

GOVERNMENT POLICY OBJECTIVES		
CSR NUMBER	LIST OF MEASURES	DESCRIPTION OF DIRECT RELEVANCE
1. Ensuring Public Finance Sustainability		
1.1. Fiscal policy		
<p>CSR 1: Correct the excessive deficit in a sustainable manner by 2014. In 2015, significantly strengthen the budgetary strategy to ensure the required structural adjustment of 0.6 % of GDP towards the medium-term objective. Thereafter, pursue a structural adjustment of at least 0.5 % of GDP each year, and more in good economic conditions or if needed to ensure that the debt rule is met in order to keep the general government debt ratio on a sustained downward path.</p>	Correct the excessive deficit in a sustainable manner by 2014	Preliminary estimates suggest that the fiscal consolidation effort envisaged in the 2013 Budget and in the Stability Programme was successful in bringing the deficit down below the 3% of GDP threshold. The Government aims to maintain its efforts to reduce the nominal deficit over the course of 2014 in line with its Medium Term Objective. Moreover this will ensure that Malta remains well within the requirements of the EDP deficit threshold for 2014. Government remains committed to attain the deficit target of 2.1% of GDP contemplated in the 2013 Stability Programme.
	Review of ministerial spending allocations	A Government spending review is ongoing to ensure the achievement of improved efficiency in public spending, reduce waste and ensure value for money, thus ensuring greater financial discipline and fiscal accountability in the public sector in particular public entities and Local Councils. This should ensure that spending reflects changing priorities and changing needs.
	Ensuring an appropriate structural effort of at least 0.5 % of GDP each year	The Maltese Government is pursuing an annual improvement of its cyclically-adjusted budget balance of more than 0.5% per year. This objective is being met through expenditure consolidation via an ongoing spending review together with discretionary revenue measures announced in the budget.
1.2. Reforming the fiscal frameworks		
<p>CSR 1: Finalise the adoption of the Fiscal Responsibility Act with a view to putting in place a binding, rule-based multiannual fiscal framework and establishing an independent institution charged with the monitoring of fiscal rules and endorsing macroeconomic forecasts underpinning fiscal planning.</p>	Introduction of the Fiscal Responsibility Act and implementation of a rules-based fiscal framework	To guarantee the sustainability of fiscal consolidation measures, the Government will be enacting the Fiscal Responsibility Act in the coming weeks, thus introducing the fiscal rules underlying the SGP into national legislation. This legislation foresees the creation of an independent Fiscal Council principally tasked with monitoring, budgetary execution against targets, operation of fiscal rules and adequacy of corrective action when the structural effort necessary to achieve the MTO deviates from the required path. The Fiscal Responsibility Act envisages to promote fiscal responsibility and strengthen the role of the Ministry for Finance. The main measures include the constitution of a binding topdown budgeting approach, the establishment of a spending ceiling conditional on the independently endorsed macroeconomic and fiscal projections and the fiscal rules contemplated by the Fiscal Responsibility Act.
	Creation of a medium term budgetary framework under supervision of the Fiscal Council	The medium term budgetary framework introduces flexibility instruments such as the contingency reserve which increase the credibility of fiscal rules and minimises the risk of fiscal slippages due to temporary and unforeseen circumstances.
1.3. Reforming Expenditure Programmes		
<p>CSR 2: To ensure the long-term sustainability of public finances continue the ongoing pension reform, such as by accelerating the already enacted increase in the statutory retirement age and by consecutively linking it to changes in life expectancy.</p>	a) 2006 Pension Reform	In December 2006, the House of Representatives adopted a series of reforms (Act No. XIX of 2006) including: raising the pension age from 61 to 65; reducing retirement before pension age; adopting changes to the two-thirds pension, calculation formula, the maximum pensionable income and the crediting of contributions as provided for under the preceding legislative framework. The 2006 reform constitutes the main policy supporting the structural effort as conceived in the Stability Programme.

