

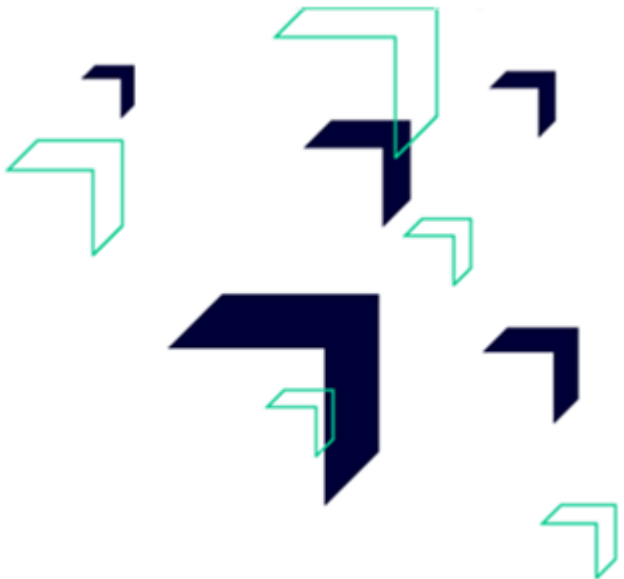


**GOVERNMENT
OF MALTA**



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Monitoring Committee - Mid-term Review 2021-2027 Programmes (ERDF/CF/JTF & ESF+)



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Introduction

Article 18

Mid-term review and flexibility amount

1. For programmes supported by the ERDF, the ESF+, the Cohesion Fund and the JTF, the Member State shall review each programme, taking into account the following elements:

- (a) the new challenges identified in relevant country-specific recommendations adopted in 2024;
- (b) the progress in implementing the integrated national energy and climate plan, if relevant;
- (c) the progress in implementing the principles of the European Pillar of Social Rights;
- (d) the socioeconomic situation of the Member State or region concerned, with special emphasis on territorial needs, taking into account any major negative financial, economic or social development;
- (e) the main results of relevant evaluations;
- (f) the progress in achieving the milestones, taking into account major difficulties encountered in the implementation of the programme;
- (g) for programmes supported by the JTF, the assessment carried out by the Commission, pursuant to point (b) of Article 29(1) of Regulation (EU) 2018/1999.

Purpose of MTR Process (Art 18 (3) – with amendment and Art 18 (4) – no amendment) is to confirm or otherwise the Flexibility Amounts

ESF+

The programme allocation is of **124.4M Eur** (EU share), of which **18.6M Eur** (EU share) are the **Flexibility Amount** (Tables 10 and 11).

ERDF/CF/JTF

The programme allocation is of **648.3M Eur** (EU share), of which **94.5M Eur** (EU share) are the **Flexibility Amount** (Tables 10 and 11).


Findings and Assessment (1)(a)

Art 18 (1)(a) – new challenges identified in relevant CSRs adopted in 2024


1. Medium-term fiscal structural plan
2. Swift and effective RRP and repower EU (by Aug 2026). Accelerate Cohesion implementation. Continue focusing on agreed priorities and considering STEP re competitiveness.
3. Strengthen quality and labour market relevance and training
4. Accelerate deployment of renewable energy (large and small investments) – in direct energy production and consumption. Traffic congestion by improved quality and efficient public transport and step up soft mobility infrastructure investment.

Findings and Assessment (1)(a)

CSR2. Swift and effective RRP and repower EU (by Aug 2026). Accelerate Cohesion implementation. Continue focusing on agreed priorities and considering STEP re competitiveness.

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- 21-27 Programmes were adopted in late 2023, affecting the start of the Programmes
 - By end November 2024:
 - With 13 Calls launched, including 2 Aid Schemes and 1 Financial Instrument. ESF+ reached 54% commitment
 - With 25 Calls launched, and 5 Aid Schemes, ERDF/CF/JTF reached 34% commitment
 - High-level coordination efforts will once again be introduced to aid the momentum at this critical phase of the Programme implementation and to avoid bottlenecks.
 - Continued efforts to strengthen capacity both in terms of human resources as well as technical.

