1 and 1.1.3 of the Partnership Agreement.

[2] For the territorial approach relating to deprived neighbourhoods see section 3.1.5 of the Partnership Agreement and for the territorial approach relating to the island of Gozo see section 3.1.6 of the Partnership Agreement.

4.1 Community-led local development (where appropriate)

The approach to the use of community-led local development instruments and the principles for identifying the areas in where they will be implemented

N/A

4.2 Integrated actions for sustainable urban development (where appropriate)

Where appropriate the indicative amount of ERDF support for integrated actions for sustainable urban development to be implemented in accordance with the provisions under Article 7(2) of Regulation (EU) No 1301/2013 and the indicative allocation of ESF support for integrated action.

Malta remains by far the most densely populated Member State within the European Union. In particular, the Northern and the Southern Harbour Districts[1] are the two most densely populated districts in Malta with a population density amounting to 4,997 persons/km² and 3,026 persons/km² respectively. Within this context, a real need to address the specific characteristics of the Maltese urban fabric exists.

Although urban areas differ in characteristics and challenges, there are nevertheless a number of principles which are fundamental when identifying urban areas where integrated actions for sustainable urban development are mostly needed. These include the level of unemployment within the urban area, the at-risk-of-poverty rate, the level of economic activity, environmental needs and social challenges.

Malta will be allocating 5% of its ERDF resources which may be supported through ESF intervention[2], for the implementation of sustainable urban development projects in identified urban areas where there is a high level of unemployment, a high at-risk of poverty rate and where social problems are more pronounced. The potential to generate economic activity including commercial activity, revamp cultural heritage and create niches within the tourism sector will also be considered in the identification of urban areas for such interventions.

A sub-regional body responsible for implementing sustainable urban strategies within the meaning of article 7 (4) of the ERDF Regulation, does not exist in Malta. Government shall entrust the Ministry for European Affairs and Implementation of the Electoral Manifesto (MEAIM) with the development of appropriate integrated sustainable urban development strategies. MEAIM will be tasked by the Managing Authority with the selection of operations and will be assisted by a Coordination Committee for Sustainable Urban Development which will include representatives of the Local Councils responsible for the urban areas targeted by the Integrated Sustainable Urban Development Strategy and representatives from relevant Line Ministries, the Managing Authority (the Planning

and Priorities Coordination Division) and the Malta Environment and Planning Authority.

For the scope of actions, Government recognises that a multi-faceted approach is necessary to address the needs of the identified urban communities and it is envisaged that two thematic objectives will be pursued: Thematic Objective (TO) 6, with a focus on the improvement of the urban environment and the revitalisation of cities and the preservation of cultural heritage; and TO 9, with a focus on social housing and community needs. The revitalisation of cities and the regeneration of communities are not solely limited to the upgrading of the urban environment but also require complementary interventions to boost economic activity in the area.

In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance ESF complimentary actions subject to the limit of 10 per cent of European funds for Sustainable Urban Development.

[1] Cospicua, Fgura, Floriana. Hal Luqa, Haż Żabbar, Kalkara, Marsa, Paola, Santa Luċija, Senglea, Tarxien, Valletta, Vittoriosa, Xgħajra.

[2] Government intends to use the cross financing facility in line with Article 98 of Regulation 1303/2013.

Table 20: Integrated actions for sustainable urban development – indicative amounts of ERDF and ESF support

Fund	ERDF and ESF support (indicative) (€)	Proportion of fund's total allocation to programme
Total ERDF without REACT-EU	19,217,699.85	5.66%
TOTAL ERDF+ESF without REACT-EU	19,217,699.85	3.53%

4.3 Integrated Territorial Investment (ITI) (where appropriate)

The approach to the use of Integrated Territorial Investments (ITIs) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis.

n/a

Table 21: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)

Priority axis	Fund	Indicative financial allocation (Union support) (€)
Total		0.00

4.4 The arrangements for interregional and transnational actions, within the operational programme, with beneficiaries located in at least one other Member State (where appropriate)

N/a

4.5 Contribution of the planned actions under the programme to macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the Member State (where appropriate)

(Where the Member State and regions participate in macro-regional strategies and sea basin strategies).

N/A

5. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS MOST AFFECTED BY POVERTY OR TARGET GROUPS AT HIGHEST RISK OF DISCRIMINATION OR SOCIAL EXCLUSION (WHERE APPROPRIATE)

5.1 Geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion

On a territory covering a total area of 316 km² and consisting of one geographical region at NUTS II level, split into two NUTS III regions which are then subdivided into six districts, Malta has around 94,000 people at risk of poverty or social exclusion (23.1%)[1] across the island.

According to statistics on income, social inclusion and living conditions in Malta, the main target groups which raise particular concerns when it comes to poverty and social exclusion include children, youths, elderly, women, persons with disabilities, the working poor and the unemployed.

1. Children and Youth

With an at-risk-of-poverty rate of 31% in 2012, children (0-17years) have the highest risk of being poor[2]. Whilst this rate for children whose parents have a first and second stage of tertiary education (ISCED levels 5 and 6) stood at 3.7% in 2012, the rate for those children whose parents have a pre-primary and lower secondary education (ISCED levels 0 and 2) was 48.3%.[3] This calls for concerted efforts to tackle children through an integrated approach which upholds the child's wellbeing throughout his/her life as this reinforces the social fabric which helps to combat inter-generational poverty and exclusion.

Youth (18-24) are also of a particular concern; over 2007-2012, the at-risk-of poverty rate for youths increased from 13.6% to 22.2%.[4] This increase also mirrors the unemployment trend for this group which at 2012 was 14.2%, and, despite being lower than the EU average, it is more than double the national general unemployment rate of 6.4%[5]. Moreover, the rate of youth at risk of poverty attaining an education level of ISCED level 0-2 has more than doubled from 2007-2012, implying that there is a real need to address this challenge.[6] Government is thus committed to ensure that this target group is provided with the necessary tools and support to be able to enter and integrate in the labour market and thus reduce the risk of falling into poverty.

b. Women

Analysing the at-risk-of-poverty rate by gender indicates that the rate for females is higher both on an EU-27 level and also in Malta. From 2007, the at-risk of poverty rate for females has increased to 24.3% in 2012 which is higher than that registered rate for males yet lower than the EU-27 average of 25.7%.[7] These issues are compounded with the high inactivity rate of women in Malta, which in 2012 stood at 52.2% when compared to the EU-27 rate of 34.4%[8]. Although the rate of female inactivity in Malta has been decreasing over the years, it still leaves a considerable pool of females not engaging themselves in an economic activity and therefore not getting a direct income as a result of such an economic activity. This calls for reinforced policies and measures to

integrate women in the labour market, including the childcare support, with dignity income levels to promote the respective social inclusion and prevent social exclusion.

c. The Elderly

In 2012, Eurostat figures show that the at-risk-of-poverty or social exclusion rate for elderly (65+) stood at 22.3%[9]. . Although this rate has decreased from 2007, it is still higher than the EU 27 average (19.2%)[10].

This is further aggravated by the fact that the employment rate of the elderly, despite registering good progress, still lacks behind the EU-27 rate, which calls for further action which instils an active participation in the labour market, yielding economic benefits.

d. Persons with Disabilities

Despite the fact that statistics relating to persons with disability are rather sparse, it is clear that the overall number of people with a disability is rising.[11] In 2011, 12,470 persons, or 3% of the total population in Malta, were registered with the National Commission for Persons with Disability (NCPD) as having a disability. In February 2013, 81.2% of men and 18.8% women having a disability registered in search of work. However, the number of registrants with disability showed a decline from 2003 till 2008, and from August 2012 to 2013, mostly due to the increase in employment of women with a disability.[12] Although this is a positive sign of increased inclusion in the labour market, Government is committed to improve educational, employment and independent living opportunities for people with a disability. Furthermore, a strategy targeting persons with disabilities is currently being drafted.

e. Unemployed People and the Working Poor

In Malta, unemployment is mainly a concern for those attaining low levels of education. In 2012, the unemployment rate for those attaining ISCED levels 5 and 6 stood at 2.2% whilst the rate increased to 9.3% for those attaining ISCED levels 0-2.[13] This highlights the need for interventions focusing on re-skilling and up-skilling of the workforce to address labour market challenges including providing job mobility opportunities and facilitating employment access for jobseekers and the inactive.

The relationship between the level of education and employment prospects have also a direct consequence on the at-risk-of-poverty rate since low wages have an impact on in-work poverty. Persons with low levels of education attainment face a considerable higher at-risk-of-poverty rate than those having higher levels of education. In 2012, the in-work-at-risk-of poverty rate stood at 8.9% for those attaining a low level of education, whilst those attaining ISCED level 5-6 registered a rate of only 0.0%.[14] This calls for action to improve educational attainment levels for people to move out from the risk of poverty.

[1] Figure provided by the National Statistics Office based on aggregate data provided from the Census of Population and Housing 2011, March 2014.

[2] Statistics on Income and Living Conditions (SILC) Survey, 2007 – 2012; extracted from Eurostat website on 22/05/2014.

[3] Ibid

[4] Ibid

[5] National Statistics Office, March 2014: Annual Labour Force Survey Datasets

[6] Eurostat Online Database: People at risk of poverty or social exclusion by education level (population aged 18 and over) [Accessed on 21 April 2014].

[7] Statistics on Income and Living Conditions (SILC) Survey, 2007 – 2012; extracted from Eurostat website on 22/05/2014.

[8] Labour Force Survey, Eurostat online database extracted 28/05/2014

[9] Statistics on Income and Living Conditions (SILC) Survey, 2007 – 2012; extracted from Eurostat website on 22/05/2014.

[10] http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_peps01&lang=en extracted on 27/05/2014

[11] Green Paper on Poverty, A Framework for Poverty Reduction and for Social Inclusion

[12] Green Paper on Poverty, A Framework for Poverty Reduction and for Social Inclusion

[13] Eurostat online Database: Unemployment rates by sex, age and highest level of education attained (%) [Accessed on 28 February 2014].

[14] http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_iw04&lang=en, extracted on 27/05/2014

5.2 Strategy to address the specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion, and where relevant, the contribution to the integrated approach set out in the Partnership Agreement

The complexity and multidimensionality of the problems related with poverty and social exclusion identified in section 5.1 require holistic approaches in which the different dimensions and specificities of the problems can be tackled. Malta aims to address the needs of the different target groups through an outreach approach, presenting tailored solutions in which the target groups themselves have to play a key role. The outreach approach will be disseminated by the different districts in Malta. The aim of adopting this approach is to ensure that the needs of the different target groups are addressed.

On the basis of a pilot project, that will encompass regional networks in all areas corresponding to the LAUs and additionally in sub-areas with high concentration of problems, Government aims to widen this structure to provide a holistic approach which empowers the target groups, whilst building capacity for the community and civil society in order to improve their participation in the services delivery. This approach calls for collaboration and networking among different stakeholders that can guarantee the required outreach and range of necessary competences.

The aim is to establish Family Resource Centres within the different districts which will be supported through the creation of sub-networks, also in particular areas with high concentration of social and economic problems in order to offer individualized support to the target groups in need. These sub-areas will be identified/confirmed using a participative approach. The Family Resource Centres will work as “one stop shops” delivering *integration of information/screening systems* to reduce duplication, providing the basis for a holistic, personalised approach to service delivery; *integration of employment services with social assistance and health services and enabling services; and improving vertical and horizontal coordination*[1] in the Government to improve overall service delivery.

The main advantages of this type of bottom-up approach are that local actors have a better knowledge of local challenges that need to be addressed and the resource and opportunities available. This gives local actors a greater sense of ownership and commitment towards combating poverty and social exclusion in the area, including outreach towards those that are hard to reach. A key success factor is to invest in capacity and team building with the objective of developing trustful relationships among stakeholders and gain the support of local structures with the necessary experience and expertise. Moreover, it would also reduce administrative costs through synergies and better use of resources with limited overlaps, whilst also achieving social investment through more effective and efficient social services by promoting the proximity of the services to the people in need. The drive towards this approach meets directly the recommendation of the Commission in its “Social Investment Package”: *“The specific poverty-alleviating effects of various services should always be borne in mind when planning reforms of service-providing systems. Investing in **enabling services**, including through Structural funds, and ensuring their accessibility and affordability and at the same time ensuring efficacy, can improve quality of life for different categories of disadvantaged people”*. [2]

Government, recognises that needs vary from one individual to another and therefore it believes that despite the similarities of the issues at stake, each family situation requires targeted investment in order to promote a life cycle approach beginning with measures targeting children and covering the whole households with holistic approaches. Such approach shall also adopt a preventive methodology to mitigate the rise in poverty levels.

An anti-poverty strategy is being developed, on the basis of a very participative process, which encompasses the approach identified above in order to be able to respond effectively towards eradication of poverty and social exclusion in Malta.

The implementation of this strategy[3] will use funding under the European Social Fund complemented by further financing from the ERDF notably for investing in health, social and education infrastructure, as well as support for physical and economic regeneration of deprived urban and rural communities and from the Fund for European Aid to the Most Deprived (FEAD), namely to meet the needs of those most deprived. These investments will impact the social policy modernisation through shifting to community based care and integrated housing policies.

The planned actions to address the specific needs of different target groups as part of the integrated approach are portrayed in table 22. Whilst the interventions need to address the specific target groups, efforts will also be undertaken to ensure that the needs emanating from those geographical areas demonstrating specific disadvantages will also be addressed.

[1] COMMISSION SWD - Evidence on Demographic and Social Trends, Social Policies' Contribution to Inclusion, Employment and the Economy *Accompanying the document - COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS*

Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020

[2] Ibid.

[3] The strategy will address all target vulnerable groups including women, children, elderly, migrants, persons with disability, etc.

Table 22: Actions to address specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
Children, Youth (including young people in institutional care), Women (including victims of domestic violence), Elderly (65+), Persons with disability (including persons with mental health difficulties), Long term unemployed, Working poor	Develop bottom up approaches to community regeneration in which the communities take responsibility for the renovation and maintenance of their own dwellings.	PA 8 - Investing towards a more socially-inclusive society	ERDF	Transition	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
Children, Youth (including young people in institutional care), Women (including victims of domestic violence), Elderly (65+), Persons with disability (including persons with mental health difficulties), Long term unemployed, Working poor	Encourage community based approaches in the provision of health and social services	PA 8 - Investing towards a more socially-inclusive society	ERDF	Transition	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
Children, Youth (including young people in institutional care), Women (including victims of domestic violence), Elderly (65+), Persons with disability (including persons with mental health difficulties), Long term unemployed, Working poor	Provide adequate services and resources to the most vulnerable groups.	PA 8 - Investing towards a more socially-inclusive society	ERDF	Transition	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
Children, Youth (including young people in institutional care), Women (including victims of domestic violence), Elderly (65+), Persons with disability (including persons with mental health difficulties), Long term unemployed, Working poor	Support measures to promote a healthy lifestyle	PA 8 - Investing towards a more socially-inclusive society	ERDF	Transition	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
Other target groups	Other target groups as may be determined during the course of	PA 8 - Investing towards a more	ERDF	Transition	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
	the programme.	socially-inclusive society			status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
Other target groups	Other target groups as may be determined during the course of the programme.	PA 8 - Investing towards a more socially-inclusive society	ERDF	Transition	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas

6. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS WHICH SUFFER FROM SEVERE AND PERMANENT NATURAL OR DEMOGRAPHIC HANDICAPS (WHERE APPROPRIATE)

Gozo's insularity and peripherality is even more accentuated than that of Malta. Gozo's economy is heavily dependent on Malta for its economic development in various sectors such as the domestic and manufacturing industry, tourism – notably internal tourism, and agriculture. The fact that there is no permanent link results in Gozo suffering from double insularity problems.. Important infrastructural limitations render Gozo a far less attractive destination for local and foreign direct investment.

The social and economic context of Gozo, whilst in many instances similar to Malta, has specific characteristics that need to be addressed through an integrated and tailor made approach. Gozo's share of Gross Value Added (GVA) dropped from 5.96% in 2000 to 5.54% in 2010. The decline occurred gradually over the years.

Given Gozo's geographical and topographical realities resulted in its economy sustaining a relatively higher share and dependence on agriculture and fishing when compared to Malta. In 2010, agriculture and fishing constituted 4.4% of the island's GVA. In fact, Gozo accounts for 23% of the total organic land in the Maltese Islands.

Gozo has the second lowest average household disposable income with an average household disposable of €20,414 in 2010. It is also pertinent to underline that in 2009, with an at-risk-of-poverty rate of 17%, Gozo stood as the second highest district when compared to the value for 2010, which was 14.7%, placing Gozo as the second lowest district. The population in Gozo has remained relatively stable between 2007 and 2011. During this period, there was a marginal increase of 14 births while the average age increased from 39.5 years of age in 2005 to 41.6 years of age in 2011 (40.4 years of age in Malta in 2011).

There are a number of factors that are contributing towards the increasing trend in the elderly population in Gozo in relation to that of mainland Malta. Gozo's economy has not been able to exploit fully the opportunities arising from the fast-growing and high value added services when compared to mainland Malta in particular due to the constraints of double insularity. Despite the high levels of tertiary education attained by Gozitans, this has resulted in a significant migration of young persons to Malta to take up careers in for example knowledge based enterprises. The pressure of commuting daily between the two islands is also resulting in more Gozitans opting for permanent residence in Malta.

The impact on the elderly population of Gozo is further exacerbated by a higher rate of Gozitan migrants who return home to retire after a lifetime working overseas. Combined together these factors are leading towards an upward trend in the ageing population of Gozo which is exceeding that of mainland Malta and which is putting additional pressure on the socio-economic development of Gozo.

In order to address the territorial challenges of Gozo, particularly its socio-economic specificities as well as the handicaps arising from the combined effects of its double insularity, environmental fragility, small population size and inherent limited resources; a

tailor made approach is required. In this regard, from a strategic perspective, Government intends to sustain its horizontal approach within national and sectoral strategies whereby strategies factor in the needs of Gozo with a view to adopt a holistic approach towards the needs of the territory.[1] Government will develop an integrated territorial development strategy for Gozo[2], which will identify the specific development needs and investment priorities for Gozo for 2014-2020. This strategy will be completed by end 2015. Interventions will be implemented in line with this strategy[3].

Under the 2014-2020 programming, Gozo's territorial challenges will be addressed through strategic investments targeting: road and transport infrastructure (in line with TEN-T guidelines and the priorities for the CEF facility) with a view to improving accessibility of the island, enhancing competitiveness and fostering an environment which is conducive to economic growth and job creation, and providing the necessary educational and training opportunities. Furthermore, these interventions are envisaged to contribute towards maximising the competitive edge of the island through investment in the environment particularly in the natural and cultural heritage.

[1] Refer to section 4 of this Programme

[2] Given the size and territorial characteristics of the territory, Malta believes that in line with the principle of simplification, as well as the reduction of administrative burden, it will not utilize the Integrated Territorial Investment (ITI) approach in the implementation of the European Structural and Investment funds.

[3] For the governance and administrative framework see section 3.1.6 of the Partnership Agreement.

7. AUTHORITIES AND BODIES RESPONSIBLE FOR MANAGEMENT, CONTROL AND AUDIT AND THE ROLE OF RELEVANT PARTNERS

7.1 Relevant authorities and bodies

Table 23: Relevant authorities and bodies

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Managing authority	Planning and Priorities Coordination Division (PPCD) – Ministry for Foreign and European Affairs	Director General	Triq il-Kukkanja, Santa Venera, SVR 1411	info.ppcd@gov.mt
Certifying authority	Strategy & Implementation Division – Ministry for Foreign and European Affairs	Chief Coordinator (Certifying Authority)	Ministry for European Affairs and Equality, Auberge D'Aragon, Misrah Indipendenza, Valletta - VLT 1521	edwin.a.camilleri@gov.mt
Audit authority	Internal Audit and Investigations Department (IAID) – Office of the Prime Minister	Director General	Valletta Buildings Lower Ground Floor South Street Valletta VLT 1103	info.iaid@gov.mt
Body to which Commission will make payments	EU Payments Unit	Chief Coordinator (EU Payments)	32, House of Catalunya, Triq Marsamxett, Valletta, VLT1850	eufmu@gov.mt

7.2 Involvement of relevant partners

7.2.1 Actions taken to involve the relevant partners in the preparation of the operational programme, and the role of those partners in the implementation, monitoring and evaluation of the programme

The Authority responsible for coordinating the preparation of the Operational Programmes (OPs) is the Office of the Permanent Secretary within the Ministry for European Affairs & Implementation of the Electoral Manifesto (MEAIM)[1]. A Programming Team, set up within the Ministry and consisting of officials from the EU Funds Programming Unit as well as the EU Funds – Policy Coordination Directorate, was set up to coordinate the required preparations.

The institutional framework required to implement the partnership and multi-level governance principle in respect of the 2014-2020 period was set up in April 2012. The framework, steered by the Office of the Permanent Secretary, consisted of an Inter-

Ministerial Committee for Programming 2014-2020 (IMC) with representatives from line Ministries (covering all the ESI funds plus other government stakeholders) and supported by a number of Sectoral Sub-Committees (SSCs) that looked into different thematic objectives. The role of the Inter-Ministerial Committee was to provide strategic input and guidance into the programming process.

Seven (7) SSCs were set up in November 2012 with a view to giving input and support to the Inter-Ministerial Committee in its role of providing strategic input and guidance to the 2014-2020 programming process. Each committee tackled the main strategic areas set out in the thematic objectives listed under Article 9 of the Common Provisions Regulation and was chaired by the Permanent Secretary responsible for the respective policy area, and included a representative from relevant public sector organisations, the socio-economic partners, civil society groups and non-governmental organisations with an interest in the particular policy area.

Meetings of the SSCs were held on a regular basis. This approach was undertaken with a view to providing stakeholders with sufficient time for internal consultation and to provide consolidated feedback. This first phase of the consultation process was concluded in February 2013, following which each SSC put forward its recommendations that were also presented to the IMC. Between March – May 2013, the Programming Team undertook an extensive assessment of the inputs provided through the IMC and the SSCs.

The results of this assessment were finalised in June 2013 and presented to line Ministries. Following this inter-governmental consultation, the second phase of the consultation process was launched through a public consultation document on the Programming of EU Funds 2014-2020 in July 2013. The public consultation document set out the socio-economic analysis as well as the strategic direction covering also the funding priorities.

During October 2013 a Draft of the Partnership Agreement (PA) was finalised and submitted to the European Commission for informal feedback which was received by December 2013. The Final PA was submitted to the European Commission, through the SFC 2014-2020 system, in April 2014.

The work carried out for the drafting of the PA provided the basis for the work required for the drafting of the OPs. For the OPs, an extensive intergovernmental consultation exercise (held in parallel with the drafting of the PA) was carried out by the Programming Team whereby the input of line Ministries was sought in order to identify the priorities.