	<p>b) Pension Reform Process</p>	<p>Following the election of the new administration in March 2013, Government has expressed its commitment for the continuation of the pension reform process in Malta. A Joint Pensions Working Group – the Pensions Strategy Group – between the Ministry for the Family and Social Solidarity and the Ministry for Finance, was set up to review the work carried out by the Pensions Working Group, in particular the recommendations outlined in the Post-Consultation Report submitted to Government in August 2012. Furthermore it has been tasked to draw up a holistic strategy aimed at addressing the adequacy and sustainability of pensions in Malta and develop a communications strategy directed towards raising the level of public awareness on pensions issues in Malta and the need to ensure that future pension incomes are adequate in order to sustain a high standard of living in retirement. The Pensions Strategy Group is also studying fundamental first pension design issues including but not limited to whether the pension system should optimise poverty alleviation effectiveness, the smoothing of income over the life course of a person, how best to balance contributions to benefits, and how the system can be made more responsive to demography and other risks.</p>
	<p>c) Third Pillar Private Pensions</p>	<p>An Advisory Group on Third Pillar Pensions has been set up with the view to make recommendations relative to the introduction of such voluntary schemes in Malta. The group's remit was to come up with a set of eligibility criteria that financial products would need to meet in order for fiscal incentives to be granted. The group also evaluated different types of fiscal incentives which would be offered to savers, and possibly their employers, if they also help support voluntary retirement saving provision. The group also considered different options of providing the in which way to provide the fiscal relief. The group also recommended the introduction of tax-favoured accounts, where interest earned on these accounts would be tax-free, with the option of converting such accounts into personal retirement schemes. Such tax-favoured accounts would supplement the introduction of voluntary third pillar pensions in Malta.</p>
	<p>d) Active ageing</p>	<p>One of the key goals of the National Strategic Policy for Active Ageing is to increase the number of older and ageing workers in Malta by acting as catalyst for maximising healthlife expectancies for women and men, reducing dependency levels through the implementation of health promotion and disease prevention, and providing further opportunities for physical activity in later life.</p>
<p>CSR 2: Ensure that a comprehensive reform of the public health system delivers a cost-effective and sustainable use of available resources, such as strengthening primary care.</p>	<p>Investment in ICT systems and technologies</p>	<p>eHealth can benefit citizens, patients, health and care professionals but also health organisations and public authorities. It can increase sustainability and efficiency of health systems by unlocking innovation, enhancing the quality of care and citizen empowerment and encouraging organisational changes.</p>
	<p>Design and Implementation of the Food and Nutrition Policy and Action Plan</p>	<p>The aim of these studies is to gain new insight in behaviours of teenage school children and the population in general. Such information is necessary to inform policies aimed at tackling risk factors and health determinants with the aim of lessening the burden of chronic diseases on the <u>health system</u>.</p>
	<p>Design and Implementation of a Communicable Disease Strategy</p>	<p>The elimination, prevention and control of communicable diseases are necessary to reduce social and financial impacts, both in terms of health service provision and through increasing <u>productivity</u>.</p>
	<p>Conduct the Health Behaviour in School Children study</p>	<p>A cross-national research survey which is conducted every four years. The study aims to gain new insight into, and increase the understanding of young people's health and well-being, health behaviours, and their social context.</p>