CSR3. Strengthen quality and labour market relevance and training

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- Malta is addressing the 2024 CSRs by enhancing education and labour market relevance and tackling skill shortages. Key operations under two different Priority Areas under the ESF+ (Priority 1 and Priority 3) and one Priority Area under ERDF/CF/JTF (Priority 3)
 - Investments under Priority 1 and 3 tied to Training for employment and Youth Guarantee, as well as ODPC and IIS scheme while investments under Priority 3 ERDF/CF/JTF are tied towards investments in mainstream and VET education facilities
 - **State of play:**
 - ESF+ Priority 1 projects recently approved, with some aspects having already started in 2024. IIS scheme launched in Q3 2023 and ODPC project awarded also in end 2023.
 - ERDF/CF/JTF Priority 3 call has been issued in Q4 2024 and shall be closing in Q1 2025.
 - **Outcome:** Still early to determine whether the intensity identified in the programmes suffices to match the needs highlighted in the CSRs. The subject nonetheless features in both programmes.

Findings and Assessment (1)(a)

CSR 4 – Accelerate deployment of renewable energy (large and small investments) – in direct energy production and consumption. Address traffic congestion by improved quality and efficient public transport and step up soft mobility infrastructure investment.



Renewable Energy: Malta is accelerating renewable energy deployment through EU-funded and nationally funded initiatives, focusing on solar energy, innovative offshore wind solutions, energy storage, a second electricity interconnector for enhanced energy security, and an organic processing plant to recover energy from organic waste, all aimed at boosting sustainability and resilience of the energy sector.

State of play: EE FI – Ongoing discussions to define financial support structures for energy efficiency investments; wind pilot requires additional technical studies possibly requiring adaptation of the programme indicators but not amounts and strategic orientation; total project cost of the interconnector was more than ERDF allocation; call related to battery storage will close in Dec; total project cost of the Organic Processing Plant was more than CF allocation.

Outcome: Still early to determine whether the intensity identified in the programmes suffices to match the needs highlighted in the CSRs. The subjects nonetheless features in both programmes.



Traffic/Public Transport: Malta is prioritising sustainable urban mobility, the ERDF/CF/JTF Programme includes several initiatives targeted at addressing this challenge, via promoting multimodal and low-carbon transport through cycling and pedestrian infrastructure, intelligent systems for the TEN-T road network, multimodal sea transport initiatives, promotion of alternative fuel systems, all aimed at decarbonising urban mobility and enhancing green public transport.

State of play: EV Charging points project being implemented; a call Investing in sustainable multimodal urban mobility has been relaunched closing in Jan 2025 for P6; whilst TEN-T Port call closed for P7 in May 2024 appears to be absorbing all budget under priority. MA to monitor closely further programme developments prior to take note of any shift of funds needed to support TEN-T roads.

Outcome: Still early to determine whether the intensity identified in the programmes suffices to match the needs highlighted in the CSRs. The subjects nonetheless features in both programmes.

Findings and Assessment

(1)(b) - (1)(d)

Article 18 (1)(b)

ESF+: Not Relevant

ERDF/CF/JTF: Programme Priorities, Objectives and Interventions were mapped with **NECP dimensions**. Programme shall be contributing towards the implementation of NECP objectives with various interventions under Priority 1, 2, 5, 6, 7 and 8. Some programme interventions will require changes to align with developments stemming from discussions with the relevant Ministries.

Article 18 (1)(c)

ESF+ & ERDF/CF/JTF: Programme Priorities, Objectives and Interventions were mapped with **EPSR principles**. Programmes shall be contributing towards the implementation of EPSR objectives with various interventions under Priority 1 and 3 ERDF/CF/JTF and Priority 1, 2, 3, 4, 5 ESF+.

Article 18 (1)(d)

ESF+ & ERDF/CF/JTF: Programme Priorities, Objectives and Interventions were mapped with points highlighted in the Country Report Annexes 4 and 17 w.r.t **Malta's socio-economic situation**. Programme shall be contributing towards addressing points highlighted in these report through various interventions under Priority 1, 2, 5, 6, 7 and 8 ERDF/CF/JTF and Priority 1, 2, 3, 4, 5 ESF+ .

Findings and Assessment (1)(e)

FEAD Structured Surveys

- Obtained feedback from end recipients in regard to support for material deprivation and accompanying measures



Thematic Evaluation on TO8 employment

- Access to Employment Aid Scheme
- Training for Employment



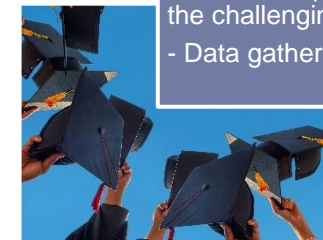
Key Processes Evaluation:

- Stronger coordination among stakeholders
- Make EU funding obligations more manageable
- Capacity building among stakeholders



Youth Guarantee 2.0 (SEC Preventive classes and NEET Activation Scheme)