Regular meetings were also held with the Managing and Certifying Authorities for those aspects relating to the programming process that fall within their remit including the management and control system as well as the monitoring functions in particular those relating to the performance framework. Consultations between the Programming Team and the external consultants responsible for drafting the Strategic Environmental Assessment Report and the Ex Ante Assessment of the OPs were also ongoing during the first and second quarter of 2014 as the Draft OPs were being compiled.

A Draft of the OPs, covering the ERDF/CF under OP I and the ESF under OP II, was finalised in May 2014 and launched for public consultation (see sections below) in May/June 2014.

Partners involved in the Consultation Process[2]

The key formal structures within which social dialogue and public consultations take place in Malta were used as the basis for selecting the stakeholders that would participate in the SSCs, notably the Malta Council for Economic and Social Development (MCESD) and the Malta EU Steering and Action Committee (MEUSAC).

The MCESD is composed of the main socio-economic partners in Malta representing the main employer bodies, the main trade unions and civil society as well as the Government. The Council is considered to be the official structure through which social dialogue takes place in Malta. It serves as a consultative and advisory body to Government on matters of economic and social policy. Similarly, though with a different mandate, MEUSAC facilitates discussion between Government and civil society on draft EU legislation and policies, as well as on the transposition of EU directives. MEUSAC is responsible for engaging civil society in the EU decision making process and for actively supporting NGOs and local councils in their participation in EU programmes and funding.

Stakeholder participation in the SSCs went beyond these two umbrella organisations in an effort to ensure as wide a consultation as possible. In some cases, due to the diversity of the stakeholders and the multifaceted nature of the thematic issues being discussed (e.g. in the case of climate change and the island region of Gozo); it was agreed that different sets of stakeholders would be invited according to the subject matter being discussed. Such an approach ensured that the key stakeholders present for each meeting were those with a direct interest in the subject matter.

The Draft OPs were subject to a public consultation process which kicked off in May 2014. A first consultation session was held with MCESD on 19 May 2014, during which the Draft OPs were presented to the Council by the Office of the Permanent Secretary within the MEAIM. This was followed by a discussion which actively engaged all of the economic and social partners and who were able to put forward their views on the document. At the end of the session, members of the MCESD were presented with a hard copy of the public consultation document and invited to submit their formal feedback by 16 June 2014.

During May/June 2014, two public consultation sessions with the general public were held in Malta (29 May 2014) and in Gozo (2 June 2014). Both sessions were advertised in the general media and were very well-attended by the general public, civil society and the private sector (the latter covering a number of sectors to include: food, architecture, building industry, transport, home and design, consultancy and marketing, energy companies and consultancy, audiovisual and film production, local wine producers, printing and packaging, retailers, IT companies, tourism, pharmacies, cosmetics and health consultancy). Each session started with a presentation of the Draft OPs by the Office of the Permanent Secretary within MEAIM and was then followed by a 'Question

& Answer' session, whereby the attending public was given the opportunity to put forward its views as to what should or could be included in the Programmes.

Hard copies of the Draft OPs were circulated to all participants attending these public consultation sessions. Furthermore, a dedicated web link providing background information on the programming process and a summary of the content of the Draft OPs was also set up[3]. The web link also provided readers with a link to the soft version of the Draft OPs. Participants in the consultation process, both at the level of the MCESD as well as the general public, were encouraged to make written submissions through an email address info.eufunds@gov.mt by 16 June 2014.

Twenty-five (25) interventions were made during these three consultation sessions and thirty-eight (38) written submissions were submitted through web mail. During the consultation period, upon request from the partners, three presentations on the Draft OPs were also delivered to the Local Councils Association (5 June 2014), the General Retailers and Traders Union (12 June 2014) and the Department of Local Government (17 June 2014). In addition, on 10 June 2014, a radio interview concerning the future programming period (and covering the content of the Draft OPs) was also delivered by an official from the Programming Team on a national radio station. The interview was coordinated by MEUSAC.

The list of partners involved in the consultation process can be found at section 12.3.

The public consultation process was overall deemed as a success, in particular for the value-added that the involvement of the socio-economic partners and civil society brings to the programming process, particularly in identifying concerns and common lines of intervention (see section on 'main results of the consultation with partners' below). Past and current experience has shown that such involvement brings added value in terms of expertise and insight and, equally importantly, it creates collective commitment and broader ownership of the programming process and the programme itself.

The main points raised by the participating public and in the written submissions received as part of the consultation process on the Draft OPs covered the following areas:

- *urban regeneration*: especially the development of financial instruments in the sector and the need to rehabilitate key heritage sites in Valletta;
- *RTDI*: in particular the need for synergies with Horizon2020, to consolidate R&D activities within the University of Malta in line with the smart specialisation strategy and to ensure that investment in human capital is complemented by the creation of employment;
- *Environment*: broadly a more holistic and overarching approach to the sector was called for, suggestions for the protection of woodlands, natural parks, open spaces and marine protected areas were also put forward;
- *water*: especially the need to carry out a water demand assessment before embarking on investment in the supply and distribution of alternative water to consumers and to ensure that investment in rainwater reservoirs forms part of a holistic plan that addresses demand and alleviates flooding;

- *culture*: the main point that emerged related to the need to maximise the contribution of cultural & natural heritage to the quality of life of local communities, through improved access & experience, as well as through economic activities & tourism;
- *transport*: especially the enhancement of marine infrastructures, the need for increased modal shift and to explore alternatives – including air connections – to enhance the accessibility for Gozo;
- *training and employment*: in particular the importance of ensuring continuity of funding from the previous programming period to the new one, the need to ensure the employability of minority groups, the need to address illiteracy rates and to provide more schools, and the need to increase VET infrastructural investment and create a link between VET and research;
- *health*: the need for investment in the health sector was put forward;
- *tourism*: especially proposals for nature based and heritage trails, the growth of new niche markets, facilitate the continuity of traditional trade and maximising the inter-linkages with tourism and opportunities for growth in the aviation sector;
- *ICT*: proposals for mobile health, ICT careers and skills, e-Democracy and additional incentives for e-ID and trust were put forward;
- *Addressing the regional specificities of Gozo*: in particular calls to improve Gozo's ICT connectivity (by enhancing broadband), job creation and projects to make Gozo a distinct and unique tourism destination;
- *Non-Governmental Organisations (NGOs)*: especially the need to provide further assistance to NGOs and cooperatives to access EU funds for actions such as child minding and participation in international fora, the need to reduce the level of bureaucracy (this point was also made by private enterprise) and the need to continue to assist NGOs to raise the co-financing element;
- *Complementing EU funds with financial instruments*: several interventions supported the further uptake of financial instruments such as JEREMIE, JESSICA and EIB loans/technical assistance.

Involvement of partners in the implementation, monitoring and evaluation of the Operational Programmes

Initiatives undertaken during the previous programming period to ensure the involvement of the relevant stakeholders in the various stages of the Structural Funds will continue under the future programmes in accordance with national practice. Such initiatives will cover the implementation, monitoring and evaluation of the Programmes.

The participation of the relevant stakeholders^[4] in the various stages of implementation of the Structural Funds will be assured through their participation in the Monitoring Committee of the OP in accordance with the terms of reference of the Committee.

[1] Until March 2013, the Office of the Permanent Secretary responsible for coordinating the preparation of the Partnership Agreement was located within the Office of the Prime Minister. After the General Elections of March 2013 and a reshuffle of ministerial portfolios, this Office is now located within the Ministry for European Affairs & Implementation of the Electoral Manifesto (MEAIM).

[2] To include the involvement of partners with the relevant competencies in climate mitigation and adaptation. See section 12.3 of the OP where the relevant partners involved in the preparation of the programme are listed.

[3] <http://eufunds.gov.mt/en/Information/Pages/Public-Consultation-EU-funds-for-Malta-2014-2020.aspx>

[4] This will also include the relevant entities responsible for climate mitigation and adaptation.

7.2.2 Global grants (for the ESF and ESF REACT-EU, where appropriate) (for the ESF, where appropriate)

7.2.3 Allocation of an amount for capacity building (for the ESF and ESF REACT-EU, where appropriate) (for the ESF, where appropriate)

8. COORDINATION BETWEEN THE FUNDS, THE EAFRD, THE EMFF AND OTHER UNION AND NATIONAL FUNDING INSTRUMENTS, AND WITH THE EIB

The mechanisms to ensure coordination between the Funds, the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund (EMFF) and other Union and national funding instruments, and with the European Investment Bank (EIB), taking into account the relevant provisions laid down in the Common Strategic Framework.

A coordinated and complementary approach in the programming and implementation process of the ESI funds is necessary with a view to maximising the benefits of the implementation of these funds as set out in the Common Strategic Framework. This section will outline how Malta intends to coordinate the various funds, namely ESI funds and other EU and National funding instruments as well as the EIB.

Coordination between ESI Funds and other Union and National funding instruments will be assured through the coordination mechanisms set up under the 2007-2013 programmes in line with existing institutional frameworks. These coordination mechanisms will be maintained and, where necessary, optimised to facilitate synergies between the different programmes, but also with a view to avoiding duplication of effort.

Preparation of Programmes

At the programming level, coordination between the ESI Funds and other Union and National funding instruments was ensured through the Inter-Ministerial Committee for Programming 2014-2020 (IMC). The framework, steered by the Office of the Permanent Secretary within the Ministry for European Affairs and the Implementation of the Electoral Manifesto (MEAIM), consisted of an Inter-Ministerial Committee for Programming 2014-2020 (IMC) with representatives from line Ministries (covering all of the ESI funds) and supported by a number of Sectoral Sub-Committees which tackled the main strategic areas set out in Article 9 of the CPR. Each Sectoral Sub-Committee was chaired by the Permanent Secretary responsible for the respective policy area, and included a representative from relevant public sector organisations, the socio-economic partners, civil society groups and non-governmental organisations with an interest in the particular policy area.

Management of Programmes

The programmes for the Structural and Cohesion Funds, the EMFF and the EAFRD^[1] are coordinated and managed by the Planning and Priorities Coordination Division (for the Structural and Cohesion Funds) and the Funds and Programmes Division (for the EMFF and the EAFRD and the Territorial Cooperation Programmes), within MEAIM. The centralised system which is in place for the implementation of the ESI Funds and other funding initiatives (including CEF) ensures coordination at the national level of the different programmes and related initiatives. This approach also minimises the risk of duplication of efforts.

Coordination structures

For the 2014-2020 programming period, coordination between the ESI Funds and other Union and National funding instruments will be ensured through the framework of the Inter Ministerial Coordination Committee (IMCC) already set up under the 2007-2013 period[2]. The existing structures will be optimised to facilitate synergies between the different programmes and to take account of the different Union instruments that will be launched in the 2014-2020 period and also with a view to avoiding duplication of effort.

The aim of the IMCC is to maximise resources whilst reducing the risk of overlap and/or duplication of effort by providing direction on the demarcation between different funds and programmes, undertaking ad hoc consultation where potential overlaps are identified and exchanging information about any changes required to the individual programmes and that could have an impact, by way of overlap, on other programmes. The IMCC also provides a forum for the sharing of knowledge of any new funds as well as for exploring the potential to exploit synergies and complement supported actions/projects through different funding instruments.

The IMCC is expected to meet on a bi-annual basis. Members on the IMCC include representatives from the managing authorities, the intermediate bodies, national contact points/representatives dealing with the ETC programmes[3], responsible authorities for the migration and asylum programmes and national contact points for community programmes, such as LIFE+ and Horizon2020. Other *ad hoc* technical experts, to cover also the Common Agricultural Policy's 1st and 2nd pillar initiatives as relevant, may be asked to participate in meetings of the IMCC (or parts thereof). If the need arises, the IMCC may also appoint *ad hoc* subcommittees to deal with issues of a very specific nature.

Mechanisms to assist beneficiaries use the funds in a complementary way

Advice to potential applicants and beneficiaries on the opportunities of support available through the different funds may be obtained from a common information help desk that is jointly serviced by the Planning and Priorities Coordination Division and the Funds and Programmes Division within MEAIM and which covers all of the ESI funds.

The help desk, already functioning under the 2007-2013 programme, will be expanded to address all ESI funds with a view to offer prospective applicants, beneficiaries and the general public a direct line of communication (through email and other media) with the Managing Authority(s) on issues of general interest as well as more specific information on a one-to-one basis. The practice of issuing manuals and guidance documents targeting beneficiaries and horizontal stakeholders will also continue, as these prove to be useful tools in assisting beneficiaries in the use and management of the Funds. The help desk will also provide information concerning EU programmes (i.e. to include the centralised programmes) more generally.

Complementarity of actions

Complementarity between the ESI Funds and other EU and National funding instruments will be sought in various areas to ensure synergies and coordination between different

actions. The areas of intervention where ESI Funds will be used in a complementary manner include: research, development and innovation (such as interventions in RTD infrastructure that will be complemented by training initiatives for example post-doctoral programmes), social inclusion (including investment in an integrated approach aimed at fostering economic growth and the creation of jobs), climate change (infrastructural initiatives for mitigation and adaptation will be complemented by research and training) and transport (measures to minimise the impact of transport on climate change, underpinned by the necessary infrastructures, will be introduced) amongst others.

ESF

Infrastructural and research investment implemented through the ERDF and CF will be complemented by softer interventions and measures with a view to strengthen the knowledge and the creation of jobs within the various sectors. In this regard, complimentary measures under the ESF are envisaged in the area of research and innovation and in the ICT sector. Infrastructural investments and financial support under this programme will also be complemented by measures fostering entrepreneurship at a societal and educational level through the ESF operational programme. Complimentary capacity building interventions to include education, training, knowledge and information are also envisaged to strengthen the understanding and skills in the low carbon economy and to foster the creation of green jobs. Under sustainable urban development, complimentary soft measures are also necessary to holistically address the needs and challenges of families living in identified urban areas. Similarly, infrastructural investment in the health and social sector will be complemented by ESF related measures to ensure integrated interventions towards vulnerable target groups. Investment in education under this programme will also be complemented by measures under the ESF operational programme to address the challenges posed by early school leavers and low participation in tertiary education.

EAFRD

The funding priorities within this operational programme will seek to complement Malta's priority areas within the Rural Development plan for 2014-2020. Complementary actions in water management, particularly to mitigate agricultural impact on water management, to promote the harvesting of rainwater, the conservation and rehabilitation of valley systems and the provision of sources of water are being envisaged. Actions in the field of waste management such as transforming animal waste into bio-energy as well as interventions aimed at generating energy from renewable sources under EAFRD will complement interventions in the waste sector within this programme. Complimentarity is also envisaged through actions aimed at shifting towards a lower carbon based economy through measures to improve production efficiency. Complimentarity between the ERDF, CF and EAFRD is also envisaged through actions aimed at conserving and protecting the natural capital and improving the sustainability of rural communities through rural cultural and tourism activities that contribute towards enhanced quality of life and economy of rural areas.

EMFF

The priorities within this programme will complement national priorities for the fisheries sector identified through the EMFF. In this regard, complementarity will be sought in the following areas including the enhancement of competitiveness and economic sustainability of small-scale fisheries whilst at the same time contributing towards the reduction of the environmental impact of fishing and its ancillary industry, investment to promote smart, green aquaculture and sustainability fisheries and interventions to encourage diversification of traditional fishing activities and enable new opportunities for business. This programme will also complement actions under the EMFF in areas related to the integrated maritime policy with a particular focus on the protection of the marine environment and biodiversity and the adaptation to the adverse effect of climate change on coastal areas[4].

ETC Programmes

Malta's priority areas for the ETC programmes for 2014-2020, will also seek to complement Malta's Funding Priorities identified within this Operational programme. Areas identified include research and innovation, enhancing competitiveness of SMEs, protecting the environment and promoting resource efficiency, supporting the shift towards a low carbon economy, promoting climate change adaptation[5], risk prevention and management and the valorisation of human capital. Over and above these thematic areas, Malta may also propose a number of other thematic areas as relevant to the respective programmes. Opportunities to actively participate in sea basin cooperation type of actions will also be explored. As applicable, the TEN-T guidelines and the priorities identified under the CEF will be taken into consideration when implementing ETC programmes.

REACT-EU

In an attempt to mitigate the effects of the pandemic, complementarity with the CRII and CRII+ measures facilitated redirecting of existing funds within the OPs. Further complementary financial assistance was provided via the Temporary Support to mitigate Unemployment Risks in an Emergency (SURE) instrument. These were complemented by national funding initiatives, targeting employment retention and targeted support towards the private sector. Programme modifications prompted by REACT-EU funding will also ensure cohesion and continuity with the incoming ERDF.CF.JTF Programme.

Other EU funding instruments[6]

Government will seek to maximise the potential synergies with other EU Funded initiatives including Horizon2020[7], Erasmus+, Creative Europe as well as the new LIFE programme for the Environment and Climate Action, amongst others. In this regard, efforts will be undertaken to maximise synergies in a number of areas including: building research and innovation capacity as well as exploring complementarities for climate change mitigation and adaptation. Close coordination will also be needed with the Connecting Europe Facility (CEF), to ensure that projects financed under this facility will complement interventions envisaged for funding under the ERDF/CF.

Collaboration with the EIB

For the 2014-2020 programming period, Malta will seek to maximise the use of public funds to leverage private investment where possible. In this regard, Malta will continue to seek opportunities for the leverage of EIB funding through various financial and other instruments which will be available in the next programming period.

[1] As of January 2014, EAFRD is being managed and coordinated by the Funds and Programmes Division.

[2] During the 2007-2013 programming period two Inter-Ministerial Coordination Committees (IMCC) were set up to ensure coordination between the Structural and Cohesion Funds and other Union instruments.

[3] The National Coordinator for Interreg III Programmes (Italia-Malta, ARCHIMED, MEDOCC and South Zone Programmes) and the National Focal Point for the European Territorial Cooperation Programmes (ETC) 2007-2013 are located within the Funds and Programmes Division with the exception of the ESPON programme which is managed and coordinated by the EU Funds – Policy Coordination Directorate.

[4] These actions will be undertaken in line with the principles enshrined in the EU Marine Strategy Framework Directive (2008/56/EC).

[5] Malta strongly argued for the inclusion of Thematic Objective 5, which deals specifically with climate change, under the Med programme, however, this TO was not selected by the programme. This said, climate change initiatives may still be addressed under the Med Programme by means of two investment priorities, namely Investment Priority 4c and Investment Priority 4e. Similar actions may also be carried out under the Interreg Europe Programme, specifically under Thematic Objective 6.

[6] In this area, Government will ensure coordination between the responsible entities and the MA through the IMCC.

[7] To include, amongst others, the Marie-Sklodowska-Curie co-fund; Public-Private Partnerships (Joint Programming Initiatives, ERA-NET, Art.185 and Art. 187 initiatives); and specific Horizon 2020 actions relating to Spreading Excellence and Widening Participation.

9. EX-ANTE CONDITIONALITIES

9.1 Ex-ante conditionalities

Information on the assessment of the applicability and the fulfilment of ex-ante conditionalities (optional).

N/A

Table 24: Applicable ex-ante conditionalities and assessment of their fulfilment

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	PA 1 - Investing in research, technological development and innovation	Partially
T.01.2 - Research and Innovation infrastructure. The existence of a multi annual plan for budgeting and prioritisation of investments.	PA 1 - Investing in research, technological development and innovation	No
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	PA 2 - Consolidating investment within the ICT sector	Yes
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	PA 3 - Enhancing Malta's competitiveness through investment in SMEs	Partially
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	PA 4 - Shifting towards a low-carbon economy	Partially
T.04.3 - Actions have been carried out to promote the production and distribution of renewable energy sources.	PA 4 - Shifting towards a low-carbon economy	Yes
T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	PA 10 - Investing in a more environmentally-friendly society	No
T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.	PA 10 - Investing in a more environmentally-friendly society	Yes
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	PA 11 - Investing in TEN-T Infrastructure PA 7 - Shifting towards a more low-carbon transport sector	No

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.	PA 11 - Investing in TEN-T Infrastructure PA 7 - Shifting towards a more low-carbon transport sector	No
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	PA 6 - Sustainable Urban Development PA 8 - Investing towards a more socially-inclusive society	Partially
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	PA 8 - Investing towards a more socially-inclusive society	Partially
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	PA 9 - Developing our future through education, training and lifelong learning	Partially
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	PA 9 - Developing our future through education, training and lifelong learning	No
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	PA 9 - Developing our future through education, training and lifelong learning	Partially
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	PA 9 - Developing our future through education, training and lifelong learning	No
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	PA 1 - Investing in research, technological development and innovation PA 10 - Investing in a more environmentally-friendly society PA 11 - Investing in TEN-T Infrastructure PA 12 - Technical Assistance PA 2 - Consolidating investment within the ICT sector PA 3 - Enhancing Malta's competitiveness through investment in SMEs PA 4 - Shifting towards a low-carbon economy PA 5 - Protecting our	Yes

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
	environment - investing in natural and cultural assets PA 6 - Sustainable Urban Development PA 7 - Shifting towards a more low-carbon transport sector PA 8 - Investing towards a more socially-inclusive society PA 9 - Developing our future through education, training and lifelong learning	
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	PA 1 - Investing in research, technological development and innovation PA 10 - Investing in a more environmentally-friendly society PA 11 - Investing in TEN-T Infrastructure PA 12 - Technical Assistance PA 2 - Consolidating investment within the ICT sector PA 3 - Enhancing Malta's competitiveness through investment in SMEs PA 4 - Shifting towards a low-carbon economy PA 5 - Protecting our environment - investing in natural and cultural assets PA 6 - Sustainable Urban Development PA 7 - Shifting towards a more low-carbon transport sector PA 8 - Investing towards a more socially-inclusive society PA 9 - Developing our future through education, training and lifelong learning	Yes
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance	PA 1 - Investing in research, technological development and innovation	Yes

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
with Council Decision 2010/48/EC.	PA 10 - Investing in a more environmentally-friendly society PA 11 - Investing in TEN-T Infrastructure PA 12 - Technical Assistance PA 2 - Consolidating investment within the ICT sector PA 3 - Enhancing Malta's competitiveness through investment in SMEs PA 4 - Shifting towards a low-carbon economy PA 5 - Protecting our environment - investing in natural and cultural assets PA 6 - Sustainable Urban Development PA 7 - Shifting towards a more low-carbon transport sector PA 8 - Investing towards a more socially-inclusive society PA 9 - Developing our future through education, training and lifelong learning	
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	PA 1 - Investing in research, technological development and innovation PA 10 - Investing in a more environmentally-friendly society PA 11 - Investing in TEN-T Infrastructure PA 12 - Technical Assistance PA 2 - Consolidating investment within the ICT sector PA 3 - Enhancing Malta's competitiveness through investment in SMEs PA 4 - Shifting towards a low-carbon economy PA 5 - Protecting our environment -	Yes