	Design and Implementation of National Breast Feeding Policy	Increasing breastfeeding rates is conducive to better health for newborns and infants and their mothers. The aim of the policy is to achieve optimal infant and young child feeding by supporting all mothers who decide to: initiating breastfeeding, breastfeeding exclusively for six months; and continuing breastfeeding with appropriate complementary foods until two years and beyond, or as long as the mother and baby wish. A draft policy document was issued for consultation in June 2014. It is envisaged that the policy will be finalised and published in the last quarter of 2014.
	Publication of the National Diabetes Strategy	Government has identified diabetes as a chronic disease which merits particular attention. In this regard, planning work leading to the drafting of a National Diabetes Strategy has started. A Working Group was set up to lead the focus, identify priorities and draft the strategy document.
	Conduct a Maltese National Food Consumption Survey	The aim of this survey is to collect comparable and high quality data on the dietary habits of children and adults residing in Malta. The data collected will then be used to develop national dietary guidelines that accurately reflect the latest evidence and will be invaluable in the planning and evaluation of health policies, health promotion and research.
	Strengthen Cancer Screening Services	Together with the investment in cancer treatment services made in recent years for the new Oncology hospital, specialised equipment such as PET scanner and innovative cancer drugs, Government is committed to strengthen the cancer prevention programme.
	Addressing Gozo's accessibility challenges	Gozo's peripherality to the mainland gives rise to its double insularity, which, in turn, leads to constraints on the movement of persons, goods and services. The issue of double insularity impacts negatively on all sectors of the economy and also undermines the quality of life on the island, given the limitations on accessibility to and from the main island for important services, including, specialised health services centralised in hubs in Malta. Addressing accessibility challenges becomes even more important when considering that the biggest client group for health services in Gozo are the elderly, who face even bigger mobility issues.
1.5. Reforming Tax Administration		
CSR 1: Continue improving tax compliance and fighting tax evasion by ensuring the continued roll-out and evaluation of measures taken so far, while taking additional action, in particular by promoting the use of electronic means of payment	Tax evasion awareness campaign	To improve taxpayers' compliance, a campaign will be held to increase awareness on how money collected from taxes is being used by Government and what each citizen receives in return from the state in terms of infrastructure, services, health, education, and social security.
	Electronic payment system for payment of taxes	A report has been drawn to implement a number of initiatives within the taxation sector to encourage the increase in take of electronic payments to the tax authorities.

Consolidating the various functions of Government revenue into one Authority

The establishment of the Office of Commissioner for Revenue (CFR) was the primary objective of merging the Revenue Departments of the Ministry for Finance into one organisation to provide better services to taxpayers, resulting in less bureaucracy as per Government's policy, and collect tax revenue more efficiently and effectively. Recent changes/processes effected in respect of the merger include:

- a new accounting process in the VAT system,
- alignments in the tax return process,
- improvements in the collection systems (via the aligning of due dates and enforced collection procedures). Enact legislation to minimise the impact of interest on tax arrears for both VAT and Direct Taxation in order to support business,
- improvements in taxpayer registration process and improvements in taxpayer services,
- consolidation of cash office functions, as well as
- consolidation of compliance functions of the Tax Compliance Unit.

Furthermore, the Government will be seeking expert advice from IMF experts on this merger and also on the Budgetary process.

<p>Improve the functioning of the tax audits/tax compliance unit so as to continue combating tax evasion and avoidance and to improve the Unit's performance</p>	<p>Streamlining and enhancements include:</p> <ul style="list-style-type: none"> • Identification of an optimal system of risk analysis and targeting of taxpayers for investigations through the focus on data capturing and subsequent analysis • Initiating primary investigations and other ancillary or related actions as required • Engage in a wide spectrum of limit scope/aspect audits to reach a broader number of taxpayers and thus promote compliance • continue to engage on further fully-fledged investigations which will be complemented with other risk areas audits • collate and analyse data arising from third parties and Government Departments and Entities and plan audits and investigations according to established timeframes ensuring the least administrative burden possible via the implementation of workflow management practices • assisting in enhancing of tax audit software • electronic printing of postal registration cards to facilitate the audit process and elevate efficiency • monitoring and refinement of applied risk analysis methods and documentation which helps identify areas for improvement • liaise with other Government departments and foreign tax authorities to carry out local audits and foreign multilateral controls • review objections and conduct further investigations as required • in-house training for audit officers • simplification of fiscal legislation and increase effectiveness and enforcement of sanctions • Continuous review and updating of tax legislation and methods adopted in carrying out tax audits, taking into account changes in business processes and transactions • audit of case selection exercises through liaison with other government departments and entities • Increase off site income tax inspections and enhance enforcement of collection • Provide more guidance and information to citizens explaining their rights and obligations under the relevant laws through a tax evasion awareness campaign • Maintain double tax agreements with EU/Non EU countries.
<p>Improve the functioning of the VAT Department so as to continue combating tax evasion and avoidance and to improve the Department's performance</p>	<p>Streamlining and enhancements include:</p> <ul style="list-style-type: none"> • Enhancements to the risk analysis programme which identifies cases of potential tax evasion/avoidance to be referred for investigation • Analysing and evaluating the work processes which are in place in order to improve the Department's performance thereby resulting in increased efficiency and effectiveness • Reviewing of the information systems requirements for the VAT Risk Analysis in view of the merger process • Examining recommendations of a study which was commissioned to evaluate the current situation regarding the use of phantom-ware and zappers in Malta