- Allowing a more tailor-made approach / customisation
- Communication activities working well
- Increase complementarity pre-and during intervention particularly to improve support to the challenging group
- Data gathering (*future evaluations*)



Funding Support to Private Sector and ex-ante assessments for the setting up of funding support (TO3)

- The rationale behind the MA's decision to fund these schemes remained valid and the schemes remained relevant along the years
- Consideration of SCOs to streamline reimbursement processes
- Establishment of a unique platform for all funding possibilities



Thematic Evaluation on TO10 education

- One-Tablet-Per-Child
- Endeavour Scholarship Scheme
- Reach-High Post-Doc Grants
- FSMA/FSMA+ Financial Instrument



Evaluation Plans 21-27:

Horizontal:

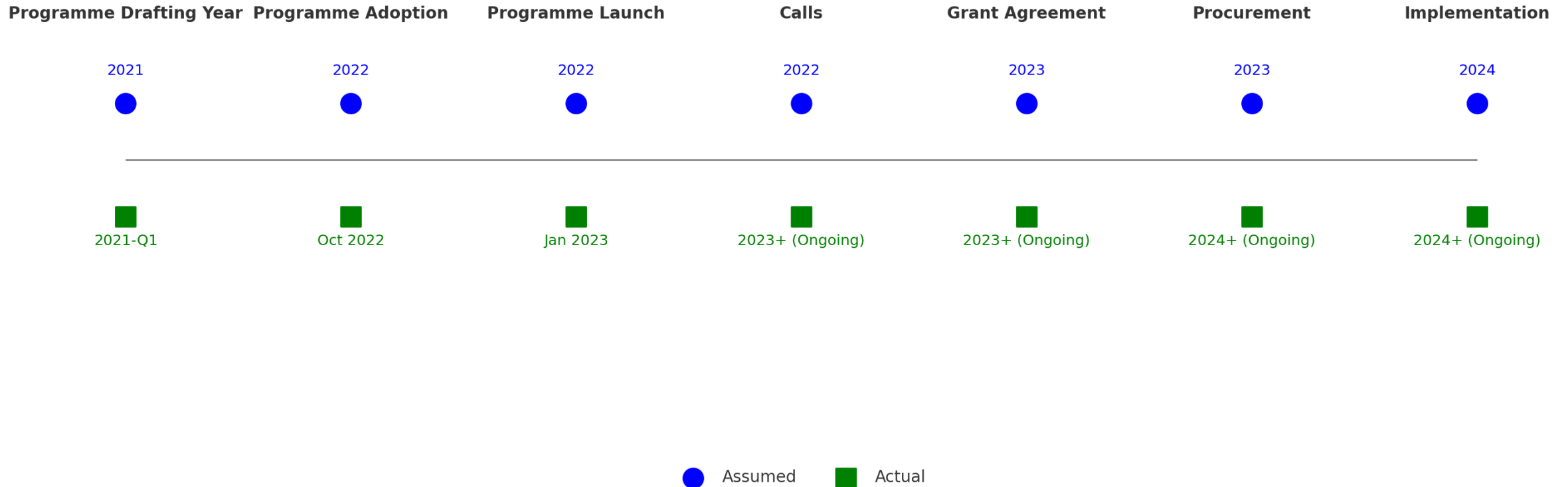
- preparatory data study,
- communication
- key processes studies; as
- summative evaluation across territory

ESF+ Specific:

- Structured Survey (material deprivation)
- longitudinal and retrospective tracer study,
- Impact evaluation on ESF+ priorities



Milestones and Targets (1)(f)



- Context:**
- Programmes' Indicator Methodology document highlighted that 2024 milestone **commitments required 2 years of implementation from programme adoption**. Programmes adopted in Q4 2022, with 1st set of projects approved in Q4 2023, thus progress registered to date reflects the steady progress on the ground and the nature of investment.
 - Challenge of overlap with the previous ERDF/CF and ESF Programmes during the new programme's start, thus limiting amount of parallel calls to be launched.