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
	investing in natural and cultural assets PA 6 - Sustainable Urban Development PA 7 - Shifting towards a more low-carbon transport sector PA 8 - Investing towards a more socially-inclusive society PA 9 - Developing our future through education, training and lifelong learning	
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	PA 1 - Investing in research, technological development and innovation PA 10 - Investing in a more environmentally-friendly society PA 11 - Investing in TEN-T Infrastructure PA 2 - Consolidating investment within the ICT sector PA 3 - Enhancing Malta's competitiveness through investment in SMEs PA 4 - Shifting towards a low-carbon economy PA 5 - Protecting our environment - investing in natural and cultural assets PA 6 - Sustainable Urban Development PA 7 - Shifting towards a more low-carbon transport sector PA 8 - Investing towards a more socially-inclusive society PA 9 - Developing our future through education, training and lifelong learning	Yes
G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	PA 1 - Investing in research, technological development and innovation PA 10 - Investing in a more environmentally-friendly society	Yes

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
	PA 11 - Investing in TEN-T Infrastructure PA 2 - Consolidating investment within the ICT sector PA 3 - Enhancing Malta's competitiveness through investment in SMEs PA 4 - Shifting towards a low-carbon economy PA 5 - Protecting our environment - investing in natural and cultural assets PA 6 - Sustainable Urban Development PA 7 - Shifting towards a more low-carbon transport sector PA 8 - Investing towards a more socially-inclusive society PA 9 - Developing our future through education, training and lifelong learning	
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	PA 1 - Investing in research, technological development and innovation PA 10 - Investing in a more environmentally-friendly society PA 11 - Investing in TEN-T Infrastructure PA 2 - Consolidating investment within the ICT sector PA 3 - Enhancing Malta's competitiveness through investment in SMEs PA 4 - Shifting towards a low-carbon economy PA 5 - Protecting our environment - investing in natural and cultural assets PA 6 - Sustainable Urban Development PA 7 - Shifting towards a more low-carbon transport sector	Yes

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
	PA 8 - Investing towards a more socially-inclusive society PA 9 - Developing our future through education, training and lifelong learning	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform	1 - National or regional smart specialisation strategy is in place that:	Yes	National Research and Innovation Strategy 2020 (June 2014) Refer to the following link: http://www.mcst.gov.mt/all/about-us/national-research-and-innovation-strategy-2020 and to Annex 1: National Research and Innovation Strategy 2020 The initially selected economic activities and R&I fields will be monitored and updated in line with the RIS3 monitoring mechanisms which will be set up as part of the envisaged Action plan through the entrepreneurial discovery process.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ms.				
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the	2 - is based on a SWOT or similar analysis to concentrate resources on a limited set of research and innovation priorities;	Yes	A SWOT analysis has been undertaken as part of the preparation of the new R&I Strategy: refer to page 13 of Annex 1: National Research and Innovation Strategy 2020 Furthermore, the Strategy includes the rationale for each area chosen: refer to pages 20 to 23 of Annex 1: National Research and Innovation Strategy 2020 The elimination/prioritisation process is being reflected in Pillar (Goal) 3 of the new Strategy (Page 20 of Annex 1: National Research and Innovation Strategy 2020)	More information on the SWOT Analysis and the elimination/prioritisation process should be available in Prof. Luke Georghiou's reports which are a very important source of information since he was engaged specifically to guide Malta in undertaking its entrepreneurial discovery process.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing nation				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
al or regional R&I systems.				
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with	3 - outlines measures to stimulate private RTD investment;	No		<p>The Strategy indicates the type of actions needed to stimulate private RTD investment, both in building an enabling environment for R&I and in the identified smart specialisation themes. (pages 16-17 and pages 22-23 of Annex 1: National Research and Innovation Strategy 2020)</p> <p>The Strategy, specifically in the introduction to Pillar (Goal) 3 on page 20, contains a description of the entrepreneurial discovery process, including how the private sector was involved. More information on this process can be found on pages 6-7 of the Peer Review Report (Annex 2) as well as in Prof. Luke Georghiou's reports. In addition, it is important to point out that one of the issues that Malta was commended upon specifically during the peer review was the way it had undertaken the entrepreneurial discovery process through wide stakeholder engagement (see page 14 of the Peer Review Report (Annex 2)).</p> <p>Further information will be provided in the R&I Action Plan, currently being developed.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
national or regional R&I systems.				
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line	4 - contains a monitoring mechanism.	No		<p>A monitoring mechanism and a governance structure are included in the Strategy (pages 24-25 of Annex 1: National Research and Innovation Strategy 2020)</p> <p>Pages 24 and 25 of the National R&I Strategy 2020 provide information about identified indicators and targets, future work on more adequate indicators, as well as the governance structure (namely the Core Steering Group including its component members as well as the planned biennial focus groups to retain active engagement with the private sector). Further information will be provided in the R&I Action Plan, currently being developed.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well perfor				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ming national or regional R&I systems.				
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in	5 - A framework outlining available budgetary resources for research and innovation has been adopted.	No		Further information will be provided in the R&I Action Plan, currently being developed.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
performing national or regional R&I systems.				
T.01.2 - Research and Innovation infrastructure. The existence of a multi-annual plan for budgeting and	1 - An indicative multi-annual plan for budgeting and prioritisation of investments linked to Union priorit	No		Further information will be provided in the R&I Action Plan, currently being developed.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
prioritisation of investments.	ies, and, where appropriate, the European Strategy Forum on Research Infrastructures (ESFR I) has been adopted.			
T.02.1 - Digital growth	1 - A strategic policy frame	Yes	Digital Malta Strategy 2014-2020 https://digitalmalta.gov.mt/en/Pages/Content/DMDownload.aspx	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
h: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and	work for digital growth, for instance, within the national or regional smart specialisation strategy is in place that contains:			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled	2 - budgeting and prioritisation of actions through a SWO or similar analysis consistent with the Scoreboard of the Digital Agenda	Yes	Refer to Chapter 2 (analysis) and Pages 24, 28, 30 and 34 (actions): downloadable from: https://digitalmalta.gov.mt/en/Pages/Content/DMDownload.aspx The Strategy is being supplemented with a Programme of Initiatives (POI) which will be drafted on a year-to-year basis. The Digital Malta and the POI for 2014 are compiled and available on http://digitalmalta.gov.mt/ website. An indicative, annual, ICT budget in the range of €40 million is being earmarked for the duration of the strategy.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross	a for Europe;			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
border initiatives.				
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and intero	3 - an analysis of balancing support for demand and supply of ICT should have been conducted;	Yes	Refer to Chapter 2 - The Local ICT Landscape: Challenges and Opportunities, of: https://digitalmalta.gov.mt/en/Pages/Content/DMDownload.aspx	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>perable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations</p>				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ons including cross border initiatives.				
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good	4 - indicators to measure progress of intervention in areas such as digital literacy, e-inclusion, e-accessibility,	Yes	Refer to Chapter 11 of: https://digitalmalta.gov.mt/en/Pages/Content/DMDownload.aspx For 2014, the Digital Agenda for Europe targets are adopted for the Digital Malta Strategy that can be accessed at: http://digitalmalta.gov.mt/en/Pages/Content/DMPPerformance.aspx Performance Indicators can be accessed at: https://digitalmalta.gov.mt/en/Pages/Performance/DAE/DAE-Indicators.aspx	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and	and progress of e-health within the limits of Article 168 TFEU which are aligned, where appropriate, with existing relevant sectoral Union,			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
public administrations including cross border initiatives.	national or regional strategies;			
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate	5 - assessment of needs to reinforce ICT capacity-building.	Yes	Referred in Chapter 10 of: https://digitalmalta.gov.mt/en/Pages/Content/DMDownload.aspx	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
businesses and public administrations including cross border initiatives.				
T.03.1 - Specific actions have been carried out to underpin the promotion of	1 - The specific actions are: measures have been put in place with the	No		<p>In October 2011, a Business First Concept Paper (Annex 3) preceded the setting up of the Business First Unit in January 2012 by Malta Enterprise. Business First is a one stop shop for businesses in Malta with the aim of facilitating the day-to-day operations of local enterprises: http://www.businessfirst.com/mt/en</p> <p>To fulfil its commitments - which amongst others include a stipulated delivery timeframe which in most cases does not exceed 10 working days - Business First has entered into a number of service agreements with various departments and entities. The full list of services is available on the dedicated website www.businessfirst.com/mt. A helpline is also available on telephone number 144.</p> <p>On the costs, it depends on the type of business that is to be set up:</p> <ul style="list-style-type: none"> • sole trader/self employed person, no costs at all to set up one's own business: a VAT no (free of charge) is what this entails; • companies will need to be registered with the Malta Financial Services Authority (MFSA)

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
entrepreneurship taking into account the Small Business Act (SBA)	objective of reducing the time and cost involved in setting-up a business taking account of the targets of the SBA;			
T.03.1 - Specific actions have been	2 - The specific actions are: measu	Yes	A specific tool within Malta Enterprise's Client Relationship Management (CRM) system keeps check of active applications. Applications are categorized in those that are in progress, those awaiting missing info and those awaiting additional info. The tool also	Start-ups are continuously being encouraged to make use of the services of Business First as this guarantees that their application is monitored and overseen in order to be processed within the SBA timeline of 3 months. In case a start-up applies and the 3 month period is coming to a close, Business First alerts the authority in question, chases up the matter and facilitates resolution. Also each Department / Ministry has identified a focal point. The liaison officer is a direct contact between Business First and Departments/ Ministries and this new set-up enhances direct communication and addresses problematic issues which may be causing a delay in issuing a particular licence, permit, etc.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	res have been put in place with the objective of reducing the time needed to get licenses and permits to take up and perform the specific activity of		shows those applications that may experience delays in their processing time. The CRM system also identifies which department/entity is in breach. LN 349/12: http://justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=23954&l=1	This LN moved away from the requirement of submitting applications for a trade license for most sectors. It states that a license should be issued or rejected within 10 days and introduces the concept that licenses are automatically renewable subject to the license conditions being respected.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	an enterprise taking account of the targets of the SBA;			
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship	3 - The specific actions are: mechanism is in place to monitor the implementation of the	No		

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
taking into account the Small Business Act (SBA)	measures of the SBA which have been put in place and assess the impact on SMEs.			
T.04.1 - Actions have been carried out to promote cost effective	1 - The actions are: measures to ensure minimum requirements are	No		<p>References:</p> <ul style="list-style-type: none"> • Energy Performance Rating of Dwellings in Malta - Annex 4; • Simplified Building Energy Model for Malta User Guide (Annex 5) and Technical manual (Annex 6). <p>Report on cost optimal levels of minimum energy performance requirements for residential buildings – Annex 7, for elemental components in residential buildings - Annex 8 – and for new and existing office buildings – Annex 9.</p> <p>- Technical Guidance doc F http://www.buildup.eu/publications/38415</p> <p>EPB regulations:</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
improvements of energy end use efficiency and cost effectiveness investment in energy efficiency when constructing or renovating buildings.	in place related to the energy performance of buildings consistent with Article 3, Article 4 and Article 5 of Directive 2010/31/EU of the European			<p>http://www.buildupskillsmalta.com/pdf/LN%20376%2012%20Energy%20Performance%20of%20Buildings%20Regulations.pdf</p> <p>Malta has established two methodologies for calculating the energy performance of buildings, in line with Annex I of Directive 2010/31/EU.</p> <p>Cost Optimality Reports carried out in conformity with Annex I of Commission delegated regulation No 244/2012).</p> <p>Further work is needed In order to address the gap between current requirements and the updated cost-optimal levels.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	Parliament and of the Council;			
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and	2 - The actions are: measures necessary to establish a system of certification of the energy performance of buildings	No		<p>The measures necessary to establish this system of certification as required by Article 11 (1) of the Directive are transposed by means of Articles 12 (1) and (2) of the Energy Performance of Buildings Regulations, 2012 (Legal Notice 376 of 2012 - http://www.buildupskillsmalta.com/pdf/LN%20376%2012%20Energy%20Performance%20of%20Buildings%20Regulations.pdf),</p> <p>This is the legal basis of the system of certification which concerns residential and non-residential buildings. All Energy Performance Certificates issued are registered in a central database administered by the Building Regulation Office. Annex 10 shows a specimen of the Energy Performance Certificate for dwellings whilst Annex 11 shows a specimen of the Energy Performance Certificate for non-residential buildings.</p> <p>Further information: https://secure2.gov.mt/epc/News-Details?nid=18&l=1</p> <p>Energy Performance Certificate needs further updating to ensure its compliance with the provisions of Article 11 of the EPBD.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
cost effective investment in energy efficiency when constructing or renovating buildings.	consistent with Article 11 of Directive 2010/31/EU ;			
T.04.1 - Actions have been carried out to promote cost	3 - The actions are: measures to ensure strategic planni	Yes	The National Energy Efficiency Action Plan (NEEAP) was published in 2008 and subsequently reviewed in 2011 and 2014. Refer to Annex 12 for the 2014 version which is the latest updated document vis-a-vis energy efficiency. The link to this document is here below: http://ec.europa.eu/energy/efficiency/eed/need	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings	depending on energy efficiency, consistent with Article 3 of Directive 2012/27/EU of the European Parliament and of the Council;		_en.htm (NEEAP 2014)	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ngs.				
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effecti	4 - The actions are: measures consistent with Article 13 of Directive 2006/32/EC of the European Parliament and of the	Yes	Metering and Billing are regulated under the Energy Efficiency and Cogeneration Regulations, 2014L.N. 196 of 2014, Article 11, which can be found at: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=26107&l=1 Information about energy efficiency improvement measures is available from the Enemalta website on the following webpage: http://www.enemalta.com.mt/index.aspx?cat=7	Further information about billing, including on how these show current actual prices and actual consumption of energy; comparisons of the final customer's current energy consumption with consumption for the same period in the previous year, can be found on the Automated Revenue management services (ARMS) Ltd website - https://www.smartutilities.com.mt/wps/portal/Public%20Area/armsHelp/Help.ContactUs!/ut/p/c4/04_SB8K8xLLM9MSSzPy8xBz9CP0os3hnf99gQxPTADNnM38LA09HH_cAT1MXYxMXI_3g3BL9gmxHRQCUscYB/ and from: http://www.enemalta.com.mt/enemaltastorage/images/files/arms/your%20residential%20electricity%20and%20water%20bill%20has%20changed%20-%20ar.pdf Smart meters are being rolled out and the roll-out is expected to be completed by 2014.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ve investment in energy efficiency when constructing or renovating buildings.</p>	<p>Council on energy end-use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	possible, financially reasonable and proportionate in relation to the potential energy savings.			
T.04.3 - Actions have been carried out to promote	1 - Trans parent support schemes, priority in	Yes	Electricity Market Regulations, (Legal Notice 166/2011 as amended – Subsidiary Legislation 423.22). – http://mra.org.mt/wp-content/uploads/2012/08/22.Electricity-Market-Regulations.pdf and/or http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=10685	The National Renewable Energy Action Plan 2010 and 2011 can be found on http://www.ebb-eu.org/legis/ActionPlanDirective2009_28/national_renewable_energy_action_plan_malta_en.pdf (NREAP 2010) http://www.buildup.eu/publications/22827 (NREAP 2011) Information about the support measures available to investors in RES is available on the Malta Resource Authority website (http://mra.org.mt/support-schemes/). This includes both grant schemes and Feed in tariffs as amended from time to time. Rules in relation to the sharing of costs of technical adaptations are in line with the Electricity Supply regulations (423.01). Refer to the below link:

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
the production and distribution of renewable energy sources.	grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of techni		Feed in Tariffs Regulations 422/2010 as amended - SL 423.46: http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11430&l=1	http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=10667 The costs of connecting PV systems, Micro Wind and Combined Heat & Power Plant are available on the application forms downloadable from the ARMS Ltd website (under downloads) https://www.smartutilities.com.mt/wps/portal/

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	cal adaptations which have been made public are in place consistent with Article 14(1), Article 16(2) and 16(3) of Directive 2009/28/EC of the			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	European Parliament and of the Council.			
T.04.3 - Actions have been carried out to promote the production and distribution of renewable energy	2 - A Member State has adopted a national renewable energy action plan consistent with Article 4 of	Yes	The National Renewable Energy Action Plan 2010 and 2011: http://www.ebb-eu.org/legis/ActionPlanDirective2009_28/national_renewable_energy_action_plan_malta_en.pdf (NREAP 2010) http://www.buildup.eu/publications/22827 (NREAP 2011). Measures in the NREAP to achieve national overall targets for 2020 have been considered as adequate since the interim targets for 2011-2012 in accordance with the RES Directive 2009/28/EU and the NREAP trajectory for 2012 have been achieved as indicated in Annex 13.	Although Malta managed to meet its 2011-2012 interim RES target and is on track to meet the 2013-2014 target, a review of the original National Renewable Energy plan was still needed in order to reflect advances in RES technology, take stock of studies performed since 2010, and to ensure that the most cost effective options are selected.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
sources.	Directive 2009/28/EC			
T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water	1 - In sectors supported by the ERDF, the Cohesion Fund and the EAFRD, a Member State has ensured a contri	No		<p>Malta's water pricing is established by the Water Supply regulations (vide: http://mra.org.mt/wp-content/uploads/2012/08/3.Water-Supply-Regulations.pdf). These are established in line with Malta's water policy (refer to Annex 14) and the River Basin Management Plan, which has been renamed the Water Catchment Management Plan (WCMP – Annex 15) for the Maltese Islands downloadable from: http://www.mepa.org.mt/file.aspx?f=5832, both of which take into consideration the tenets of the Water Framework Directive.</p> <p>Malta is currently developing its 2nd River Basin Management Plan (RBMP) according to the requirements of the Water Framework Directive. Further measures are currently being considered in the frame of the development of Malta's second River Basin Management Plan.</p> <p>Full assessment (Annex 27) as presented in the approved PA shall apply.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined	bution of the different water uses to the recovery of the costs of water services by the sector consistent with the first indent of Article 9(1) of Direct			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
in the approved river basin management plan for investment supported by the programmes.	ive 2000/60/EC having regard , where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	conditions of the region or regions affected.			
T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives	2 - The adoption of a river basin management plan for the river basin district consistent with Article	No		<p>Prog of Meas under the WFD reported in Jan'13 (Annex 16). 2nd RBMP will update the current RBMP according to the requirements of the WFD. Following the enactment of LNs 254/08, 255/08 and 241/10 concerning illegal abstraction, plan is being implemented to install meters on boreholes. EAFRD: In view that WFD requires MS to take account of principle of recovery of costs of water services (PRCWS) and delineates the applicability of this principle to water services as defined under Art 2(38), MT reiterates its commitment to fully implement the provisos of Art 9 of the WFD. With respect to water use related to the agri-sector, MT: •undertakes that as required by Art 9 of the WFD, 2nd RBMP will take account of the PRCWS; •notes that Art 4 outlines WFD's Env Obj, and in particular with regards to the above issue, the achievement of good quantitative status throu' the optimisation of the efficient use of water. Full assessment (Annex 27) as presented in the approved PA shall apply.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ves for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water service</p>	<p>e 13 of Directive 2000/60/EC .</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
es at a rate determined in the approved river basin management plan for investment supported by the programmes.				
T.06.2 - Waste sector: Promoting economic	1 - Implementation report as requested	Yes	Malta submitted the report on the implementation of Directive 2008/98/EC of the European Parliament and of the Council on waste as per Annexes 17 and 18.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>micall y and environment ally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Direct</p>	<p>ted by Article 11(5) of Directive 2008/98/EC has been submitted to the Commission on progress towards meeting the targets set out in Article</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ive 2008/98/EC, and with the waste hierarchy.	e 11 of Directive 2008/98/EC.			
T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste	2 - The existence of one or more waste management plans as required under Article 28 of Directive	Yes	In January 2014, the waste management plan for the Maltese Islands covering up to 2020 has been published in which a resource management approach towards the management of waste is being presented: refer to Chapters 1, 2 and 3 of http://msdec.gov.mt/en/Document%20Repository/Waste%20Management%20Plan%202014%20-%202020%20-%20Final%20Document.pdf	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.	ive 2008/98/EC ;			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.06.2 - Waste sector: Promoting economicall y and environment ally sustainable investments in the waste sector particularly through the development of waste	3 - The existence of waste prevention programmes, as required under Article 29 of Directive 2008/98/EC ;	Yes	Chapter 4 of the Waste Management Plan for the Maltese Islands: A Resource Management Approach 2014-2020 available on: http://msdec.gov.mt/en/Document%20Repository/Waste%20Management%20Plan%202014%20-%202020%20-%20Final%20Document.pdf also includes a Waste Prevention Programme outlining measures to meet a series of targets aimed towards reducing the generation of waste and increase source separation as well as promoting recycling and reduce landfilling.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.				
T.06.2 - Waste sector: Promoting economically and environment	4 - Necessary measures to achieve the targets on preparation	Yes	Measures can be found in Chapter 3 of the Waste Management Plan for the Maltese Islands: A resource management approach 2014-2020, launched in January 2014 (refer to link): http://msdec.gov.mt/en/Document%20Repository/Waste%20Management%20Plan%202014%20-%202020%20-%20Final%20Document.pdf	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and</p>	<p>for re-use and recycling by 2020 consistent with Article 11(2) of Directive 2008/98/EC have been adopted.</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
with the waste hierarchy.				
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport	1 - The existence of a comprehensive transport plan or plans or framework or frameworks for transport	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>port investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrast</p>	<p>investment which complies with legal requirements for strategic environmental assessment and sets out:</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
structure development and improves connectivity to the TEN-T comprehensive and core networks.				
T.07.1 - Transport: The existence of a compr	2 - the contribution to the single European Transport	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ehensive plans or plans or framework or framework for transport investment in accordance with the Member States' institutional set up</p>	<p>Area consistent with Article 10 of Regulation (EU) No .../2013 of the European Parliament and of the Council, including priorities for invest</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
(including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN-T comprehensive	ments in:			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ve and core networks.				
T.07.1 - Transport: The existence of a comprehensive network plan or plans or framework or frameworks for transport	3 - the core TEN-T network and the comprehensive network where investment from the ERDF and the Cohesion Fund	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure	is envisaged; and			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
e development and improves connectivity to the TEN-T comprehensive and core networks.				
T.07.1 - Transport: The existence of a comprehensive	4 - secondary connectivity ;	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ve plans or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (inclu				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ding public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and</p>				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
core networks.				
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport	5 - a realistic and mature pipeline for projects for which support from the ERDF and the Cohesion Fund is envisaged;	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
e development and improves connectivity to the TEN-T comprehensive and core networks.				
T.07.1 - Transport: The existence of a comprehensive	6 - Measures to ensure the capacity of intermediary bodies	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ve plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (inclu	and beneficiaries to deliver the project pipeline.			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ding public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and</p>				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
core networks.				
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multi modal links and airport	1 - The existence of a section on inland - waterways and maritime transport, ports, multi modal links and airport infrast	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland	structure within the transport plan or plans or framework or frameworks which:			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN-T compr				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
extensive and core networks and to promoting sustainable regional and local mobility.				
T.07.3 - Other modes of transport, including inland water ways	2 - complies with legal requirements for strategic environment	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
and maritime transport, ports, multi modal links and airport infrastructure: the existence within the comprehensive transport plan or plans or	al assessment;			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
framework or frameworks of a specific section on inland waterways and maritime transport, ports, multi modal links and airport infrastructure,				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
which contribute to improving connectivity to the TEN-T comprehensive and core networks and to promoting sustainable regional and local mobility.				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.07.3 - Other modes of transport, including inland waterways and maritime transport, multi modal links and airport infrastructure: the existe	3 - sets out a realistic and mature project pipeline (including a timetable and budgetary framework);	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
nce within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and mariti				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
me transport, ports, multi modal links and airport infrastructure, which contribute to improving connectivity to the TEN-T comprehensive and core network				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
rks and to promoting sustainable regional and local mobility.				
T.07.3 - Other modes of transport, including inland waterways and maritime transport	4 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the	No		A national transport strategy covering all relevant transport modes (road, public transport, sea, and air) is being prepared.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
port, ports, multi modal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frame	project pipeline.			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
works of a specific section on inland waterways and maritime transport, ports, multi modal links and airport infrastructure, which contribute to impro				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ving connectivity to the TEN-T comprehensive and core networks and to promoting sustainable regional and local mobility.				
T.09.1 - The existence and	1 - National strategic	No		A Framework for Poverty reduction and for Social inclusion, 2014-2024 (Annex 19) was launched in the form of a green paper for public consultation.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from	policy framework for poverty reduction, aiming at active inclusion, is in place that:			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
the labour market in the light of the Employment guidelines.				
T.09.1 - The existence and the implementation of a national strategic policy framework	2 - provides a sufficient evidence base to develop policies for poverty reduction	Yes	Analysis of existing strategies, structures and commitments can be found in Chapter 3 and in depth evidence of current socio-economic situation can be found in Chapter 4 of the Green paper. Refer to link: http://mfss.gov.mt/en/MJDF/Press%20Releases/Documents/Green%20Paper%20Faqr.pdf	A Framework for Poverty reduction and for Social inclusion, 2014-2024 (Annex 19) was launched in the form of a green paper for public consultation.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
work for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	ion and monitoring or developments;			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion	3 - contains measures supporting the achievement of the national strategic poverty and social exclusion target (as defined in the National Reform	Yes	Sections 4.5 and 4.6 and Chapter 11 Policy Options and Alternatives of the Green Paper Refer to link: http://mfss.gov.mt/en/MJDF/Press%20Releases/Documents/Green%20Paper%20Faqr.pdf	A Framework for Poverty reduction and for Social inclusion, 2014-2024 (Annex 19) was launched in the form of a green paper for public consultation.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
on of people excluded from the labour market in the light of the Employment guidelines.	Programme), which includes the promotion of sustainable and quality employment opportunities for people at the highest risk of social exclusion, including			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	people from marginalised communities ;			
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty	4 - involves relevant stakeholders in combating poverty;	Yes	Section 1.4, Methodology and Consultation Process Section 1.5 on page 18 of the Green paper. Refer to link: http://mfss.gov.mt/en/MJDF/Press%20Releases/Documents/Green%20Paper%20Faqr.pdf	A Framework for Poverty reduction and for Social inclusion, 2014-2024 (Annex 19) was launched in the form of a green paper for public consultation.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
y reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusi	5 - depending on the identified needs, includes measures for the shift from institutional to community based care;	Yes	Section 11.3.3 Health point 2; Section 11.3.4 Employment point 1.2; Section 11.3.7 Social Welfare Services points 3,4 and 5; and Section 12.2 Harmonisation of policies: promotion of “personalised services that reach the community in a more effective manner” of the Green paper. Refer to link: http://mfss.gov.mt/en/MJDF/Press%20Releases/Documents/Green%20Paper%20Faqr.pdf	A Framework for Poverty reduction and for Social inclusion, 2014-2024 (Annex 19) was launched in the form of a green paper for public consultation.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
on of people excluded from the labour market in the light of the Employment guidelines.				
T.09.1 - The existence and the implementation of a nation	6 - Upon request and where justified, relevant stakeholders	Yes	Funding Programmes pages 22 and 23 - Section 3.3 of the Green paper. Refer to link: http://mfss.gov.mt/en/MJDF/Press%20Releases/Documents/Green%20Paper%20Faqr.pdf	A Framework for Poverty reduction and for Social inclusion, 2014-2024 (Annex 19) was launched in the form of a green paper for public consultation.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
al strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light	will be provided with support for submitting project applications and for implementing and managing the selected projects.			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
of the Employment guidelines.				
T.09.3 - Health : The existence of a national or regional strategic policy framework for health within the limits of	1 - A national or regional strategic policy framework for health is in place that contains:	No		National Health Systems Strategy for Malta 2014-2020 (NHSS – Annex 20) has been published and launched on 16/09/2014 https://ehealth.gov.mt/HealthPortal/chief_medical_officer/overview.aspx