Revisions to the VAT legislation

These will empower the Minister responsible for finance to revise as necessary the penalties and interest payable on taxation due in order to increase tax compliance and ease the recovery of amounts due.

Curb undeclared work and encouraging more people to enter the formal economy	<p>This entails the completion of a plan of action for the promotion of services from:</p> <ul style="list-style-type: none"> • the Maltese Public Employment Service (which strives to ensure that persons registering for primary employment and employers engaging local and foreign employees abide to their respective legal obligations) • the Law Compliance system at ETC which (which carries out desk investigations and more targeted inspections) • the Law Compliance Unit (LCU) (which works hand in hand with the Department of Social Security, Tax Compliance Unit, Vat Department as well as the Police Force in order to ensure better law enforcement). <p>In this regard, inspections were also carried out on a continuous basis by the ETC, identifying law infringements with the additional intervention of the Benefit Fraud and Investigations Department (BFID) in cases involving social security fraud.</p> <p>The Community Work Scheme is also contributing towards tackling the problem of undeclared</p>
Investment Registration Scheme	Persons residing in Malta who hold eligible assets without the necessary exchange control permits and/or, without declaring the relevant income (including capital gains) for the purposes of the Income Tax Act, will be given the opportunity to regularise their position. The scheme was launched by the Central Bank of Malta and it closes on 30 th November 2014.
Auditing of construction values	In order to reduce VAT evasion in the construction sector, if a property developer does not have available the VAT receipts to substantiate the estimated valuation of works he will be liable to pay the VAT due. This measure will also create a level playing field and promote transparency in the construction industry.

2. Raising potential output, in particular through productive capital investment, raising skill and education levels, promoting lifelong learning and increasing labour force participation.

2.1. Raising labour productivity

2.1.1. Investing in human capital (raising skill and education)

a) Early School Leaving Strategy	Preventative measures against ESL will include the implementation of the National Curriculum Framework; the provision of more opportunities for VET in compulsory secondary education; strengthening of the validation of informal and non-formal learning and development of new forms of teaching and learning, such as e-Learning. Intervention measures will include the review of existing measures with a focus on school, parent, teacher collaboration; the development of a multi-stakeholder approach to address the needs of particular groups of students at risk of ESL and further strengthening of guidance throughout compulsory secondary education. Compensation measures will include the review of second chance and re-integration programmes and the provision of comprehensive support.
b) Reform of the National Curriculum Framework (NCF) in Malta	The National Curriculum Framework in Malta aims at developing learners who are capable of successfully developing their full potential as lifelong learners; learners who are capable of sustaining their chances in the world of work; and learners who are engaged citizens in constantly changing local, regional and global realities.