Milestones and Targets (1)(f)

ERDF/CF/JTF and ESF+ Programme Overview

ERDF/CF/JTF

Output Indicators: 25

2024 Milestones

Calls for Project Proposals: 25

Launched since January 2023

5 Aid Schemes for Private Enterprises

ESF+

Output Indicators: 22

2024 Milestones

Calls for Project Proposals: 13

Launched since January 2023

2 Aid Schemes for Private Enterprises/NGOs

Financial Instrument for Students

Mid-Term Review Observations:

Regulatory Reference Year (2024) Misaligned with
Actual Programme Implementation

Outlook: Progress was able to be registered under ESF+ in view of the nature of the indicators (participant-type as opposed to infrastructure type indicators)

Findings and Assessment (1)(g)

- **Relevant to JTF – the assessment carried out by the Commission, pursuant to point (b) of Art 29 (1) of Regulation 2018/1999:**

Not applicable

Outcome (Mid-Term Review: ERDF/CF/JTF)

Priority	Fund	EU Share (Eur)	Flexibility Amount (Eur)	Observations
1	ERDF	110.4M	16.3M	SO1.1. R&D still not fully launched; only feasibility studies launched with no take up since June 2024. SO1.2 – on hold (30M) in view of overlap with RRP. SO1.3 – mainstream and aid scheme at an early but steady pace. Part of the FI budget will be moving to InvestEU
2	ERDF	179.6M	26.6M	Taking into account that the budget requested is significantly being capped at the moment in relation to the interconnector the flexibility amount here is confirmed to be required, with possibility to move such amounts across intervention fields within SO and beyond, however at a later programme implementation stage. Modifications to better reflect the nature of interventions may be required in relation to the NECP.
3	ERDF	110.5M	16.4M	The areas covered here remain relevant. In terms of budget, the flexibility amounts are considered needed. It is still early to consider any changes to flexibility amount, however the respective projects will need to be monitored closely to identify any need for shifts later on. In addition, discussions will need to be undertaken with Health Ministry as regards to prioritization of interventions, identified under the NHSS for Malta 2023-2030.



Outcome (Mid-Term Review: ERDF/CF/JTF)

Priority	Fund	EU Share (Eur)	Flexibility Amount (Eur)	Observations
4	ERDF	34.8M	5.1M	It is still early to consider any changes to flexibility amount, however the respective projects will need to be monitored closely to identify any need for shifts later on.
5	CF	90.9M	13.6M	It is still early to consider any changes to flexibility amount, however the respective projects will need to be monitored closely to identify any need for shifts later on.
6	CF	35.9M	5.3M	It is still early to consider any changes to flexibility amount, however the respective projects will need to be monitored closely to identify any need for shifts later on.
7	CF	38.3M	5.7M	Thematic enabling condition still not fulfilled. The call for TEN-T ports application appears to be absorbing all budget under priority. MA to monitor closely further programme developments prior to take note of any shift of funds needed to support TEN-T roads.
8	JTF	23.2M	1.5M	It is still early to consider any changes to flexibility amount, however the respective projects will need to be monitored closely to identify any need for shifts later on.
9	ERDF	24.3M	3.6M	*Programme modification expected once shift to Invest EU tied to P1 takes place.
G.T.		647.9M	94.1M	

Outcome (Mid-Term Review: ESF+)

Priority	Fund	EU Share (Eur)	Flexibility Amount (Eur)	Observations
1	ESF+	24.3M	3.6M	Taking account of the priority area, even if the gender SO call had to be re-launched, the flexibility amount at priority level is still considered relevant. Any shifts will be considered at a later stage.
2	ESF+	32.4M	4.8M	Any shifts will be considered at later stage. SO linked to the health and care sector was under-subscribed but also re-launched. The inclusion call selection process is expected to absorb the funds allocated to the call whilst the TCN SO has been put on hold in view of of the policy developments on a national level in the area of migration.
3	ESF+	53.2M	7.9M	This priority is expected to be fully committed by Q1 2025, with possibility that eventually shifts may occur to move further funds to this priority but at a later stage.
4	ESF+	4.5M	0.6M	The priority is fully committed.
5	ESF+	2.4M	0.3M	Call not yet launched, at this point it is too early to consider shifting the budgetary amounts.
TA	ESF+	7.4M	1.1M	No change given overall budget not effected.
G.T.		124.2M	18.3M	

Preliminary Conclusions

- The review is taking place early in the programme's lifecycle
- A recommendation for future programmes is to integrate a call planner at programming stage to ensure better forecasting of indicators, taking into account the nature of activities, type of indicators and their respective reporting timeframes.
- Milestones progress and flexibility amount:
 - Delays in milestone achievement is a reflection of delayed start, larger programmes, and new complexities, as applicable. Nonetheless programmes are expected to continue gaining momentum towards reaching the 2029 targets.
 - No changes expected to be required tied to Flexibility amounts.
- A number of instances requiring future Programme modifications have been identified to modify certain indicators and possibly extend focus of a specific objective to better align to the implementation needs.