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
Article 168 TFEU ensuring economic sustainability.				
T.09.3 - Health : The existence of a national or regional strategic policy framework for	2 - coordinated measures to improve access to health services;	Yes	National Health Systems Strategy for Malta 2014-2020 (NHSS – Annex 20) has been published and launched on 16/09/2014 https://ehealth.gov.mt/HealthPortal/chief_medical_officer/overview.aspx Chapter 7: Overall Objective 1 Health and well-being throughout life Overall Objective 3 A joint effort to ensure continuity of care	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
health within the limits of Article 168 TFEU ensuring economic sustainability.				
T.09.3 - Health : The existence of a national or regional strategy	3 - measures to stimulate efficiency in the health sector, through	Yes	National Health Systems Strategy for Malta 2014-2020 (NHSS – Annex 20) has been published and launched on 16/09/2014 https://ehealth.gov.mt/HealthPortal/chief_medical_officer/overview.aspx Chapter 7: Overall Objective 2 Ensuring equity within a dynamic health system Overall Objective 4 Working towards a sustainable health system	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	deployment of service delivery models and infrastructure;			
T.09.3 - Health : The existence of a	4 - a monitoring and review system.	No		A Health Systems Performance Assessment (HSPA) tool is being developed as the monitoring framework for the NHSS. The indicators for monitoring the performance of the local public health system have been chosen and prioritised following extensive consultation with a number of stakeholders. The conceptual framework behind the HSPA has now been revisited and refocused following these consultations and the data collection for the compilation of a first assessment is already underway.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.09.3 - Health : The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring	5 - A Member State or region has adopted a framework outlining available budgetary resources on an indicative basis and a cost-effective	No		The budgetary framework for the NHSS is being developed. The drawing up of the budgetary framework could not start before the finalisation of the strategy following the extensive feedback received during the consultation phase.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
economic sustainability.	concentration of resources on prioritised needs for health care.			
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce	1 - A system for collecting and analysing data and information on ESL at relevant	No		A comprehensive data collection framework in line with strategic action 2.4 of the Strategic Plan for the Prevention of Early School Leaving in Malta is being developed.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
early school leaving (ESL) within the limits of Article 165 TFEU.	levels is in place that:			
T.10.1 - Early school leaving: The existence of a strategic policy framework to	2 - provides a sufficient evidence-base to develop targeted policies and	No		<p>Data pertinent to ESL is collected by different departments within the Ministry for Education and Employment, including:</p> <ul style="list-style-type: none"> • An exit survey to collect data about students leaving courses at post secondary level (on an annual basis – Annex 21); • E1 Platform where every student's attendance and performance attending compulsory education are recorded (applicable to state schools only however there is the plan to extend to non state schools); • Tracer study for collecting data about students finishing compulsory education is prepared annually. Tracer Studies for the years 2011 and 2012 can be found in Annexes 22 and 23 respectively. Hence, the need was felt to develop a comprehensive data collection framework in line with strategic action 2.4 of the Strategic Plan for the Prevention of Early School Leaving in Malta.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
reduce early school leaving (ESL) within the limits of Article 165 TFEU.	monitors developments.			
T.10.1 - Early school leaving: The existence of a strategic policy framework	3 - A strategic policy framework on ESL is in place that:	Yes	ESL strategy available online at: http://education.gov.mt/ESL/Documents/School%20Leaving%20in%20Malta.pdf	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
to reduce early school leaving (ESL) within the limits of Article 165 TFEU.				
T.10.1 - Early school leaving: The existence of a strategic policy frame	4 - is based on evidence;	Yes	ESL strategy available online at: http://education.gov.mt/ESL/Documents/School%20Leaving%20in%20Malta.pdf Chapter 1 of the Strategic Plan for the prevention of Early School leaving in Malta provides the context of ESL in Malta Chapter 2 reflects the measures to meet the challenge of Early School Leaving through cross sectoral cooperation and monitoring.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
work to reduce early school leaving (ESL) within the limits of Article 165 TFEU.				
T.10.1 - Early school leaving: The existence of a strategic policy	5 - covers relevant educational sectors including early childh	Yes	ESL strategy available online at: http://education.gov.mt/ESL/Documents/School%20Leaving%20in%20Malta.pdf The strategic plan is based on three pillars for action including prevention (Chapter 3), intervention (Chapter 4) and compensation (Chapter 5). Chapter 6 of the Strategic Plan provides a matrix identifying the strategic actions through key performance indicators that will be used to monitor the	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
frame work to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	ood development, targets in particular vulnerable groups that are most at risk of ESL including people from marginalised communities, and address		implementation of this strategy.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	ses prevention, intervention and compensation measures;			
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce	6 - involves all policy sectors and stakeholders that are relevant to addressing ESL.	Yes	Consultations were held with the Malta Council for Economic and Social Development (MCESD). Conferences were organised and stakeholders were invited to deliver their views. Following a public consultation, the finalised strategic plan has been published during 2014. Strategic Actions 2.1, 2.2, and 2.3 of ESL Strategy would bring together stakeholders from within and from outside the Ministry for Education and Employment, including employers, trade unions, civil society and NGOs.	ESL strategy available online at: http://education.gov.mt/ESL/Documents/School%20Leaving%20in%20Malta.pdf

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
early school leaving (ESL) within the limits of Article 165 TFEU.				
T.10.2 - Higher education: the existence of a national or regional strategic	1 - A national or regional strategic policy framework for tertiary education is	No		<p>Currently, the national strategic policy framework for tertiary education is the 'Further and Higher Education Strategy 2020' accessible at: http://www.ncfhe.org.mt/uploads/filebrowser/Further_and_Higher_Education_Strategy_2020.pdf</p> <p>This strategy which was published in 2009 is being reviewed to reflect developments in the local and international contexts.</p> <p>A working committee has been set up and is responsible for drafting the updated strategy which will be published during 2014.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	in place with the following elements:			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attain	2 - where necessary, measures to increase participation and attainment that:	No		<p>Currently, the national strategic policy framework for tertiary education is the 'Further and Higher Education Strategy 2020' accessible at: http://www.ncfhe.org.mt/uploads/filebrowser/Further_and_Higher_Education_Strategy_2020.pdf</p> <p>This strategy which was published in 2009 is being reviewed to reflect developments in the local and international contexts.</p> <p>A working committee has been set up and is responsible for drafting the updated strategy which will be published during 2014.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ment, quality and efficiency within the limits of Article 165 TFEU.				
T.10.2 - Higher education: the existence of a national or regional strategic	3 - increase higher education participation among low income groups and other	No		<p>Further and Higher Education Strategy 2020 accessible at: http://www.ncfhe.org.mt/uploads/filebrowser/Further_and_Higher_Education_Strategy_2020.pdf. Measures in pages 45-46 of the current 'Further and Higher Education Strategy 2020' aim to increase participation attainment: The following actions have been taken to this effect: A supplement to the Student Maintenance Grant is paid to students with financial difficulties. http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9879 and http://www.um.edu.mt/__data/assets/pdf_file/0007/168964/347.pdf Supplementary grants are also available to residents of Gozo following full-time undergraduate programmes in Malta: http://www.gozo.gov.mt/gozportal/ministry_for_gozo/departments/dcusts/subsidies.aspx Supplementary grants are also applicable for scholarship holders of Malta Government Scholarship schemes: See: http://education.gov.mt/en/education/myScholarship/Pages/default.aspx</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	under-represented groups with special regard to disadvantaged people, including people from marginalised communities ;			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment	4 - reduce drop-out rates/improve completion rates;	No		<p>Further and Higher Education Strategy 2020' accessible at: http://www.ncfhe.org.mt/uploads/filebrowser/Further_and_Higher_Education_Strategy_2020.pdf.</p> <p>Priorities 1 and 4 and recommended measures on pages 36-39 of the current strategy aim to increase participation and attainment levels.</p> <p>Various measures are in place to discourage drop-out from and encourage attainment in further and higher education:</p> <p>The Student Maintenance Grant is paid to students only if they make satisfactory progress in their studies. Funds have to be returned if students absent themselves; fail examinations; or discontinue their studies.</p> <p>See: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9879</p> <p>Similar regulations apply for the scholarships offered for undergraduate and postgraduate studies by the Government of Malta.</p> <p>See: http://education.gov.mt/en/education/myScholarship/Pages/default.aspx</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ment, quality and efficiency within the limits of Article 165 TFEU.				
T.10.2 - Higher education: the existence of a national or regional strateg	5 - encourage innovative content and programme design ;	No		Further and Higher Education Strategy 2020' accessible at: http://www.ncfhe.org.mt/uploads/filebrowser/Further_and_Higher_Education_Strategy_2020.pdf Objective 3 and Priority 6 of the current strategy aim to make Malta a centre of excellence in education and research. In 2012, three legal notices on licensing, accreditation and quality assurance were launched, see: http://www.ncfhe.org.mt/content/home-about-us-legislation/5668869/ These provide the regulatory framework of the National Council For Further and Higher Education (NCFHE) to carry out its mission to maintain, uphold, enhance and improve standards in further and higher education in Malta. These regulations endorse the 2012 European Regulations for Further and Higher Education, including the European Standards for Guidelines and Quality Assurance in the Higher Education Area and the European Quality Assurance Reference Framework for Vocational Education and Training (EQAVET).

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attain	6 - measures to increase employability and entrepreneurship that:	No		Further and Higher Education Strategy 2020' accessible at: http://www.ncfhe.org.mt/uploads/filebrowser/Further_and_Higher_Education_Strategy_2020.pdf Priority 2 of the current strategy aims to increase enrolment of students in areas identified as priority areas for Malta's economic development.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ment, quality and efficiency within the limits of Article 165 TFEU.				
T.10.2 - Higher education: the existence of a national or regional strategic	7 - encourage the development of "transversal skills", including entrepreneurial	No		Further and Higher Education Strategy 2020' accessible at: http://www.ncfhe.org.mt/uploads/filebrowser/Further_and_Higher_Education_Strategy_2020.pdf Priority 2 of the current strategy aims to increase enrolment of students in areas identified as priority areas for Malta's economic development.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	ship in relevant higher education programmes;			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment	8 - reduce gender differences in terms of academic and vocational choices.	No		Further and Higher Education Strategy 2020' accessible at: http://www.ncfhe.org.mt/uploads/filebrowser/Further_and_Higher_Education_Strategy_2020.pdf The aim of the current strategy is to achieve a general increase in participation and attainment in further and higher education.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ment, quality and efficiency within the limits of Article 165 TFEU.				
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional	1 - A national or regional strategic policy framework for lifelong learning is	No		<p>The (draft) National Lifelong Learning Strategy 2020 for Malta (Annex 24) has been developed on best practices on LL in other EU jurisdictions and current market research. It includes relevant links and references to the Strategic Framework for European Cooperation in Education and Training (ET2020). The LL Strategy identifies a set of Basic Principles that cut across all components of the Lifelong Learning Strategy. It adopts a pyramid structure approach as follows:</p> <ol style="list-style-type: none"> 1) The Vision provides the over-riding guideline for the lifelong learning strategy. 2) Five Strategic Objectives support the Vision. A number of strategic benchmarks serve as planned key performance indicators for the implementation of the LL Strategy. 3) Ten Strategies support at least one of the five Strategic Objectives. Each strategy identifies the current challenges and proposes a set of measures. 4) Forty Indicative Programmes (equivalent to detailed Measures) support at least one of the ten Strategies.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
al strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	in place that contains measures:			
T.10.3 - Lifelong learning (LL): The existence	2 - to support the developing and linking service	Yes	Strategies 2, 3, 5 and supporting Programmes 13 to 18 are measures to better connect and value learning. Strategy 1 and supporting Programmes 1, 3, 4 and 5 are measures to integrate different LL services. Strategy 1 and supporting Programmes 1-6, 20, 22-25 and 29 are measures to support LL implementation	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
presence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	Yes for LL, including their implementation and skills upgrading (i.e. validation, guidance, education and training) and providing for the involvement		and skills upgrading. Strategies 1, 4, 5 and 9 and Programmes 1, 2, 5-9, 11, 14-17, 19, 21 and 23 represent arrangements to promote partnership and the involvement of relevant stakeholders.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	of, and partnership with relevant stakeholders ;			
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic	3 - for the provision of skills development for various target groups where these are identified as	Yes	Strategies 6, 7 and 8 and supporting Programmes 5, 10, 11, 12, 20, 23, 25, 30, 31, 32, 33, 34, 36, 37, 38 and 39 are measures for the provision of skills development for target groups where these are identified as priorities (women, marginalised communities and older people).	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ic policy framework for lifelong learning within the limits of Article 165 TFEU.</p>	<p>priorities in national or regional strategic policy frameworks (for example young people in vocational training, adults, parents returning to the</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	labour market, low skilled and older workers, migrants and other disadvantaged groups, in particular people with disabilities);			
T.10.3 - Lifelong	4 - to widen access to LL	Yes	Strategies 6, 7 and 8 and supporting Programmes 10, 11, 23, 30, 31, 32, 33, 34, 36, 37, 38 and 39 are measures to open up	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article	including through efforts to effectively implement transparency tools (for example the European Qualifications Framework, National Qualification		learning institutions to under-represented groups. Strategies 3 and 4 and Programmes 18, 22, 23, 24, 26, 27, 28 are measures to effectively implement transparency tools.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
e 165 TFEU.	s Framework, European Credit system for Vocational Education and Training, European Quality Assurance in Vocational Education and			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	Training);			
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong	5 - to improve the labour market relevance of education and training and to adapt it to the needs of identified target groups	Yes	Strategies 2 and 6 and Programmes 5 - 8, 13 - 17 Strategies 2 and 4 and Programmes 5 - 8 and 13. Strategies 1, 2, 3 and 6 and Programmes 1, 2, 4, 5, 7, 8, 18, 28 and 29 . Strategy 2 and Programmes 5 - 8, 13,14 -18. Strategy 4 and Programmes 1, 22, 26 and 27 Strategies 1 and 4 and Programmes 5, 6, 8, 9, 13, 16, 18, 19, 21, 24, 28, 29 and 32 Strategies 6 - 9 and Programmes 5, 13, 16, 17, 21, 23, 31 and 33 Strategies 6, 7 and 8 and Programmes 5, 10, 16, 17, 21, 23, 31 - 34, 36, 37,- 39	<ol style="list-style-type: none"> 1. measures to ensure a close coordination between employment and education; 2. measures to support the monitoring of education and training outcomes; 3. measures to ensure a good transfer of information on labour market needs; 4. measures to support a demand oriented VET system; 5. measures to improve teachers' and trainers' competences are in place; 6. measures to analyse participation in education and training by socio-economic groups; 7. measures to tackle the under-representation; 8. measures to assure that education and training provisions are adapted to the specific needs of these priority groups. <p>The Lifelong Learning Strategy identifies women, migrants and disabled persons as priority target groups.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
g learning within the limits of Article 165 TFEU.	(for example young people in vocational training, adults, parents returning to the labour market, low-skilled and older workers, migrants and			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	other disadvantaged groups, in particular people with disabilities).			
T.10.4 - The existence of a national or regional strategic policy framework for	1 - A national or regional strategic policy framework is in place for increasing	No		An overarching framework comprising VET provision in Malta and the quality and efficiency of VET systems will is being developed during 2014.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	the quality and efficiency of VET systems within the limits of Article 165 TFEU which includes measures for the following:			
T.10.4 - The existence of	2 - to improve the labour	No		Malta Skills Audit report/VET provision Trend Report (Annex 25) - (page 6, Chapter 1, Chapter 4). The ETC conducts research to capture labour market trends and forecast the skills and competences needed in the industry. (Ref EAC 8.1). Apprenticeship Schemes:

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165	market relevance of VET systems in close cooperation with relevant stakeholders including through mechanisms for skills anticipation, adaptation of			<p>http://www.mcast.edu.mt/MainMenu/Full-TimeCourses/Apprenticeships.aspx MCAST is currently updating its VET curricula through ESF projects to strengthen work-based learning. Alternative Learning Programme to facilitate the transition from compulsory schooling to further education or employment.</p> <p>The Institute of Tourism Studies offers curriculum which is developed following continuous consultation with key stakeholders in the tourism and hospitality industry. In October 2013, the Institute also launched a new foundation course in tourism enterprise. Reference: http://its.edu.mt/EN.ITS_Prospectus.aspx</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
TFEU.	curricula and the strengthening of work-based learning provision in its different forms;			
T.10.4 - The existence of a national or regional VET strategy	3 - to increase the quality and attractiveness of VET includ	No		<p>National Commission for Further and Higher Education (NCFHE) http://www.ncfhe.org.mt/content/home%20about%20us%20legislation/5668869/</p> <p>Malta National Qualifications Framework is based on European Qualifications Framework.</p> <p>Malta Qualifications Recognition Information Centre is responsible for the recognition of foreign qualifications, provides statements on the levels of the qualifications framework and statistics on further and higher education in Malta and VET.</p> <p>A manual for the conversion methodology (ECVET Conversion Manual) was published by NCFHE in</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	ing through establishing a national approach for quality assurance for VET (for example in line with the, European Quality Assur			<p>2013. http://www.ecvetmalta.org.mt/uploads/filebrowser/ECVET%20Conversion%20manual.pdf</p> <p>MCAST has adopted the indicators identified in the EQAVET Manual (Annex 26) – MCAST Online employer satisfaction survey (http://www.surveymonkey.com/s/mcast_employer_survey), to obtain information from employers about MCAST graduates.</p> <p>The ITS curriculum have been translated into ECVET/ECTS systems, and utilizing learning outcome based approaches.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	ance Reference Framework for Vocational Education and Training) and implementing the transparency and recognition tools, for example Europ			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	ean Credit system for Vocational Education and Training. (ECVET).			
G.1 - The existence of administrative capacity for the implementation and	1 - Arrangements in accordance with the institutional and legal framework	Yes	The National Commission for the Promotion of Equality (NCPE) is an independent, government funded body set up, by virtue of Chapter 456 of the Laws of Malta in January 2004. Refer to link: http://www.hsph.harvard.edu/population/womenights/malta.women.03.pdf The NCPE works closely with the Managing Authority and attends information sessions held when a Call for Project Applications is launched. NCPE offers training to various groups in	The NCPE works to ensure that Maltese society is a society free from any form of discrimination based on: (i) sex/gender and family responsibilities, sexual orientation, age, religion or belief, racial or ethnic origin, and gender identity, gender expression or sex characteristics in employment; banks and financial institutions, as well as education; and (ii) racial/ethnic origin and gender in the provision of goods and services and their supply (iii) freedom of movement for workers in the EU. Refer to link: https://ncpe.gov.mt/en/Pages/NCPE_Home.aspx The NCPE provides advice on Equal Opportunities Legislation in Malta to applicants applying for EU funds as well as guidance on how best to integrate equal opportunities in projects. NCPE will continue to be a key stakeholder in the preparation and implementation of the programmes and Monitoring Committee. For Disability a separate body is responsible for these arrangements – National Commission For Persons