<p>CSR 3: Further improve basic skills attainment and reduce early school leaving, in particular by finanlising and implementing the announced national literacy strategy.</p>	<p>c) Framework for the Educational Strategy for Malta 2014-2024</p>	<p>This framework seeks to improve students' learning experiences by encouraging creativity, critical literacy, entrepreneurship and innovation at all levels by - reduce the gaps in educational outcomes between boys and girls and between students attending different schools, decrease the number of low achievers and raise the bar in literacy, numeracy, science and technology competence, and increase student achievement; increase participation in lifelong learning and adult learning; - support educational achievement of children at-risk-of-poverty and from low socio-economic status, and reduce the relatively high incidence of early school-leavers; and - raise levels of student retainment and attainment in further, vocational, and tertiary education and training.</p>
	<p>d) Follow up exercise with 4th and 5th Formers</p>	<p>The aim is to encourage students to register with the Youth.Inc Programme or other post-secondary institutions and to explore different careers/work options.</p>
	<p>e) Stipends for repeaters</p>	<p>Students are encouraged to further their education. Whoever has a problem should be encouraged and not discouraged. For this reason, students who are repeating one year in their course are receiving their stipend. This measure came into effect on 1st January 2014.</p>
	<p>f) Tablets for Primary School Teachers and Students (Pilot Project)</p>	<p>In the process of implementing the 'One Tablet Per Child' initiative, a pilot project is currently being held to assess the introduction of tablet computing devices in all primary schools. The scope of the pilot project is to carry out an assessment on a small scale in view of the national implementation of the 'One Tablet Per Child' initiative as from 2015-2016. The pilot project will involve 22 classes in State, Church and Independent Schools in Malta and Gozo containing a total of around 400 students including students with special needs.</p>
<p>CSR 3: Further improving the labour market participation of women, in particular those wishing to re-enter the labour market by promoting flexible working arrangements.</p>	<p>g) Scholarship Schemes</p>	<p>In a small island state where education continues to play an important part of the economic and social agenda, Government has continued to invest in the people's continuing professional development via a number of scholarship programmes.</p>
	<p>i) Master it!</p>	<p>Master it! aims to provide more opportunities to promote further specialisation at higher levels of education at a Masters level. The scheme identifies nine priority areas for the Maltese economy.</p>
	<p>ii) MGSS (Post-Graduate and Under-Graduate)</p>	<p>The key objectives of the MGSS-PG are to:</p> <ul style="list-style-type: none"> • encourage and promote further participation at PG level both locally and abroad; • assist exceptional applicants to pursue further levels of academic research; • contribute towards research in identified areas of national priority; • increase the capacity and level of research, innovation and development activity in Malta. <p>The key objectives of the UG scheme are:</p> <ul style="list-style-type: none"> • To encourage more student participation at an undergraduate level in Malta and abroad; • To promote academic excellence in the private tuition sector; • To increase student choice of degrees and institutions.

	f) Get Qualified	A new version of this scheme was launched earlier this year and will cover the period 2014-2018. This Get Qualified is an initiative that supports the personal development of individuals for the achievement of qualifications and certifications required by industry. The incentive is applicable to individuals following a course of studies leading to a certification, diploma, degree or post-graduate degree courses. Upon successful completion the student will benefit from a tax credit thus recovering part of the costs incurred.
	h) Alternative Learning Programme	To provide alternative learning pathways for form 5 students not sitting for any SEC examinations and therefore, almost de facto early school leavers.

2.1.2. Lifelong learning and Training

CSR 3: Continue policy efforts to address the labour market relevance of education and training and by stepping up on the reform of the apprenticeship system.	a) Enhancing Employability through Training Programme	One of the overall objectives of this Programme is the reintegration of registered unemployed or inactive individuals into the labour market through training programmes, and the provision of assistance to employed persons to secure and advance their position within the labour market. In addition, it also provides the opportunity for men and women who have been absent from the formal economy for a relatively long period of time to regain their confidence and brush up on their skills through a series of training programmes that will ultimately facilitate their reintegration to employment.
	b) Training Aid Framework	The Training Aid Framework (TAF) was co-funded through the European Social Fund and aimed to address the challenges faced by Malta in the provision of Lifelong Learning (LLL), while at the same time providing training that is most relevant to the labour market. The objective of this scheme was to promote access to training of persons actively participating in the Maltese labour market.
	c) National Apprenticeship Scheme	The Apprenticeship Scheme is based on the dual system of vocational training; a combination of on-the-job and off-the-job training.
	d) Lifelong Learning Strategy	The Lifelong Learning Strategy is aimed to provide a framework for the provision of adult education; bring about coordination in this sector by making optimal use of diverse lifelong learning opportunities.
	e) Training for average wage earners	The initiative follows the Training Allowance for Minimum Wage Earners and is targeted towards employees who earn less than the national average wage of € 300 per week from their full-time or part-time work. It aims to provide a grant to low wage earners when they participate in further training through which they can develop their skills and thus improve their job and career prospects