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
application of Union anti-discrimination law and policy in the field of ESI Funds.	of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and imple		society.	with Disability (Please refer to General Ex-ante conditionality 3 on Disability)

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	mentation of programmes, including the provision of advice on equality in ESI fund related activities.			
G.1 - The existence of administrative capacity for the	2 - Arrangements for training staff of the authorities	Yes	A Training Plan on anti-discrimination and equality mainstreaming has been drawn up by NCPE, which it will be implementing together with the relevant Authorities' staff. Training will be offered for all current officers and to all newly engaged officers responsible for ESI funding Programmes 2014-2020 across the Public Service.	<p>Various types of training are provided to the authorities involved in ESI funds, namely:</p> <ul style="list-style-type: none"> •Ad hoc training provided at the authority / entity's request •One-to-one meetings with applicants, beneficiaries or consultancy firms upon their request •Through the EU-funded project entitled Gender Mainstreaming – in Practice (GMIP), specific training was given on the horizontal policy of equal opportunities to government departments and public sector organizations which are potential beneficiaries of ESI funds. <p>For Disability a separate body is responsible for these arrangements – National Commission for Persons with Disability (Please refer to General Ex-ante conditionality 3 on Disability).</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	involved in the management and control of the ESI Funds in the fields of Union anti-discrimination law and policy.			
G.2 - The existence of administrative	1 - Arrangements in accordance	Yes	The National Commission for the Promotion of Equality (NCPE) is an independent, government funded body set up by virtue of Chapter 456 the Laws of Malta in January 2004.	The NCPE as the equality body provides the necessary arrangements throughout the preparation and implementation of programmes The NCPE works closely with the Managing Authority and attends information sessions held when a Call for Project Applications is launched. NCPE will continue to be a key stakeholder in the preparation and implementation of the programmes as well as being actively involved on the Monitoring Committee particularly in relation to gender equality. The NCPE provides advice and guidance to applicants and beneficiaries on the implications and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ve capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.</p>	<p>with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the prepar</p>		<p>http://www.hsph.harvard.edu/population/womenrights/malta.women.03.pdf NCPE developed publications and tools to further support applicants and beneficiaries. These tools are available on http://msdc.gov.mt/en/NCPE/Pages/Our_Publications_and_Resources/Resources_and_Tools.aspx</p>	<p>application of gender equality in their projects.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	ation and implementation of programmes, including the provision of advice on gender equality in ESI Fund-related activities.			
G.2 - The existence of administrative	2 - Arrangements for training for	Yes	According to the Training Plan, the NCPE will be delivering training to the relevant Authorities' staff focusing on EU gender equality at the start of Programming Period for all current officers and to all newly	Requests for training are discussed with the interested organisation/group being in the private and public sector as well as NGO's, Civil Society Organisations and Educational Institutions to ensure that the training provided addresses their needs. Types of training provided include: <ul style="list-style-type: none"> •Ad hoc training provided at the authority / entity's request •One-to-one meetings with applicants, beneficiaries or consultancy firms upon their request •Through the EU-funded project entitled Gender Mainstreaming – in Practice (GMIP) , specific training

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ve capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.</p>	<p>staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on</p>		<p>engaged officers responsible for ESI funding Programmes 2014-2020 across the Public Service. Furthermore, the NCPE offers training to various groups in society.</p>	<p>was given on the horizontal policy of equal opportunities to government departments and public sector organisations, many of which are beneficiaries of EU funds. In view of this and in conjunction with the Office of the Prime Minister, a circular was issued: OPM Circular No. 15/2012 Gender Mainstreaming in Practice: http://msdc.gov.mt/en/NCPE/Documents/Projects_and_Specific_Initiatives/Gender_Mainstreaming-in_Practise/circular.pdf</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	gender mainstreaming.			
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the	1 - Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement	Yes	<p>Functions of the National Commission Persons with Disability (NCPD) are prescribed in Article 22 of the Equal Opportunities Act (http://www.knpd.org/legislation/eoa.html).</p> <p>Activities of the NCPD can be referred at: http://www.knpd.org/ Equal Opportunities Compliance Unit- http://www.knpd.org/pubs/pdf/fs09%20Equal%20Opportunities%20Compliance%20Unit.pdf Access for All – Design Guidelines: http://www.knpd.org/legislation/accessforall.html</p>	<p>The Equal Opportunities Act is divided into various sections, with Section III stating that there can be no discrimination made against people on the basis of their disability. These sections are grouped under 5 main headings which are: Employment; Education; Access (physical); provision of goods, facilities or services; Accommodation (housing).</p> <p>Heading no. 6 under this same act provides information on exemptions. Additionally it safeguards persons with disability from discrimination in relation to insurance.</p> <p>The NCPD was appointed as the independent mechanism. The Focal Point for UNCRPD was appointed within the Ministry for Family and Social Solidarity.</p> <p>The NCPD provides assistance and guidance for applicants of EU funds on all disability related aspects of the implementation of the ESI Funds, including accessibility, equality of opportunities and non-discrimination issues raised in their projects.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
rights of persons with disabilities (UNC RPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC .	ement of bodies in charge of protection of rights of persons with disabilities or representative organisation of persons with disabilities and other relevant			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	nt stakeholders throughout the preparation and implementation of programmes.			
G.3 - The existence of administrative capacity for the implementation	2 - Arrangements for training for staff of the authorities involved in the	Yes	The National Commission Persons with Disability, NCPD (refer to link http://www.knpd.org/legislation/ea.html) will continue to deliver training to the relevant Authorities' staff focusing on Malta's obligations in relation to disabled people's rights and, specifically, the UN Convention on the Rights of Persons with Disabilities and the Equal Opportunities (Persons with Disability) Act (Cap. 413). The training is planned to continue taking place during 2014.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
and application of the United Nations Convention on the rights of persons with disabilities (UNC RPD) in the field of ESI Funds in accordance with the Council	management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
Decision 2010/48/EC	practical application of the UNCRPD as reflected in Union and national legislation, as appropriate.			
G.3 - The existence of administrative capacity	3 - Arrangements to ensure monitoring of the	Yes	A monitoring mechanism for the implementation of Article 9 of UNCRPD covering the whole cycle of ESI Funds has been set up between the NCPD and the MA. For infrastructural projects, the NCPD vets these projects for accessibility based on the	The monitoring mechanism involves three main tasks 1. Beneficiaries are invited to consult the NCPD during the drafting of the project application to ensure that activities take into consideration the needs of disabled persons at the design stage of the project activities; 2. The MA will ask the beneficiaries to consult the NCPD formally once projects are approved so that an agreement is in place on how the needs of disabled persons are being taken into consideration within the project activities. It is to be noted that in Malta, the NCPD already provides assistance and guidance for applicants of EU funds on all disability related aspects of the implementation of the ESI

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ty for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNC RPD) in the field of ESI Funds	imple mentat ion of Article 9 of the UNC RPD in relation to the ESI Funds through the preparation and the implementation of programmes.		‘Access for All – Design Guidelines’ (refer to link: http://www.knpd.org/legislation/accessforall.html) at the permitting stage through the normal planning process; http://www.knpd.org/pubs/pdf/fs09%20Equal%20Opportunities%20Compliance%20Unit.pdf	Funds, including accessibility, equality of opportunities and non-discrimination issues raised in their projects. 3. At closure of project, the NCPD will evaluate how the commitments taken at selection stage were implemented during the implementation. The NCPD also established the Equal Opportunities Compliance Unit

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
in accordance with Council Decision 2010/48/EC.				
G.4 - The existence of arrangements for the effective application of Union public procurement	1 - Arrangements for the effective application of Union procurement rules through	Yes	The Department of Contracts (DOC) is the single centralised public procurement institution for most functions on the national level. www.contracts.gov.mt Public Procurement in Malta is regulated by: S.L.174.04, http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9532&l=1 S.L.174.06, http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9534&l=1 S.L.174.08, http://justiceservices.gov.mt/DownloadDocu	The DOC is responsible for developing standard procedures and routines, for developing a procurement policy, for the preparation of guidelines and instructions, the national contribution to EU advisory committees, the Maltese Public Procurement Network participation (PPN), the preparation of an annual report to the government on the functioning of the public procurement system, the collection of statistical and other data, the permission of less competitive procedures, the use of exceptions, extensions, the use of the accelerated procedures, and advising the government on public procurement policy. In Malta any aggrieved bidder can lodge an appeal in front of the Public Contracts Review Board (PCRB). This board is independent and autonomous of any contracting authority. Furthermore bidders who are not satisfied with the decision of the PCRB have the benefit of a further appeal in front of the Court of Appeal of Malta in its superior Jurisdiction.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ement law in the field of the ESI Funds.	h appropriate mechanisms.		ment.aspx?app=lom&itemid=11764&l=1	
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field	2 - Arrangements which ensure transparent contract award procedures.	Yes	The DOC's main function is its role as a Central Government Authority for all tenders with an estimated value exceeding €120,000. An exception to this is to be found in the case of Schedule 3 entities whereby authorities listed in schedule 3 of S.L. 174.04 (refer to link above) administer their own procurement in line with the procurement regulations. Tenders which have an estimated value less than €120,000 are administered by the Contracting Authority which carries the procurement in question.	The evaluation of each call for tenders is carried out by an ad hoc evaluation committee that is appointed to carry out such evaluations. In administering the tendering process and in particular the award of each call for tenders as well as the requests for clarification by the respective evaluation committees, the DOC is supported by the General Contracts Committee (GCC) which is regulated by regulation 11 of S.L.174.04 . A similar body exists for Departmental Tenders i.e. tenders which have an estimated value of less than €120,000. Both the GCC and the Departments Contract Committee (DCC) are created in terms of Regulation 9 of S.L.174.04. In Malta any aggrieved bidder can lodge an appeal in front of the PCR. This board is independent and autonomous of any contracting authority. Furthermore bidders who are not satisfied with the decision of the PCR have the benefit of a further appeal in front of the Court of Appeal of Malta in its superior Jurisdiction.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
of the ESI Funds.				
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	3 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	On a regular basis the DOC carries out training of Public Officers: http://cdrt.gov.mt/corporate_services http://cdrt.gov.mt/epp http://cdrt.gov.mt/igpp http://cdrt.gov.mt/pca http://cdrt.gov.mt/pprp Officers from the DOC are also regularly sent abroad to attend training sessions. Implementation of e-procurement system and website for dissemination of information on public procurement on www.contracts.gov.mt	This training, organised with the collaboration of Government's Training Agency, the CDRT (Centre for Development, Research and Training), usually covers local legislation. Furthermore officers from the Department of Contracts are also regularly sent abroad to attend training sessions. The DOC is proceeding with the implementation of the e-procurement strategy and has implemented a full blown e-procurement system aimed at increasing the efficiency and transparency of the procurement process in Malta as well as increasing the exposure to greater market of tenders published by the Department of Contracts. In coordination with the CDRT, the Department formally started to deliver hands-on training to Contracting Authorities and Economic Operators related to e-procurement. The DOC make use of its website in the dissemination of information relating to public procurement since under the heading "resources" the DOC uploads reference material and the circulars it publishes.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	4 - Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	Yes	The DOC is in the process of increasing staff complement in parallel with a restructuring of the department. The DOC has a pool of procurement managers including a number who shall also be deployed within ministries to assist and guide Contracting Authorities in relation to EU-funded procurement. is also implementing a training plan for a career in public procurement through on the job training, possibility of a Diploma in Procurement and Supply, training on the introduction of new directives.	<p>The Pre-Contracts section caters for all administrative procedures, from the publication of the tender notice to the signature of the contract.</p> <p>The Post-Contracts unit caters for any issues arising during the implementation of the contract, including litigation.</p> <p>The Secretariat to the General Contracts Committee is responsible for vetting the evaluation reports and requests for clarifications prior to their submission to the Committee.</p> <p>Officers are sent abroad to attend training sessions.</p>
G.5 - The existence of	1 - Arrangements for	Yes	The State Aid Monitoring Board (SAMB) is the competent national authority responsible for all State aid issues in Malta. Art 57 and 58	<p>State Aid monitoring rules outline the procedures with regards to the notification obligations regarding new aid, the treatment of non-notified aid and suspension provisions as well as the recovery of unlawful aid in line with the directly applicable EU Council Regulation (EC) No 659/1999.</p> <p>The rules of procedure also establish the reporting obligations to SAMB by State aid grantors of aid</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	the effective application of Union State aid rules.		of the Business Promotion Act http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8799&l=1 State aid rules of procedure http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9792&l=1 SAMB is the national contact point on state aid issues involved in EU funded projects.	granted, including de minimis measures and block exempted initiatives. The SAMB keeps regular contact with key State aid grantors and in the case of EU Funds with the respective managing Authorities and Intermediate Bodies (IB). Moreover, meetings are held with prospective State aid grantors and other bodies to provide the necessary guidance on state aid matters. Assistance is also provided in the formulation by State aid grantors and IBs of scheme guidelines and manuals intended to provide potential applicants and beneficiaries with details on the implementation of such state aid measures.
G.5 - The existence of arrangements for the effective	2 - Arrangements for training and dissemination of	Yes	The staff working at the SAMB is supported to participate and attend specialised State aid courses organised by international institutions. Dissemination of knowledge and technical expertise on state aid issues is provided to Government Ministries and agencies involved in state aid, prospective	The SAMB also guides the State aid grantors so that the necessary checks are carried out to ensure that undertakings in difficulty are excluded from benefiting from aid measures. The SAMB participated in Multilateral Meetings and Advisory Committees on State aid that have been organised by the European Commission in the process of review of the State aid acquis as part of the State aid Modernisation initiative. Malta has confirmed its acceptance to the appropriate measures proposed by the European Commission under the newly adopted rules. The SAMB will assist all granting authorities to bring their existing State aid schemes in line with the newly adopted State aid rules. The SAMB gathers the necessary information on State aid measures. The transparency requirement of

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
ve application of Union State aid rules in the field of the ESI Funds.	information for staff involved in the implementation of the ESI funds.		beneficiaries, the Managing Authority, intermediate bodies, and other local entities responsible for auditing and certifying the implementation of funds.	setting up a State aid website will met be by June 2016. Moreover, active steps are being taken to ensure compliance with ex post evaluation requirements, also through external expertise.
G.5 - The existence of arrangements for the effective application of Union	3 - Arrangements to ensure administrative capacity for implementation and	Yes	The Board ensures to maintain at all times the appropriate administrative capacity necessary to provide its function. Training and participation in international courses/conferences is supported. The SAMB actively participates in Multilateral Meetings and Advisory Committees on State Aid organised by European Commission. In order to substantiate its own resources, the Board is subscribed to specialised State aid Journals and has over the years gathered its own	With regards the application of EU State aid rules, the SAMB actively participates in Multilateral Meetings and Advisory Committees on State aid that are organised by the European Commission in the process of review of State aid acquis. The SAMB also keeps regular contact with key State aid grantors. Meetings are held with existing and prospective State aid grantors to inform such grantors of the latest developments in the Acquis in this area, including any change in EU regulations, the applicable reference and discount rate as revised periodically by the European Commission, and information about any landmark Commission decision or Court judgement. The Board also assists State aid grantors with the drafting of new State aid measures and carries out the necessary notifications with the European Commission for the approval of State aid schemes. The SAMB also participates in other bilateral fora in Malta to disseminate general information concerning State aid issues.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
State aid rules in the field of the ESI Funds.	application of Union State aid rules.		internal resources of publications.	
G.6 - The existence of arrangements for the effective application of Union environmental legislation	1 - Arrangements for the effective application of Directive 2011/92/EU of the European Parliament	Yes	<p>Malta has transposed the provisions of the SEA Directive through: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11579&l=1</p> <p>Further information: http://www.mepa.org.mt/permitting-ea-sea</p> <p>Malta has transposed the EIA Directive through: Legal Notice 114 of 2007 Legal Notice 438 of 2011 MEPA Act: http://www.mepa.org.mt/lpgdocuments/LNs/LN114%20english.pdf Guidance: http://www.mepa.org.mt/LpDocumentDetails?syskey=1402 http://www.mepa.org.mt/permitting_ea_main</p>	<p>The SEA Focal Point (FP), last appointed in June 2014 as per Part III of the SEA Regulations, is the Competent Authority for the SEA Regulations 2010.</p> <p>The current EIA regulations are updated from time to time in response to identified areas for improvement and will eventually have to be revised to take into account the revisions to the EIA Directive at EU level.</p> <p>EIA Competent Authority (MEPA) has a dedicated team which coordinates and administers EIAs on a daily basis. The EIA team is always available to give advice on application of the EIA legislation.</p> <p>The MEPA Act (Art 40 and 41) establishes the necessary arrangements to provide access to justice for the public concerned, including non-governmental organizations (NGOs) in relation to all environmental legislation including SEA and EIA processes. This is addressed primarily through the Planning and Environmental Tribunal and, to a lesser extent (depending on the legal merits of the case), the Courts of Justice.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
related to EIA and SEA.	and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA)			
G.6 - The existence of arrangement	2 - Arrangements for training and	Yes	Training for public officials involved in the implementation of EIA and SEA Directives is organised through the CDRT. http://cdrt.gov.mt/psd http://cdrt.gov.mt/sdp Through ongoing Government capacity	The SEA Focal Point organises one day information conferences for public employees and NGOs to build the necessary capacity in respect of SEA and an annual training event on SEA Directive is held with all relevant stakeholders. The SEA Focal Point (FP) Team participates in meetings held by UNECE on the Espoo Convention and in the Environmental Analysts Association Conference. EIA Team attended/s:

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
s for the effective application of Union environmental legislation related to EIA and SEA.	dissemination of information for staff involved in the implementation of the EIA and SEA Directives.		building exercise, the SEA and EIA teams will continue to receive focused training through seminars, webinars, conferences, e-learning and job shadowing. MEPA website provides information on EIA and SEA processes http://www.mepa.org.mt/permitting-ea-main http://www.mepa.org.mt/permitting-ea-sea	<ul style="list-style-type: none"> - Leonardo da Vinci job shadowing experience - Commission's EIA/SEA Experts meetings - meetings held by UNECE on the Espoo Convention - webinars organised by the Institute of Environmental Management and Assessment (IEMA) on EIA - training courses organised by IEMA on EIA methods and techniques including EIA review. - MEPA is looking for international training including e-learning courses through the Institute for European Environment or for Public Administration or through particular EIA Experts.
G.6 - The existence of arrangements for the	3 - Arrangements to ensure sufficient admin	Yes	The SEA Focal point (FP) works with Ministries which are responsible for first line decision making on the need or otherwise of a SEA for their plans and projects. The SEA FP provides the necessary guidance on application of the SEA legislation.	<p>Training for public officials involved in the implementation of SEA directives is provided to ensure that they are equipped with the necessary knowledge and skills to implement the directive.</p> <p>The EIA team within MEPA is supported with training at national, European and International level including job shadowing and e-learning courses to ensure the necessary expertise in the sector.</p> <p>Refer to more information on training to details in above criteria 2.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
effective application of Union environmental legislation related to EIA and SEA.	administrative capacity.		https://secure2.gov.mt/SEA/theseauditteam?l=1 MEPA has a dedicated team on EIAs. MEPA gives advice on the application of EIA legislation, develops the Terms of Reference and assess and consults on EIA reports. http://www.mepa.org.mt/permitting-ea-main	
G.7 - The existence of a statistical basis necessary to undertake	1 - Arrangements for timely collection and aggregation of statisti	Yes	<p>The NSO has the necessary structures in place to ensure the collection and aggregation of data in conformity with European legislation and requirements.</p> <p>http://www.nso.gov.mt/docs/MaltaStatisticsAuthorityAct.pdf Policies for sound statistical basis for evaluations</p> <p>http://www.nso.gov.mt/docs/Documentation_of_data_quality_and_methodology.pdf</p> <p>http://www.nso.gov.mt/docs/Rights_and_duti</p>	<p>With regards to ESF operations, the Managing Authority, through the Structural Funds Database, collects and stores micro data on individual participants per project. It captures the total people entering, total women entering, total people/women leaving complete and leaving not complete as well as total people and women carried over by year. Data on individual participants in relation to training attended, whether has been completed or not and whether the course had an examination is also collected and stored in the SFD. The collection and storage of micro data is in line with article 9 (c) and (e) of the Data Protection Act.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which	cal data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation.		es.pdf All information is backed up with appropriate metadata, quality reports, methodological notes and manuals.	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.				
G.7 - The existence of a	2 - Arrangements for timely	Yes	All arrangements are in place for data to be accessed by the public through the official website: www.nso.gov.mt NSO has a transparent policy on dissemination which	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators</p>	<p>collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of</p>		<p>may be accessed through this link: http://www.nso.gov.mt/docs/DisseminationNSO.pdf NSO also has a confidentiality policy which is rigorously observed, especially when it comes to availability of aggregated data: http://www.nso.gov.mt/docs/Confidentiality_of_personal_and_commercial_data.pdf</p>	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ors necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact</p>	<p>aggregated data.</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
evaluation.				
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the progra	3 - An effective system of result indicators including: the selection of result indicators for each programme providing information	Yes	Result indicators have been selected to closely fit the actions of each priority. Targets for results indicators have been established on the basis of historical administrative data and national statistics where available. Targets set for indicators are shown within the OP. Operations will be required to select indicators and set targets as part of the appraisal process.	The Monitoring and Evaluation (M&E) Unit will provide guidance to the beneficiaries. Indicators will be accompanied by detailed definitions and guidance on reporting requirements. Information provided by beneficiaries will be inputted through an information system. The M&E team will verify statistical validity of indicator data submitted by beneficiaries. The SFD managed by the Managing Authority which collects and stores micro data on individual participants in relation to ESF operations provides a breakdown by target group including status in the labour market, age group, type of vulnerable group and education attainment level. This information is necessary for effective results indicators.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>mmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor</p>	<p>on what motivates the selection of policy actions financed by the programme.</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
progress towards results and to undertake impact evaluation.				
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess	4 - An effective system of result indicators including: the establishments of targets for	Yes	Result indicators have been selected to closely fit the actions of each priority. Targets for results indicators have been established on the basis of historical administrative data and national statistics, where available. Targets set for indicators are shown within the OP. Operations will be required to select indicators and set targets as part of the appraisal process.	<p>The Monitoring and Evaluation (M&E) Unit will provide guidance to the beneficiaries. Indicators will be accompanied by detailed definitions and guidance on reporting requirements. Targets for results indicators have been established on the basis of historical administrative data and national statistics, where available. Targets set for indicators are shown within the OP. Operations will be required to select indicators and set targets as part of the appraisal process. Information provided by beneficiaries will be inputted through an information system. The M&E team will verify statistical validity of indicator data submitted by beneficiaries.</p> <p>The SFD managed by the Managing Authority which collects and stores micro data on individual participants in relation to ESF operations provides a breakdown by target group.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contri</p>	<p>these indicators.</p>			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
bute to desired results, to monitor or progress towards results and to undertake impact evaluation.				
G.7 - The existence of a statistical basis necess	5 - An effective system of result indicators includ	Yes	The Monitoring and Evaluation (M&E) Unit will verify statistical validity of indicator data submitted by beneficiaries. Result indicators have been selected to closely fit the actions of each priority. Targets for results indicators have been established on the basis of historical administrative data and national	The Monitoring and Evaluation (M&E) Unit will provide guidance to the beneficiaries. Indicators will be accompanied by detailed definitions and guidance on reporting requirements. Information provided by beneficiaries will be inputted through an information system. The M&E team will verify statistical validity of indicator data submitted by beneficiaries. Result indicators have been selected to closely fit the actions of each priority. Targets for results indicators have been established on the basis of historical administrative data and national statistics, where available. Targets set for indicators are shown within the OP. Operations will be required to select indicators and set targets as part of the appraisal process.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>ary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select</p>	<p>ing: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation</p>		<p>statistics, where available. Targets set for indicators are shown within the OP. Operations will be required to select indicators and set targets as a part of the appraisal process.</p>	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	, responsiveness to policy, timely collection of data.			

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of	6 - Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators.	Yes	The Monitoring and Evaluation (M&E) Unit will provide guidance to the beneficiaries. Indicators will be accompanied by detailed definitions and guidance on reporting requirements. Operations will be required to select indicators and set targets as part of the appraisal process.	The Monitoring and Evaluation (M&E) Unit will provide guidance to the beneficiaries. Indicators will be accompanied by detailed definitions and guidance on reporting requirements. Information provided by beneficiaries will be inputted through an information system. The M&E team will verify statistical validity of indicator data submitted by beneficiaries. Result indicators have been selected to closely fit the actions of each priority. Targets for results indicators have been established on the basis of historical administrative data and national statistics, where available. Targets set for indicators are shown within the OP. Operations will be required to select indicators and set targets as part of the appraisal process.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards</p>				

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
results and to undertake impact evaluation.				

9.2 Description of actions to fulfil ex-ante conditionalities, responsible bodies and timetable

Table 25: Actions to fulfil applicable general ex-ante conditionalities

General ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
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Table 26: Actions to fulfil applicable thematic ex-ante conditionalities

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing	3 - outlines measures to stimulate private RTD investment;	The R&I Action Plan is currently being developed. This R&I Action Plan will be the document which will identify measures, timeframes and budgets to operationalise the National R&I Strategy. It will detail who will be doing what and when to implement the priorities in practice over the period 2014-2020. The first focus of the said Action	30-Jun-2015	Ministry for Education and Employment (MEDE) Malta Council for Science and technology (MCST) • Preparation of the R&I Action Plan which will, amongst others, outline measures to stimulate private RTDI (MEDE);

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
national or regional R&I systems.		<p>Plan will be on the years 2015-2016, in order to avoid it becoming outdated quickly and to retain flexibility to update it over time. The Strategy itself also remains subject to updating since, as it was learned from the peer review exercise, smart specialisation is a continuous process. Hence the input from the Core Steering Group and the Focus Groups will lead to updates of the Strategy over time. This process will make it easier to timely respond to changes in the Strategy document.</p> <ul style="list-style-type: none"> • Preparation of the R&I Action Plan which will outline measures to stimulate private RTDI (31/3/15); • Adoption of the measures to stimulate private RTDI (30/6/15) 		<ul style="list-style-type: none"> • Adoption of the measures to stimulate private RTDI (MEDE)
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	4 - contains a monitoring mechanism.	<p>Preparation of the monitoring mechanism, including:</p> <ul style="list-style-type: none"> • Appointing the Core Group (completed); • Appointment of the Steering Group. <p>The Steering Group will evaluate proposals for measures and agree on prioritisation, to be forwarded to the core group for final decision (Completed); Within their respective but complementary mandates, the Core and Steering Groups will monitor and evaluate the implementation of the Strategy through the R&I Action Plan. The first meeting of the Steering Group was held 22 October 2014 and that of the Core Group on 12 November 2014. Both groups will continue to meet regularly.</p>	31-Dec-2015	<p>Ministry for Education and Employment (MEDE) Malta Council for Science and Technology (MCST)</p> <ul style="list-style-type: none"> • Setting up an ongoing mechanism ensuring active participation of all stakeholders (MEDE) • Setting up an evidence gathering system (MEDE) • Developing roadmaps for specialisation areas (MEDE) • Adoption of the monitoring mechanism (31/12/15)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> • Setting up an ongoing mechanism ensuring active participation of all stakeholders (31/3/15) • Setting up an evidence gathering system (31/3/15) • Developing roadmaps for specialisation areas (31/3/15) • Adoption of the monitoring mechanism (31/12/15) 		
<p>T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.</p>	<p>5 - A framework outlining available budgetary resources for research and innovation has been adopted.</p>	<ul style="list-style-type: none"> • Collection of information on planned projects from all Ministries • First round of stakeholders meeting • Mapping of initiatives according to Strategy's action lines • Drafting of Terms of reference for Core Steering Group • Launch of national R&I strategy 2020 • Appointment of Core and Steering Group members • Request for updated information re: measures, budgets, timelines, from stakeholders • First meeting with Ministries re: budgetary plans; • Second stakeholder meeting; • First Core/Steering Group meeting; All the above are completed. • Second meeting with Ministries to finalise budgetary planning (30/11/14) • Update of mapping exercise and preparation of first draft R&I Action Plan, including prioritisation and linkages with EU priorities (31/12/14) • Third stakeholder meeting 	<p>30-Jun-2015</p>	<p>Ministry for Education and Employment (MEDE) Malta Council for Science and Technology (MCST)</p> <ul style="list-style-type: none"> • Second meeting with Ministries to finalise budgetary planning (MCST) • Update of mapping exercise and preparation of first draft R&I Action Plan, including prioritisation and linkages with EU priorities (MCST) • Third stakeholder meeting (MCST/MEDE) • Review by the Core Steering Group set up under the National R&I Strategy 2020 (MCST/MEDE) • Finalisation of multi-annual plan for budgeting & prioritization of investment (MCST)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		(31/12/14) <ul style="list-style-type: none"> • Review by the Core Steering Group set up under the National R&I Strategy 2020 (31/3/15) • Finalisation of multi-annual plan for budgeting & prioritization of investment (30/6/15) 		
T.01.2 - Research and Innovation infrastructure. The existence of a multi annual plan for budgeting and prioritisation of investments.	1 - An indicative multi-annual plan for budgeting and prioritisation of investments linked to Union priorities, and, where appropriate, the European Strategy Forum on Research Infrastructures (ESFRI) has been adopted.	<ul style="list-style-type: none"> • Collection of information on planned projects from all Ministries; • First round of stakeholders meeting; • Mapping of initiatives according to Strategy's action lines; • Drafting of Terms of reference for Core Steering Group; • Launch of national R&I strategy 2020; • Appointment of Core Steering Group members; • Request for updated information re: measures, budgets, timelines, from stakeholders; • First meeting with Ministries re: budgetary plans; • Second stakeholder meeting; • First Core Steering Group meeting; All the above have been completed. <ul style="list-style-type: none"> • Second meeting with Ministries to finalise budgetary planning (30/11/14) • Update of mapping exercise and preparation of first draft R&I Action Plan, including prioritisation and linkages with EU priorities (31/12/14) • Third stakeholder meeting (31/12/14) • Review by the Core Steering Group 	30-Jun-2015	Ministry for Education and Employment (MEDE) Malta Council for Science and Technology (MCST) <ul style="list-style-type: none"> • Second meeting with Ministries to finalise budgetary planning (MCST) • Update of mapping exercise and preparation of first draft R&I Action Plan, including prioritisation and linkages with EU priorities (MCST) • Third stakeholder meeting (MCST/MEDE) • Review by the Core Steering Group set up under the National R&I Strategy 2020 (MCST/MEDE) • Finalisation of multi-annual plan for budgeting and prioritization of investments (MCST)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		set up under the National R&I Strategy 2020 (31/3/15) <ul style="list-style-type: none"> Finalisation of multi-annual plan for budgeting and prioritization of investments (30/6/15) 		
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	1 - The specific actions are: measures have been put in place with the objective of reducing the time and cost involved in setting-up a business taking account of the targets of the SBA;	Revision of fee structure for registration of companies, in line with the SBA targets In order to fulfil this ex-ante conditionality, the following action plan is being followed: <ul style="list-style-type: none"> Set up a working committee to review current practices (31/3/15) Draft report to include analysis and recommendations (30/9/15) Policy decision on fee structure (31/12/15) 	31-Dec-2015	Ministry for Economy, Investment and Small business (MEIB)
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	3 - The specific actions are: mechanism is in place to monitor the implementation of the measures of the SBA which have been put in place and assess the impact on SMEs.	<ul style="list-style-type: none"> Train and meet with entities and departments that legislate so as to go over the requirements and obligations of the SME Test; (31/12/14) Drafting of the Legal Notice that will bring in force the SME Test; (31/12/14) Publication of a legal notice to update current legislation and bring into force the SME Test. (31/3/15) 	31-Mar-2015	Ministry for the Economy, Investment and Small Business The Small Business Act Implementation Unit was set up in 2012 within the Enterprise Policy Directorate, Ministry for Enterprise, Investment and Business by virtue of the SBA (Cap. 512). Current work of the Unit with respect to the SBA Malta involves vetting of user guidelines and explanatory notes accompanied by new legislation that affects the business environment. The unit is also working to put in place the SME test and the two month stand still period.
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective	1 - The actions are: measures to ensure minimum requirements are in place related to the energy performance of buildings consistent	In order to review the minimum requirements for dwellings and non-dwellings, the following action plan is being proposed:	01-Jan-2016	Acting as the technical arm reporting to the Ministry for Transport and Infrastructure, the Building Regulations Office (BRO) Ministry for Transport and Infrastructure

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
investment in energy efficiency when constructing or renovating buildings.	with Article 3, Article 4 and Article 5 of Directive 2010/31/EU of the European Parliament and of the Council;	<ul style="list-style-type: none"> • Setting-up of a committee, to be chaired by the Building Regulation Office involving all relevant stakeholders in order to implement the action plan for the review of minimum requirements for dwellings and non-dwellings (completed). • Public discussion process with stakeholders on the basis of the findings and implications of the report (31/3/15) • Drawing up of updated minimum technical requirements and relevant Legal Notice on basis of outcome of above consultations (31/7/15) • Promotional campaign with public and relevant stakeholders (estate agents, contractors etc.) including the holding of a seminar and publication/dissemination of promotion material; (31/12/15) • Enter into force of new Minimum Technical Requirements (1/1/16) 		<ul style="list-style-type: none"> • Public discussion process with stakeholders on the basis of the findings and implications of the report (BRO) • Drawing up of updated minimum technical requirements and relevant Legal Notice on basis of outcome of above consultations (BRO) • Promotional campaign with public and relevant stakeholders (estate agents, contractors etc.) including the holding of a seminar and publication/dissemination of promotion material; (BRO) • Enter into force of new Minimum Technical Requirements (BRO/MTI)
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	2 - The actions are: measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU;	<p>Updating of Energy Performance Certificate to ensure its compliance with the provisions of Article 11 of the EPBD.</p> <p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> • Prepare and evaluate technical information to be included in the new Certificate (30/6/15) • Draft new Certificate on the basis of the technical information required (30/9/15) • Web Portal will be upgraded to be able to generate certificates in the new format (31/12/15) 	31-Dec-2015	Building Regulations Office (BRO)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	1 - In sectors supported by the ERDF, the Cohesion Fund and the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with the first indent of Article 9(1) of Directive 2000/60/EC having regard, where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected.	<p>MT is developing its 2nd RBMP according to the requirements of the WFD. This process is on track, :</p> <ul style="list-style-type: none"> (Draft) 2nd RBMP - MT undertakes that as required by Art 9 of the WFD, MT's 2nd RBMP will take into account the principle of recovery of costs of water services. The 2nd RBMP will incorporate the pertinent economic analysis. (20/12/14) Public Consultation on (Draft) 2nd RBMP (30/9/15) Review of the (Draft) 2nd RBMP (30/11/15) Publication of 2nd RBMP (20/12/15) Submission of 2nd RBMP through WISE (30/3/16) <p>The 2nd RBMP will fulfil ALL the requirements outlined in Annex VII to the WFD.</p> <p>Specifically with regards to surface water bodies, discussions are ongoing between the Maltese Authorities (MEPA) and DG Environment on the implementation of the WFD. MT needs to prepare :</p> <ol style="list-style-type: none"> a monitoring programme for inland surface waters an updated Programme of Measures and an economic assessment. <p>Detailed action plan (Annex 27) presented in the approved PA shall apply.</p>	22-Dec-2015	<p>Water Policy Unit, Ministry for Energy and Health Ministry for Sustainable Development , the Environment and Climate Change (MSDEC) Malta Environment and Planning Authority (MEPA) Malta Resources Authority (MRA)</p> <ul style="list-style-type: none"> (Draft) 2nd RBMP - Malta undertakes that as required by Article 9 of the WFD, Malta's 2nd RBMP will take into account the principle of recovery of costs of water services. The 2nd RBMP will incorporate the pertinent economic analysis. (Lead MEH (SEWCU) Supporting Competent Authorities MEPA, MRA) Public Consultation on (Draft) 2nd RBMP (Lead MEH (SEWCU) Supporting Competent Authorities MEPA, MRA) Review of the (Draft) 2nd RBMP (Lead MEH (SEWCU) Supporting Competent Authorities MEPA, MRA) Publication of 2nd RBMP (Lead MEH (SEWCU) Supporting Competent Authorities MEPA, MRA) Submission of 2nd RBMP through WISE (Lead MEH (SEWCU) Supporting Competent Authorities MEPA, MRA)
T.06.1 - Water sector: The existence of a) a water pricing policy which	2 - The adoption of a river basin management plan for the river basin	In the run-up to the delivery of the (Draft) 2nd RBMP the following actions/supporting	22-Dec-2015	Ministry for Energy and Health Ministry for Sustainable Development , the

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
<p>provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.</p>	<p>district consistent with Article 13 of Directive 2000/60/EC.</p>	<p>studies are foreseen and being undertaken:</p> <ul style="list-style-type: none"> • Assessment of Quantitative & Qualitative Status of the Aquifer Systems (completed) • Econ. Analysis of Water Use (update) (completed) • Assessment of Climatic Characteristics of the Maltese River Basin District (31/12/14) • Consultation Meetings with key stakeholders (completed) • Draft Programme of Measures and Economic Impact Assessment (31/12/14) • national conference to launch public consultation of RBMP (31/1/15) • Draft Monitoring Programme for surface waters (update) (31/3/15) • Installation of Multi jet meters for boreholes will be completed (30/6/15) <p>These studies shall be used by MT to fulfil its requirements under Art 13 of WFD and allow the development of the knowledge base required for addressing and fulfilling the requirements of Art 4, 9, 11 of WFD.</p> <p>Detailed action plan (Annex 27) presented in the approved PA shall apply.</p>		<p>Environment and Climate Change (MSDEC) Malta Environment and Planning Authority (MEPA) Malta Resources Authority (MRA)</p> <ul style="list-style-type: none"> • Assessment of the Climatic Characteristics of the Maltese River Basin District (MEH) • Draft Programme of Measures and Economic Impact Assessment (MEH/MEPA) • national conference to launch public consultation of RBMP (MEH) • Draft Monitoring Programme for surface waters (update) (MEPA) • Installation of Multi jet meters for boreholes will be completed (Water Services Corporation)
<p>T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level)</p>	<p>1 - The existence of a comprehensive transport plan or plans or framework or frameworks for transport investment which complies with legal requirements for strategic environmental assessment and sets out:</p>	<p>Malta is currently developing the national transport strategy and national transport master plan with the support of a new national transport model. This process is currently on track and is following this action plan:</p> <ul style="list-style-type: none"> • Procurement of Technical 	<p>30-Sep-2015</p>	<p>As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the integrated Transport Plan is the Authority for Transport in Malta, also known as Transport Malta. This process is coordinated by the Integrated Transport Strategy Directorate</p>

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
<p>which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.</p>		<p>Assistance (completed)</p> <ul style="list-style-type: none"> • SEA Process – Compilation of the Screening Template - SEA required (completed) – Preparation of a Scoping Report (30/11/14) – Preparation of the Environmental Report (30/4/15) – Updated SEA Report, including consultation findings and recommendations (30/6/15) – Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model – Scoping (completed) – Tender Award (completed) – Data Analysis (30/11/14) – Finalise (Base Year) Transport Model (30/11/14) – Finalise (Future Scenarios & Forecasts) (31/1/15) • Appropriate Assessment Screening (31/12/14) • Adopt Comprehensive Transport Plan ((31/3/15) • Publish Plan including SEA (30/4/15) • Adopt Comprehensive Transport Plan (30/9/15) 		<p>within Transport Malta. Ministry for Transport and Infrastructure</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Ministry for Transport and Infrastructure) • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Government)
<p>T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States'</p>	<p>2 - the contribution to the single European Transport Area consistent with Article 10 of Regulation (EU) No .../2013 of the European Parliament and of the Council,</p>	<p>Malta is currently developing the national transport strategy and national transport master plan with the support of a new national transport model. This process is currently on track and is following this</p>	<p>30-Sep-2015</p>	<p>As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the integrated Transport Plan is the Authority for Transport in Malta, also known as Transport</p>

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	including priorities for investments in:	action plan: <ul style="list-style-type: none"> • Procurement of Technical Assistance (completed) • SEA Process <ul style="list-style-type: none"> – Compilation of the Screening Template - SEA required (completed) – Preparation of a Scoping Report (30/11/14) – Preparation of the Environmental Report (30/4/15) – Updated SEA Report, including consultation findings and recommendations (30/6/15) – Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model <ul style="list-style-type: none"> – Scoping (completed) – Tender Award (completed) – Data Analysis (30/11/14) – Finalise (Base Year) Transport Model (30/11/14) – Finalise (Future Scenarios & Forecasts) (31/1/15) • Appropriate Assessment Screening (31/12/14) • Adopt Comprehensive Transport Plan ((31/3/15) • Publish Plan including SEA (30/4/15) • Adopt Comprehensive Transport Plan (30/9/15) 		Malta. This process is coordinated by the Integrated Transport Strategy Directorate within Transport Malta. Ministry for Transport and Infrastructure <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Ministry for Transport and Infrastructure) • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Government)
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for	3 - the core TEN-T network and the comprehensive network where investment from the ERDF and the	Malta is currently developing the national transport strategy and national transport master plan with the support of a new	30-Sep-2015	As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
<p>transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.</p>	<p>Cohesion Fund is envisaged; and</p>	<p>national transport model. This process is currently on track and is following this action plan:</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (completed) • SEA Process <ul style="list-style-type: none"> – Compilation of the Screening Template - SEA required (completed) – Preparation of a Scoping Report (30/11/14) – Preparation of the Environmental Report (30/4/15) – Updated SEA Report, including consultation findings and recommendations (30/6/15) – Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model <ul style="list-style-type: none"> – Scoping (completed) – Tender Award (completed) – Data Analysis (30/11/14) – Finalise (Base Year) Transport Model (30/11/14) – Finalise (Future Scenarios & Forecasts) (31/1/15) • Appropriate Assessment Screening (31/12/14) • Adopt Comprehensive Transport Plan ((31/3/15) • Publish Plan including SEA (30/4/15) • Adopt Comprehensive Transport Plan (30/9/15) 		<p>integrated Transport Plan is the Authority for Transport in Malta, also known as Transport Malta. This process is coordinated by the Integrated Transport Strategy Directorate within Transport Malta.</p> <p>Ministry for Transport and Infrastructure</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Ministry for Transport and Infrastructure) • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Government)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
<p>T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.</p>	<p>4 - secondary connectivity;</p>	<p>Malta is currently developing the national transport strategy and national transport master plan with the support of a new national transport model. This process is currently on track and is following this action plan:</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (completed) • SEA Process <ul style="list-style-type: none"> – Compilation of the Screening Template - SEA required (completed) – Preparation of a Scoping Report (30/11/14) – Preparation of the Environmental Report (30/4/15) – Updated SEA Report, including consultation findings and recommendations (30/6/15) – Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model <ul style="list-style-type: none"> – Scoping (completed) – Tender Award (completed) – Data Analysis (30/11/14) – Finalise (Base Year) Transport Model (30/11/14) – Finalise (Future Scenarios & Forecasts) (31/1/15) • Appropriate Assessment Screening (31/12/14) • Adopt Comprehensive Transport Plan ((31/3/15) • Publish Plan including SEA (30/4/15) 	<p>30-Sep-2015</p>	<p>As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the integrated Transport Plan is the Authority for Transport in Malta, also known as Transport Malta. This process is coordinated by the Integrated Transport Strategy Directorate within Transport Malta.</p> <p>Ministry for Transport and Infrastructure</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Ministry for Transport and Infrastructure) • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Government)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
<p>T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.</p>	<p>5 - a realistic and mature pipeline for projects for which support from the ERDF and the Cohesion Fund is envisaged;</p>	<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan (30/9/15) <p>Malta is currently developing the national transport strategy and national transport master plan with the support of a new national transport model. This process is currently on track and is following this action plan:</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (completed) • SEA Process <ul style="list-style-type: none"> – Compilation of the Screening Template - SEA required (completed) – Preparation of a Scoping Report (30/11/14) – Preparation of the Environmental Report (30/4/15) – Updated SEA Report, including consultation findings and recommendations (30/6/15) – Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model <ul style="list-style-type: none"> – Scoping (completed) – Tender Award (completed) – Data Analysis (30/11/14) – Finalise (Base Year) Transport Model (30/11/14) – Finalise (Future Scenarios & Forecasts) (31/1/15) • Appropriate Assessment Screening (31/12/14) • Adopt Comprehensive Transport Plan ((31/3/15) 	<p>30-Sep-2015</p>	<p>As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the integrated Transport Plan is the Authority for Transport in Malta, also known as Transport Malta. This process is coordinated by the Integrated Transport Strategy Directorate within Transport Malta.</p> <p>Ministry for Transport and Infrastructure</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Ministry for Transport and Infrastructure) • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Government)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> • Publish Plan including SEA (30/4/15) • Adopt Comprehensive Transport Plan (30/9/15) 		
<p>T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.</p>	<p>6 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</p>	<p>Malta is currently developing the national transport strategy and national transport master plan with the support of a new national transport model. This process is currently on track and is following this action plan:</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (completed) • SEA Process <ul style="list-style-type: none"> – Compilation of the Screening Template - SEA required (completed) – Preparation of a Scoping Report (30/11/14) – Preparation of the Environmental Report (30/4/15) – Updated SEA Report, including consultation findings and recommendations (30/6/15) – Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model <ul style="list-style-type: none"> – Scoping (completed) – Tender Award (completed) – Data Analysis (30/11/14) – Finalise (Base Year) Transport Model (30/11/14) – Finalise (Future Scenarios & Forecasts) (31/1/15) • Appropriate Assessment Screening (31/12/14) 	<p>30-Sep-2015</p>	<p>As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the integrated Transport Plan is the Authority for Transport in Malta, also known as Transport Malta. This process is coordinated by the Integrated Transport Strategy Directorate within Transport Malta.</p> <p>Ministry for Transport and Infrastructure</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Ministry for Transport and Infrastructure) • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Government)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> • Adopt Comprehensive Transport Plan ((31/3/15) • Publish Plan including SEA (30/4/15) • Adopt Comprehensive Transport Plan (30/9/15) 		
<p>T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.</p>	<p>1 - The existence of a section on inland-waterways and maritime transport, ports, multimodal links and airport infrastructure within the transport plan or plans or framework or frameworks which:</p>	<p>Malta is currently developing the national transport strategy and national transport master plan with the support of a new national transport model. This process is currently on track and is following this action plan:</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (completed) • SEA Process <ul style="list-style-type: none"> – Compilation of the Screening Template - SEA required (completed) – Preparation of a Scoping Report (30/11/14) – Preparation of the Environmental Report (30/4/15) – Updated SEA Report, including consultation findings and recommendations (30/6/15) – Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model <ul style="list-style-type: none"> – Scoping (completed) – Tender Award (completed) – Data Analysis (30/11/14) – Finalise (Base Year) Transport Model (30/11/14) – Finalise (Future Scenarios & Forecasts) (31/1/15) 	<p>30-Sep-2015</p>	<p>As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the integrated Transport Plan is the Authority for Transport in Malta, also known as Transport Malta. This process is coordinated by the Integrated Transport Strategy Directorate within Transport Malta.</p> <p>Ministry for Transport and Infrastructure</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Ministry for Transport and Infrastructure) • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Government)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> • Appropriate Assessment Screening (31/12/14) • Adopt Comprehensive Transport Plan (31/3/15) • Publish Plan including SEA (30/4/15) • Adopt Comprehensive Transport Plan (30/9/15) 		
<p>T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.</p>	<p>2 - complies with legal requirements for strategic environmental assessment;</p>	<p>Malta is currently developing the national transport strategy and national transport master plan with the support of a new national transport model. This process is currently on track and is following this action plan:</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (completed) • SEA Process <ul style="list-style-type: none"> – Compilation of the Screening Template - SEA required (completed) – Preparation of a Scoping Report (30/11/14) – Preparation of the Environmental Report (30/4/15) – Updated SEA Report, including consultation findings and recommendations (30/6/15) – Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model <ul style="list-style-type: none"> – Scoping (completed) – Tender Award (completed) – Data Analysis (30/11/14) – Finalise (Base Year) Transport Model (30/11/14) 	<p>30-Sep-2015</p>	<p>As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the integrated Transport Plan is the Authority for Transport in Malta, also known as Transport Malta. This process is coordinated by the Integrated Transport Strategy Directorate within Transport Malta.</p> <p>Ministry for Transport and Infrastructure</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Ministry for Transport and Infrastructure) • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate))

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> - Finalise (Future Scenarios & Forecasts) (31/1/15) • Appropriate Assessment Screening (31/12/14) • Adopt Comprehensive Transport Plan ((31/3/15) • Publish Plan including SEA (30/4/15) • Adopt Comprehensive Transport Plan (30/9/15) 		Strategy Directorate)) <ul style="list-style-type: none"> • Adopt Plan (Government)
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.	3 - sets out a realistic and mature project pipeline (including a timetable and budgetary framework);	Malta is currently developing the national transport strategy and national transport master plan with the support of a new national transport model. This process is currently on track and is following this action plan: <ul style="list-style-type: none"> • Procurement of Technical Assistance (completed) • SEA Process - Compilation of the Screening Template - SEA required (completed) - Preparation of a Scoping Report (30/11/14) - Preparation of the Environmental Report (30/4/15) - Updated SEA Report, including consultation findings and recommendations (30/6/15) - Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model - Scoping (completed) - Tender Award (completed) - Data Analysis (30/11/14) 	30-Sep-2015	As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the integrated Transport Plan is the Authority for Transport in Malta, also known as Transport Malta. This process is coordinated by the Integrated Transport Strategy Directorate within Transport Malta. Ministry for Transport and Infrastructure <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Ministry for Transport and Infrastructure)

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> – Finalise (Base Year) Transport Model (30/11/14) – Finalise (Future Scenarios & Forecasts) (31/1/15) • Appropriate Assessment Screening (31/12/14) • Adopt Comprehensive Transport Plan ((31/3/15) • Publish Plan including SEA (30/4/15) • Adopt Comprehensive Transport Plan (30/9/15) 		<ul style="list-style-type: none"> • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Government)
<p>T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.</p>	<p>4 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</p>	<p>Malta is currently developing the national transport strategy and national transport master plan with the support of a new national transport model. This process is currently on track and is following this action plan:</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (completed) • SEA Process – Compilation of the Screening Template - SEA required (completed) – Preparation of a Scoping Report (30/11/14) – Preparation of the Environmental Report (30/4/15) – Updated SEA Report, including consultation findings and recommendations (30/6/15) – Formulation of the Adoption Statement (30/9/15) • Data Collection (completed) • National Transport Model – Scoping (completed) 	<p>30-Sep-2015</p>	<p>As the technical regulator reporting to the Ministry for Transport and Infrastructure, the entity responsible for the development of the integrated Transport Plan is the Authority for Transport in Malta, also known as Transport Malta. This process is coordinated by the Integrated Transport Strategy Directorate within Transport Malta.</p> <p>Ministry for Transport and Infrastructure</p> <ul style="list-style-type: none"> • Procurement of Technical Assistance (Transport Malta (Integrated Transport Strategy Directorate)) • SEA Process (Transport Malta (Integrated Transport Strategy Directorate)) • Data Collection (Transport Malta (Integrated Transport Strategy Directorate)) • National Transport Model (Transport Malta (Integrated Transport Strategy Directorate)) • Appropriate Assessment Screening (Transport Malta (Integrated Transport Strategy Directorate))

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> - Tender Award (completed) - Data Analysis (30/11/14) - Finalise (Base Year) Transport Model (30/11/14) - Finalise (Future Scenarios & Forecasts) (31/1/15) • Appropriate Assessment Screening (31/12/14) • Adopt Comprehensive Transport Plan ((31/3/15) • Publish Plan including SEA (30/4/15) • Adopt Comprehensive Transport Plan (30/9/15) 		<ul style="list-style-type: none"> • Adopt Plan (Ministry for Transport and Infrastructure) • Publish Plan including SEA (Transport Malta (Integrated Transport Strategy Directorate)) • Adopt Plan (Government)
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	1 - A national strategic policy framework for poverty reduction, aiming at active inclusion, is in place that:	<p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> • Public Consultation on the green paper (completed) • Finalisation of the General Strategy framework and the respective operational procedures containing recommendations and policies, based on the feedback received during the public consultations on the green paper. (31/12/14) 	31-Dec-2014	Ministry for the Family and Social Solidarity
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	1 - A national or regional strategic policy framework for health is in place that contains:	<p>A Health Systems Performance Assessment (HSPA) tool is being developed as the monitoring framework for the NHSS.</p> <p>The budgetary framework for the NHSS is being developed. The drawing up of the budgetary framework could not start before the finalisation of the strategy following the extensive feedback received during the</p>	31-Dec-2014	Overall responsibility is vested in the Ministry for Energy and Health; Responsibility and implementation will be carried out under the direction and stewardship of the Permanent Secretary responsible for Health within the Ministry for Energy and Health

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		consultation phase.		
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	4 - a monitoring and review system.	A Health Systems Performance Assessment (HSPA) tool is being developed as the monitoring framework for the NHSS. The indicators for monitoring the performance of the local public health system have been chosen and prioritised following extensive consultation with a number of stakeholders. The conceptual framework behind the HSPA has now been revisited and refocused following these consultations and the data collection for the compilation of a first assessment is already underway.	31-Dec-2014	Overall responsibility is vested in the Ministry for Energy and Health; Responsibility and implementation will be carried out under the direction and stewardship of the Permanent Secretary responsible for Health within the Ministry for Energy and Health
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	5 - A Member State or region has adopted a framework outlining available budgetary resources on an indicative basis and a cost-effective concentration of resources on prioritised needs for health care.	The budgetary framework for the NHSS is being developed. The drawing up of the budgetary framework could not start before the finalisation of the strategy following the extensive feedback received during the consultation phase. The interim actions can be summarised as follows: <ul style="list-style-type: none"> • Draw up of Action Plan (Completed) • Development of Terms of Reference for an Economist/ Accountant to Assist with Drawing Up the Budgetary Framework (Completed) • Review Proposed Action Plan and present it for approval (completed) • Contract Out Budgetary Framework; (completed) • Present Budgetary Framework to 	31-Dec-2014	Overall responsibility is vested in the Ministry for Energy and Health; Responsibility and implementation will be carried out under the direction and stewardship of the Permanent Secretary responsible for Health within the Ministry for Energy and Health

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		Permanent Secretary and Parliamentary Secretary (Health) (31/12/14) <ul style="list-style-type: none"> • Present Action Plan and Budgetary Framework to Parliamentary Committee on Health (31/12/14) • Present to Cabinet (31/12/14) 		
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	1 - A system for collecting and analysing data and information on ESL at relevant levels is in place that:	In order to fulfil this ex-ante conditionality, the following action plan is being followed: <ul style="list-style-type: none"> • Various meetings between ESL Unit and various departments within the Directorate for Educational services and Directorate for Quality and Standards on the exit survey, E1 platform, tracer study, audits in non state sector and data gathered in compulsory education (completed) • The stock taking exercise is brought to a close. The ESL Unit analyses the information gathered from the preparatory stock taking exercise and prepares for a meeting between all the stakeholders involved in the gathering of data in line with Strategic Action 2.3 of the Strategic Plan for the Prevention of Early School Leaving in Malta. (Completed) • Setting up of working group that will assess and give direction (completed) • The Monitoring system will be in place (31/12/14) 	31-Dec-2014	Early School Leaving Monitoring (ESL) Unit, Office of the Permanent Secretary, Ministry for Education and Employment
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	2 - provides a sufficient evidence-base to develop targeted policies and monitors developments.	In order to fulfil this ex-ante conditionality, the following action plan is being followed: <ul style="list-style-type: none"> • Various meetings between ESL Unit and various departments within the Directorate for Educational services and Directorate for Quality and Standards on the exit survey, E1 platform, tracer study, audits 	31-Dec-2014	Early School Leaving Monitoring (ESL) Unit, Office of the Permanent Secretary, Ministry for Education and Employment

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<p>in non state sector and data gathered in compulsory education (completed)</p> <ul style="list-style-type: none"> • The stock taking exercise is brought to a close. The ESL Unit analyses the information gathered from the preparatory stock taking exercise and prepares for a meeting between all the stakeholders involved in the gathering of data in line with Strategic Action 2.3 of the Strategic Plan for the Prevention of Early School Leaving in Malta. (Completed) • Setting up of working group that will assess and give direction (Completed) • The Monitoring system will be in place (31/12/14) 		
<p>T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.</p>	<p>1 - A national or regional strategic policy framework for tertiary education is in place with the following elements:</p>	<p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> • Setting up of FHE Policy Update Coordinating Team (completed) • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 (completed) • Draft report presented to the coordinating team (completed) • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy (completed) • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy 	<p>31-Dec-2014</p>	<p>Working Committee within the National Commission for Further and Higher Education</p>

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		recommendations (completed) <ul style="list-style-type: none"> • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team (completed) Publication and dissemination of Final Policy Report on Higher Education – 2020 (31/12/14)		
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	2 - where necessary, measures to increase participation and attainment that:	In order to fulfil this ex-ante conditionality, the following action plan is being followed: <ul style="list-style-type: none"> • Setting up of FHE Policy Update Coordinating Team (completed) • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 (completed) • Draft report presented to the coordinating team (completed) • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy (completed) • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations (completed) • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team (completed) Publication and dissemination of Final	31-Dec-2014	Working Committee within the National Commission for Further and Higher Education

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		Policy Report on Higher Education – 2020 (31/12/14)		
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	3 - increase higher education participation among low income groups and other under-represented groups with special regard to disadvantaged people, including people from marginalised communities;	<p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> • Setting up of FHE Policy Update Coordinating Team (completed) • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 (completed) • Draft report presented to the coordinating team (completed) • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy (completed) • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations (completed) • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team (completed) <p>Publication and dissemination of Final Policy Report on Higher Education – 2020 (31/12/14)</p>	31-Dec-2014	Working Committee within the National Commission for Further and Higher Education
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for	4 - reduce drop-out rates/improve completion rates;	<p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> • Setting up of FHE Policy Update 	31-Dec-2014	Working Committee within the National Commission for Further and Higher Education

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
<p>increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.</p>		<p>Coordinating Team (completed)</p> <ul style="list-style-type: none"> • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 (completed) • Draft report presented to the coordinating team (completed) • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy (completed) • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations (completed) • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team (completed) <p>Publication and dissemination of Final Policy Report on Higher Education – 2020 (31/12/14)</p>		
<p>T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.</p>	<p>5 - encourage innovative content and programme design;</p>	<p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> • Setting up of FHE Policy Update Coordinating Team (completed) • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 (completed) • Draft report presented to the 	<p>31-Dec-2014</p>	<p>Working Committee within the National Commission for Further and Higher Education</p>

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		coordinating team (completed) <ul style="list-style-type: none"> • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy (completed) • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations (completed) • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team (completed) Publication and dissemination of Final Policy Report on Higher Education – 2020 (31/12/14)		
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	6 - measures to increase employability and entrepreneurship that:	In order to fulfil this ex-ante conditionality, the following action plan is being followed: <ul style="list-style-type: none"> • Setting up of FHE Policy Update Coordinating Team (completed) • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 (completed) • Draft report presented to the coordinating team (completed) • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy (completed) 	31-Dec-2014	Working Committee within the National Commission for Further and Higher Education

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations (completed) • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team (completed) Publication and dissemination of Final Policy Report on Higher Education – 2020 (31/12/14)		
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	7 - encourage the development of "transversal skills", including entrepreneurship in relevant higher education programmes;	In order to fulfil this ex-ante conditionality, the following action plan is being followed: <ul style="list-style-type: none"> • Setting up of FHE Policy Update Coordinating Team (completed) • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 (completed) • Draft report presented to the coordinating team (completed) • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy (completed) • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations (completed) 	31-Dec-2014	Working Committee within the National Commission for Further and Higher Education

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team (completed) Publication and dissemination of Final Policy Report on Higher Education – 2020 (31/12/14) 		
<p>T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.</p>	<p>8 - reduce gender differences in terms of academic and vocational choices.</p>	<p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> • Setting up of FHE Policy Update Coordinating Team (completed) • Finalisation of assessment of progress on achievement in relation to the targets set in the FHE Strategy 2020 (completed) • Draft report presented to the coordinating team (completed) • Gathering and collation of quantitative and qualitative data on the present state of provision of state and non-state FHE to feed into updated policy (completed) • Organization of a half-day working conference with stakeholders to present data on provision, report on progress of achievement of targets and to launch consultation process on policy recommendations (completed) • Consolidation of outcome of conference in a draft policy document to be presented to the coordinating team (completed) Publication and dissemination of Final Policy Report on Higher Education – 2020 	<p>31-Dec-2014</p>	<p>Working Committee within the National Commission for Further and Higher Education</p>

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		(31/12/14)		
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	1 - A national or regional strategic policy framework for lifelong learning is in place that contains measures:	In order to fulfil this ex-ante conditionality, the following action plan is being followed: <ul style="list-style-type: none"> The (draft) strategy was launched in Oct 2014 for public consultation, with the involvement of MCESD. Meetings with individual stakeholders will be held accordingly (completed) Minister and Cabinet endorsement will follow (31/12/14) 	31-Dec-2014	Directorate for Life Long Learning within the Ministry for Education and Employment (MEDE)
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	1 - A national or regional strategic policy framework is in place for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU which includes measures for the following:	In order to fulfil this ex-ante conditionality, the following action plan is being followed: <ul style="list-style-type: none"> High level consultation meeting with key stakeholders: MCAST, ETC, ITS, MEDE, DLLL, Director Early School Leaving and MCESD. Representatives to discuss in depth the detail of the key recommendations drafted by NCFHE. Feedback to be noted and amendments made as necessary (completed) A roundtable consultation to be held with members of stakeholders (both direct and indirect) to include the private sector, University representatives, Agenzija Zghazagh, to discuss in more depth the recommended actions put forward by the key stakeholders (completed) NCFHE to undertake an extensive exercise to be able to finalise both the text within the said policy as well as to pin down concrete action measures and targets (completed) 	31-Dec-2014	National Commission for Further and Higher Education within the Ministry for Education and Employment

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<ul style="list-style-type: none"> Conclude the policy (31/12/2014) 		
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	2 - to improve the labour market relevance of VET systems in close cooperation with relevant stakeholders including through mechanisms for skills anticipation, adaptation of curricula and the strengthening of work-based learning provision in its different forms;	<p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> High level consultation meeting with key stakeholders: MCAST, ETC, ITS, MEDE, DLLL, Director Early School Leaving and MCESD. Representatives to discuss in depth the detail of the key recommendations drafted by NCFHE. Feedback to be noted and amendments made as necessary (completed) A roundtable consultation to be held with members of stakeholders (both direct and indirect) to include the private sector, University representatives, Agenzija Zghazagh, to discuss in more depth the recommended actions put forward by the key stakeholders (completed) NCFHE to undertake an extensive exercise to be able to finalise both the text within the said policy as well as to pin down concrete action measures and targets (completed) Conclude the policy (31/12/2014) 	31-Dec-2014	National Commission for Further and Higher Education within the Ministry for Education and Employment
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	3 - to increase the quality and attractiveness of VET including through establishing a national approach for quality assurance for VET (for example in line with the, European Quality Assurance Reference Framework for Vocational Education and Training) and implementing the transparency	<p>In order to fulfil this ex-ante conditionality, the following action plan is being followed:</p> <ul style="list-style-type: none"> High level consultation meeting with key stakeholders: MCAST, ETC, ITS, MEDE, DLLL, Director Early School Leaving and MCESD. Representatives to discuss in depth the detail of the key recommendations drafted by NCFHE. Feedback to be noted and amendments made 	31-Dec-2014	National Commission for Further and Higher Education within the Ministry for Education and Employment

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
	and recognition tools, for example European Credit system for Vocational Education and Training (ECVET).	as necessary (completed) <ul style="list-style-type: none"> • A roundtable consultation to be held with members of stakeholders (both direct and indirect) to include the private sector, University representatives, Agenzija Zghazagh, to discuss in more depth the recommended actions put forward by the key stakeholders (completed) • NCFHE to undertake an extensive exercise to be able to finalise both the text within the said policy as well as to pin down concrete action measures and targets (completed) • Conclude the policy (31/12/2014) 		

10. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

Summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce administrative burden.

The need to continue to streamline the processes involved in management and control systems of EU funds and the further reduction in administrative burden for beneficiaries is evident through the findings of assessments that have been carried out during the 2007-2013 period. To this effect, Malta is committed to implement further simplification measures that will reduce the administrative requirements and burden on the beneficiaries.

Actions planned include measures at application stage, project selection phase, procurement, horizontal simplification measures and measures in relation to the IT systems. Measures planned include:

Application stage:

- Provision of assistance to applicants in filling the relevant application particularly to NGOs, Local Councils, civil society etc. This is targeted to be available by Quarter 4 2014.

Project selection stage:

- Speeding up of the project selection through streamlined processes and greater involvement of experts. This is targeted to be available by Quarter 4 2014.

Procurement:

- Assess the possibility of increasing the threshold for Departmental Tenders. This is targeted to be available by Quarter 4 2014.
- Phased rolling-out of the E-procurement system[1] is ongoing.
- The introduction of Procurement managers in Line Ministries to speed up procurement processes by Quarter 1 2014.
- Provision of assistance to NGO and civil society for tender drafting by Quarter 1 2015.
- Development of procurement templates for NGO's and civil society by Quarter 1 2015.

Simplification measures

- The use of simplified costs has proven to be a positive experience under ESF. This will be further analysed and introduced where possible in other funds. Standard Cost Options utilised under the 2007-2013 period will continue to be utilised during the 2014-2020 period from the first call for project applications.

However, Malta will explore possibilities as to expand these standard cost options which are expected to be in place by no later than Quarter4 2016.

IT system

- Introduction of e-forms at application stage by Quarter 4 2014.
- Facilitate the implementation process through the enhancement of IT-enabled systems which is an ongoing process.

[1] E-procurement is already in place and will continue to be developed further over the next programming period. E-procurement is currently being financed through national funds.

11. HORIZONTAL PRINCIPLES

11.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

Malta is committed towards achieving a sustainable and healthy environment which is considered fundamental in order to attract investment, create jobs and improve standards of living. This is also in line with the objectives of the National Sustainable Development Strategy 'A Sustainable Development Strategy for the Maltese islands 2007-2016'. [1] In this regard, sustainable development is considered as a cross cutting theme of this Operational Programme and will be inextricably linked with the OP's specific objectives. This is also applicable to the additional programmed REACT-EU resources.

The approach adopted under the 2007-2013 programme(s) whereby applicants are required to demonstrate that they have considered sustainable development issues [2] at all stages during the design of the project will be maintained. Sustainable development covers economic growth, social cohesion and the protection of the environment (including disaster resilience and risk prevention), which will be taken into account throughout the life of the supported activity. Applicants must also demonstrate how the project has been structured to ensure that sustainable development issues will be mainstreamed throughout the project's aims and operation.

Interventions in this Operational Programme will complement each other or create opportunities for synergies which will contribute towards the promotion of sustainable development. These include efforts to promote sustainable economic development through support to enterprises and stimulating investment in research and innovation as well as initiatives to promote the development of new market processes and niche markets (priority axes 1 and 3). The promotion of sustainable development is also envisaged through interventions to improve the quality of life of citizens including through actions aimed to improve transport infrastructure (priority axes 7 and 11), investment to achieve environmental sustainability including sustainable water management (priority axis 5 and 10 [3]), investment contributing towards climate change mitigation and adaptation (priority axis 5 and 10) and the promotion of energy efficiency and use of renewable energy sources (priority axis 4). Interventions are also envisaged to promote sustainable urban development, improved accessibility and social cohesion with the objective of fostering sustainable communities (priority axis 6). Within the context of sustainable development, the Operational Programme envisages various initiatives in terms of the sustainable use of water including through measures which promote amongst others water conservation, wastewater recycling and, rainwater harvesting.. In this regard, at project application stage, prospective applicants are encouraged to include water conservation measures as part of the project proposals.

[1] http://www.um.edu.mt/__data/assets/pdf_file/0003/64812/SD_Strategy_2006.pdf

[2] Applicants are encouraged to make specific reference to the Sustainable Development Act (available online at <https://secure2.gov.mt/tsdu/sdleg>). The aim of the Sustainable Development Act (CAP.521), amongst others, with a view to mainstream sustainable development across the workings of Government and to raise awareness on sustainable development issues and practices across society.

[3] Under Priority Axis 10 a specific investment priority targeting the water sector has been chosen with a view to address the needs of the sector.

11.2 Equal opportunities and non-discrimination

Description of specific actions to promote equal opportunities and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements for ensuring accessibility for persons with disabilities.

The promotion of equality between men and women, non-discrimination and accessibility (with reference to Art. 7 CPR)

Malta is committed to ensuring that the principles of equality, non-discrimination and accessibility as set out in Article 7 of the Common Provisions Regulation are taken into account and promoted in the implementation of this programme. In accordance with Article 5 of the Common Provisions Regulation, the relevant entities responsible for promoting equality, non-discrimination and accessibility were involved in the consultation process of the Operational Programme and will continue to be consulted during the preparation and implementation (including evaluation and monitoring) of the programme.

National arrangements for the promotion of equality, non-discrimination and accessibility

The Ministry for Social Dialogue, Consumer Affairs and Civil Liberties is responsible for social dialogue, civil liberties, equality and anti-discrimination policies and the integration of migrants, amongst others. The Ministry has embarked on a number of initiatives to further promote civil rights and equal opportunities. Particularly, the Ministry is undertaking an active role in the promotion of family-friendly measures within the public sector. In addition, complementary measures aimed at improving gender equality particularly in the labour market are also being implemented. Such measures include the directory for professional women which will enable the better identification of qualified women for decision-making positions, amongst others.

The National Commission for the Promotion of Equality (NCPE) and the National Commission for Persons with Disability (NCPD) are strategic partners within the Ministry in the promotion of equality, non-discrimination and accessibility at the national and local level. The activities undertaken by both of these entities include awareness-raising campaigns, providing assistance and support, research, exchange of best practice and collaborations with local and international entities.

In terms of social inclusion, Government is committed to promote the wellbeing and enhance quality of life particularly for those experiencing poverty and social exclusion. In this regard, the Ministry launched a framework for poverty reduction and for social inclusion 2014-2024.

Approach to ensure the promotion of equality, non-discrimination and accessibility in the implementation of the programme:

Efforts and initiatives undertaken during the previous programming period to ensure the involvement of the relevant entities responsible for promoting equality, non-discrimination and accessibility in the various stages of implementation of this programme will continue under the future programme in accordance with national practice. Such initiatives will cover the preparation and implementation (including evaluation and monitoring) of the programme.

The participation of the relevant entities[1] responsible for promoting equality and non-discrimination in the various stages of implementation of this programme will be assured through their participation in the Monitoring Committee of this Operational Programme in accordance with the terms of references of this committee. The promotion of equality, non-discrimination and accessibility will also be integrated at project level (see section 2.A.6.2).

In line with 2007-2013 practice, a help desk will be set up by the relevant entities, to assist project promoters in their effort to integrate the equality, non-discrimination and accessibility dimensions in their project ideas as well as to offer assistance in access to funding for target groups.

[1] Entities Include relevant Line Ministries, public entities and civil society.

11.3 Equality between men and women

Description of contribution of the operational programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at operational programme and operation level.

Malta is committed to ensuring that the principles of equality between men and women as set out in Article 7 of the Common Provisions Regulation are taken into account and promoted in the implementation of this programme. In accordance with Article 5 of the Common Provisions Regulation, the relevant entities responsible for promoting equality, were involved in the consultation process of the Operational Programme and will continue to be consulted during the preparation and implementation (including evaluation and monitoring) of the programme.

National arrangements for the promotion of equality between men and women

The National Commission for the Promotion of Equality (NCPE) is the national body responsible for the promotion of equality between men and women. The activities undertaken by this entity include awareness-raising campaigns, providing assistance and support, research, exchange of best practice and collaborations with local and international entities.

Approach to ensure the promotion of equality between men and women in the implementation of the programme:

Efforts and initiatives undertaken during the previous programming period to ensure the involvement of the relevant entities responsible for promoting equality between men and women in the various stages of implementation of this programme will continue under the future programme in accordance with national practice. Such initiatives will cover the preparation and implementation (including evaluation and monitoring) of the programme.

The participation of the relevant entities[1] responsible for promoting equality between men and women in the various stages of implementation of this programme will be assured through their participation in the Monitoring Committee of the Operational Programme in accordance with the terms of references of this committee. The promotion of equality will also be integrated at project level (see section 2.A.6.2).

In line with 2007-2013 practice, a help desk will be set up by the relevant entity, to assist project promoters in their effort to integrate the equal opportunities dimension in their project ideas.

[1] Entities Include relevant Line Ministries, public entities and civil society.

11.4 Public Procurement

In the implementation of the ESI and REACT-EU Funds, national authorities will respect the provisions for public procurement in accordance with the relevant EU Directives and Treaty provisions.

12. SEPARATE ELEMENTS

12.1 Major projects to be implemented during programming period

Table 27: List of major projects

Project	Planned notification/submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority Axes / Investment Priorities
Towards a Net Zero Impact Utility - Ensuring an Integrated Water Resource Management	2018, Q4	2018, Q4	2022, Q4	PA 10 - Investing in a more environmentally-friendly society / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements

12.2 Performance framework of operational programme

Table 28: Performance framework by fund and category of region (summary table)

Priority axis	Fund	Category of region	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018			Final target (2023)		
					M	W	T	M	W	T
PA 10 - Investing in a more environmentally-friendly society	CF		F10.1 - Financial Indicator	Euro			45,005,847.18			141,508,671.76
PA 11 - Investing in TEN-T Infrastructure	CF		F11.1 - Financial Indicator	Euro			24,233,917.53			72,058,516.00
PA 1 - Investing in research, technological development and innovation	ERDF	Transition	F11.1 - Financial Indicator	Euro			17,879,603.51			62,066,375.00
PA 2 - Consolidating investment within the ICT sector	ERDF	Transition	F12.1 - Financial Indicator	Euro			9,736,648.11			47,435,400.00
PA 3 - Enhancing Malta's competitiveness through investment in SMEs	ERDF	Transition	F13.1 - Financial Indicator	Euro			11,152,228.15			44,566,376.00
PA 4 - Shifting towards a low-carbon economy	ERDF	Transition	F14.1 - Financial Indicator	Euro			14,389,765.45			32,653,100.00
PA 5 - Protecting our environment - investing in natural and cultural assets	ERDF	Transition	F15.1 - Financial Indicator	Euro			17,879,603.00			63,316,372.50
PA 6 - Sustainable Urban Development	ERDF	Transition	F16.1 - Financial Indicator	Euro			6,246,810.02			24,022,125.00
PA 7 - Shifting towards a more low-carbon transport sector	ERDF	Transition	F17.1 - Financial Indicator	Euro			9,027,047.51			35,504,700.00
PA 8 - Investing towards a more socially-inclusive society	ERDF	Transition	F18.1 - Financial Indicator	Euro			14,715,483.43			64,998,337.50
PA 9 - Developing our future through education, training and lifelong learning	ERDF	Transition	F19.1 - Financial Indicator	Euro			8,573,368.74			33,630,975.00
PA 1 - Investing in research, technological development and innovation	ERDF	Transition	KIS1 - Number of research facilities being implemented (constructed) or completed	Number			2			3.00
PA 10 - Investing in a more environmentally-friendly society	CF		KS10m - Value of total public eligible cost contracted (water)	Euro			58,000,000			96,800,000.00
PA 7 - Shifting towards a more low-carbon transport sector	ERDF	Transition	KIS7e - Number of projects and/or schemes promoting and/or exploring cleaner transport methods being implemented (constructed) or completed	Number			1			1.00
PA 8 - Investing towards a more socially-inclusive society	ERDF	Transition	KIS8j - Value of total public eligible cost contracted (health)	Euro			17,400,000			29,000,000.00
PA 2 - Consolidating investment within the ICT sector	ERDF	Transition	PSI2a - New e-services applications in the areas of health, environment, customs and interdepartmental services.	Number			2			25.00
PA 1 - Investing in research, technological development and innovation	ERDF	Transition	PSO1 - Number of research facilities	Number			0			3.00
PA 9 - Developing our future through education, training and lifelong learning	ERDF	Transition	PSO9a - Capacity of VET and Tertiary education infrastructure	Persons			2,000			10,000.00
PA 5 - Protecting our environment - investing in natural and cultural assets	ERDF	Transition	PSR5a - Rehabilitated/ Preserved Land	Square metres			1,000			5,000.00
PA 7 - Shifting towards a more low-carbon transport sector	ERDF	Transition	PSO7e - Projects and/or schemes promoting and/or exploring cleaner transport methods	Number			0			1.00
PA 3 - Enhancing Malta's competitiveness through investment in SMEs	ERDF	Transition	CO01 - Productive investment: Number of enterprises receiving support	Enterprises			70			770.00
PA 5 - Protecting our environment - investing in natural and cultural assets	ERDF	Transition	CO09 - Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year			3,000			180,000.00
PA 8 - Investing towards a more socially-inclusive society	ERDF	Transition	CO36 - Health: Population covered by improved health services	Persons			0			460,000.00
PA 6 - Sustainable Urban Development	ERDF	Transition	CO39 - Urban Development: Public or commercial buildings built or renovated in urban areas	Square meters			600			8,500.00
PA 6 - Sustainable Urban Development	ERDF	Transition	CO40 - Urban Development: Rehabilitated housing	Housing units			10			50.00
PA 8 - Investing towards a more socially-inclusive society	ERDF	Transition	CO40 - Urban Development: Rehabilitated housing	Housing units			20			600.00
PA 11 - Investing in TEN-T Infrastructure	CF		CO14a - Roads: Total length of reconstructed or upgraded roads, of which: TEN-T	km			0.5			2.50
PA 10 - Investing in a more environmentally-friendly society	CF		CO18 - Water supply: Additional population served by improved water supply	Persons			0			32,000.00
PA 4 - Shifting towards a low-carbon economy	ERDF	Transition	CO30 - Renewables: Additional capacity of renewable energy production	MW			10.64			24.80

12.3 Relevant partners involved in preparation of programme

A. Competent urban and other public authorities

- Agency for the Welfare of Asylum Seekers
- Agenzija Žghażaġh
- Air Malta
- Armed Forces of Malta
- Building Industry Consultative Committee
- Building Regulations Office
- Certifying Authority (MFIN)
- Civil Aviation Directorate
- Civil Protection Department
- Commissioner for Children
- Commissioner for Mental Health and Older Persons
- Commissioner on Domestic Violence Council for the Teachers' Profession
- Department of Agriculture
- Department of Culture
- Department of Industrial and Employment Relations
- Department of Local Government
- Department of Social Welfare Centre
- Employment and Training Corporation
- Enemalta Corporation
- European Direct Information Centre
- EU Paying Authority (MFIN)
- EU Secretariat (MEAIM)
- European Union Programmes Agency
- Fisheries Control Directorate
- Foundation for Educational Services
- Foundation for Information Technology Accessibility
- Freedom of Information Office
- Foundation for Social Welfare Services
- Foundation for Tomorrow's Schools
- Gozo Channel Company Ltd

- Grand Harbour Regeneration Corporation
- Guardian of Future Generations
- Health Department
- Heritage Malta
- Housing Authority
- International Maritime Law Institute
- Institute for Tourism, Travel and Culture
- Institute for Waste Management
- Kordin Grain Terminal
- Kunsill Malti għall-Isport
- Kunsill Nazzjonali tal-Ilsien Malti
- Kunsill Studenti Universitarji
- Local Councils (Malta & Gozo)
 - Balzan Local Council
 - Birkirkara Local Council
 - Birżebbuġa Local Council
 - Fontana Local Council
 - Għajnsielem Local Council
 - Għarb Local Council
 - Għasri Local Council
 - Għaxaq Local Council
 - Gudja Local Council
 - Gżira Local Council
 - Kerċem Local Council
 - Marsaskala Local Council
 - Marsaxlokk Local Council
 - Mellieħa Local Council
 - Msida Local Council
 - Mqabba Local Council
 - Paola Local Council
 - Pembroke Local Council
 - Qala Local Council
 - Qormi Local Council
 - Qrendi Local Council
 - San Pawl il-Baħar Local Council
 - Santa Venera Local Council

- Swieqi Local Council
- Tarxien Local Council
- Valletta Local Council
- Xagħra Local Council
- Xgħajra Local Council
- Xewkija Local Council
- Żebbuġ (Gozo) Local Council
- Żejtun Local Council
- Żurrieq Local Council
- Local Councils Association
- Lotteries and Gaming Authority
- Malta Aquaculture Research Centre
- Malta College of Arts, Science and Technology
- Malta Communications Authority[1]
- Malta Competition and Consumer Affairs Authority
- Malta Council for Science and Technology
- Malta Enterprise
- Malta Environment and Planning Authority
- Malta EU Steering Action Committee
- Malta Financial Services Authority
- Malta Freeport Corporation
- Malta Freeport Terminal
- Malta Industrial Parks
- Malta Information and Technology Agency
- Malta Intelligent Energy Management Agency
- Malta International Airport
- Malta Libraries
- Malta Oil Tanking Ltd
- Malta Qualifications Recognition Information Centre
- Malta Statistics Authority
- Malta Tourism Authority
- Mater Dei Hospital
- Managing Authority (EAFRD)
- Ministry for Education and Employment (MEDE)
- Ministry for Energy and Health (MEH)

- Ministry for European Affairs & Implementation of the Electoral Manifesto (MEAIM)
- Ministry for Finance (MFIN)
- Ministry for Foreign Affairs
- Ministry for Gozo (MGOZ)
- Ministry for Home Affairs and National Security
- Ministry for Justice, Culture and Local Government
- Ministry for Social Dialogue, Consumer Affairs and Civil Liberties
- Ministry for Sustainable Development, Environment and Climate Change (MSDEC)
- Ministry for the Economy, Investment and Small Business
- Ministry for the Family and Social Solidarity
- Ministry for Tourism
- Ministry for Transport & Infrastructure (MTI)
- National Archives
- National Book Council
- National Commission for Further and Higher Education Malta
- National Commission for Persons with Disability
- National Commission for Promotion of Equality
- National Employment Authority
- National Pensioners Organization
- National Statistics Office
- Occupational Health and Safety Authority
- Office of Manager Airport Security
- Office of the Permanent Secretary, Strategy and Implementation, OPM
- Office of the Prime Minister (OPM)
- Parliamentary Secretariat for Local Government
- Parliamentary Secretariat for Research, Innovation, Youth and Sport
- Paying Agency (MSDEC)
- Planning and Priorities Co-ordination Division
- Police (Cyber Crime)
- Policy Development and Programme Implementation, MSDEC
- Programme Implementation Directorate, MEDE
- Programme Implementation Directorate, MTI
- Programme Implementation – Head Office, MGOZ
- Public Broadcasting Services
- Sptar Ġenerali Ghawdex

- State Aid Monitoring Board
- Sustainable Development Network
- Transport Malta
- University of Malta
 - Computing Services Centre (CSC)
 - Department of Electronic Systems Engineering
 - Department of Metallurgy and Materials Engineering
 - Department of Social Policy and Social Work
 - Institute for Sustainable Energy
 - Junior College
 - Project Support Office
 - Research, Innovation and Development Trust
- Valletta Freeport Terminal
- Veterinary Regulation Division
- WasteServ Malta Ltd
- Water Policy Unit, MEH
- Water Services Corporation

B. Economic and social partners

- APS Bank
- Bank of Valletta
- Central Bank of Malta
- Chamber of Engineers
- Confederation of Malta Trade Unions
- Egg Producers' Organisation
- Forum Unions Maltin
- General Retailers and Traders Union (GRTU)
- General Workers Union
- Gozo Business Chamber
- Kooperattivi Malta
- Koperattiva Nazzjonali tas-Sajd
- Koperattiva Produtturi tal-Halib
- Koperattiva ta' min Irabbi l-Majjali

- Malta Chamber of Architects
- Malta Chamber of Commerce, Enterprise and Industry[1]
- Malta Chamber of Pharmacists
- Malta Chamber of Scientists
- Malta Developers Association
- Malta Employers' Association
- Malta Hotels and Restaurants Association
- Malta Insurance Association
- Malta Poultry Producers' Organisation
- Malta Union of Midwives and Nurses
- Malta Union of Teachers
- Malta Viticulture Producer Organisation
- Medical Association of Malta
- The Petroleum Division within GRTU
- Union Haddiema Magħqudin

C.Relevant bodies representing civil society, including environmental partners, NGOs, and bodies responsible for promoting social inclusion, gender equality and non-discrimination

- AEGEE Valletta
- Alternattiva Demokratika
- Aquaculture Sector
- Anti-Poverty Forum
- Archdiocese of Malta and Gozo
- Arka Foundation
- Association of Car Importers Malta
- Association of Insurance Brokers
- Association of Ship Agents
- Assoċjazzjoni tal-Bdiewa
- Book Publishers Association
- Chamber of Advocates
- Church Schools
- Civil Society Community
- Cospicua Community Forum

- Curia
- Din l-Art Helwa
- E-skills Malta Foundation
- EKOSkola
- Euromed Connect Coop
- Farmers' Central Co-operative Society
- Federated Association of Travel and Tourism
- Federation for Hunting and Conservation
- Filipino Migrants in Malta
- Fish4Tomorrow
- Fisheries Cooperatives
- Flimkien għall-Ambjent Aħjar
- Fondazzjoni Belt Victoria
- Fondazzjoni Nanniet Malta
- Fondazzjoni Wirt Artna
- Foundation for Shelter and Support to Migrants
- Foundation Medical Services
- Genista Research Foundation Malta
- Għaqda Koperattiva tas-Sajd
- Għaqda Produtturi tal-Laħam tal-Fniek
- Għaqda Produtturi tat-Tadam
- Gozo NGOs Association
- Gozo Tourism Association
- Gozo Regional Committee
- Hospice Malta
- Independent Schools
- Inspire
- IT Students' Association
- Junior Chamber International
- Kummissjoni Ambjent
- Light Pollution Awareness Group
- Local Action Groups
- Malta Association for Private Training Providers
- Malta Association of Physiotherapists
- Malta Aviation Business Council

- Malta Band Club Association
- Malta Bankers Association
- Malta Basketball Association
- Malta Business Bureau (MBB)
- Malta Dental Technology Association
- Malta Energy Efficiency and Renewable Energies Association
- Malta Federation of Professional Associations
- Malta Fishing Forum (MFF)
- Malta Maritime Law Association
- Malta Motorsport Federation
- Malta Powerboat Association
- Malta Shortsea Promotion Centre
- Malta Society for the Blind
- Malta Tourism Society
- Malta Water Association
- Malta Yachting Association
- National Association of Pensioners
- National Council for Women Malta
- National Youth Council
- Nature Trust
- Organisation for Friendship in Diversity (OFD)
- Parents' Association
- Partit Laburista
- Partit Nazzjonalista
- Peace Laboratory
- Private Schools Association
- Recreational Fishing Organization
- Remote Gaming Foundation
- Representative of Environmental NGOs
- Richmond Foundation
- Saint Martin's Institute of Higher Education
- Santa Lucija Residents Action Committee
- Siggiewi Basketball Club
- SKOP (Solidarjetà u Kooperazzjoni)
- Solidarity Overseas Services (SOS) Malta

- Valletta Alive Foundation
- Women's Rights Foundation
- Xaghra Parish Office
- Youth Travel Circle

[1] The ICT & Telecom Industries as well as user groups and utilities in this sector were represented through the Malta Chamber of Commerce, Enterprise and Industry and the Malta Communications Authority.

DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
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Submitted annexes by the Commission implementing regulation laying down the model of the programme

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
EAC 1.1 Annexes	Documentation on the assessment of the applicability and the fulfilment of ex-ante conditionalities	1.3	09-Dec-2014	EAC 1.1 Annexes	Ares(2014)4129223	Annex 1 - R& I strategy Annex 2 - RIS3 Peer Review Report	09-Dec-2014	ncamanth
Ex Ante Evaluation to OP I	Report of the ex-ante evaluation	1.3	30-Jun-2014	Ex Ante Evaluation to OP I	Ares(2014)4129223	Ex ante Evaluation to OP I	09-Dec-2014	ncamanth
Programme Snapshot of data before send 2014MT16M1OP001 5.0	Snapshot of data before send	5.0	02-Oct-2023		Ares(2023)6670730	Programme Snapshot of data before send 2014MT16M1OP001 5.0 mt	02-Oct-2023	n003dpbf

LATEST VALIDATION RESULTS

Severity	Code	Message
Info		Programme version has been validated.
Warning	2.18.6	At least one indicator must be defined in the relevant indicator tables. Priority axis "PA 12", specific objective "SO 1", Table 12
Warning	2.19.3	The sum of the annual EU Support per category of region "Transition" and per year "2020", must be smaller or equal than the corresponding annual EU Support specified in the Financial Perspectives: "87,016,528.00", "74,266,528.00".
Warning	2.19.4	The sum of the annual EU Support for ESF must be greater or equal than the minimum ESF allocation for that Member State: 0.00", "105,893,448.00".
Warning	2.115	In table 4 and 5, where data on participants is required to be reported for operations under the dedicated priority axis "PA14" referred to in the second subparagraph of Article 98(4) of the CPR, that data shall be limited to the total number of supported persons and the number of children under 18 years of age (Article 98(4) of the CPR).