2.2. Increasing Labour Force Participation

2.2.1. Raising Female Participation

	a) Universal and free Childcare Centres	To improve the affordability of childcare services families with both parents in employment benefit from free childcare. Free childcare is also provided to parents who are in education or part-time employment. This initiative is financed by Government through a public private partnership. A reduction on income declared by parents who send their children to childcare is applied. The reduction increased from € 1,300 to € 2,000 and benefits those parents who currently utilise private childcare centres. Parents in employment or education will benefit from the equivalent of their working hours as well as one hour daily for commuting and an additional 10% of their total working hours in child care services per month.
	b) Family-friendly measures in the public sector and the private sector	Government is committed to continue fostering a better balance between the workplace and the workforce, and in this regard, the family-friendly measures that were reported in last year's NRP are still ongoing.

CSR 3: Further improving the labour market participation of women, in particular those wishing to re-enter the labour market by promoting flexible working arrangements.	c) Afternoon School Service/Programmes in the Community	An after-school care service – Klabb 3-16 - which aims to provide an after-school hours' service within school structures; to bridge the gap between day school and regular working hours of parents in employment; and to utilise schools after regular school hours. It is a service for school-age children (3 to 16 years old) which runs throughout the year.
	d) Incentives to Attract More Inactive Women to the Labour Force	The National Commission for the Promotion of Equality (NCPE) encourages entities to actively foster gender equality at the workplace. This is carried out in various ways such as:
	i) Awareness raising and training	Awareness raising and training which is carried out by NCPE, which training may be requested by the entities in the private and public sector as well as NGOs, Civil Society Organisations and Educational Institutions.
	ii) Consultation on policy drafting	Consultation on policy drafting provided to private and public entities for drafting equality and sexual harassment policies.
	iii) Equality Mark	Another initiative is the 'Equality Mark' certification, which is awarded following an assessment of the policies and measures of organisations whose management is based on the recognition and promotion of the potential of all employees irrespective of their gender and caring responsibilities.
	e) Breakfast Club	The Breakfast Club is intended to provide care for children before the schools' official opening hours, from 7.00am till 8.30a.m.
2.2.2. Making Work Pay Measures		
	a) Lowering the tax wedge	Government is continuing the gradual shift from direct taxation towards indirect taxation while keeping the VAT rate unchanged, with the aim of making work pay and hence further increasing employment growth, competitiveness and ultimately boosting economic growth. Revenue losses from the revision in the income tax regime will be offset by enhanced efficiency in revenue collection as well as through revisions in indirect taxation. It is estimated that these will contribute positively to fiscal consolidation.
2.2.3. Labour Activation Programmes		
	a) Broadening Access in Education	Broadening Access to Education Initiative was set up at the University of Malta to increase participation in post-secondary and tertiary education in regions with low level of participation.
	i) Cottonera Resource Centre	The main aims of the Cottonera Resource Centre are to promote higher and tertiary education among these communities by building on existing skills and resources, providing information as well as support and guidance to those interested in furthering their education. At the same time, the Centre's remit is to promote the area's potential, in the form of skills, trades and other forms of heritage that are particular to the region.
	ii) Public Lectures	The objective of these talks was twofold. On one hand they were conducted to empower the community, especially adults who did not have the opportunity to further their education. At the same time the idea was to encourage people from outside the area to visit it, and become more familiar with the tangible and intangible heritage found there.
	iii) Mentoring	The aim of this initiative is to create mentoring projects. The mentors were University of Malta students. The mentees had one-to-one and/or group sessions on a weekly basis
	iv) Kids on Campus	The objective was for children from deprived socio-economic backgrounds to interact with children deriving from other socio-economic classes, thus increasing their social capital.

	v) Summer revision groups	Through this programme, students who applied for the SEC Exams had the opportunity to work in groups and discuss shared fields of study under the supervision of University students as their tutors.
	vi) University of the Third Age	The Cottonera Resource Centre introduced the University of the Third Age to residents who are 60.

3. Prioritising the promotion of a diversified and balanced economy

3.1. Diversification and Competitiveness

CSR no. 5: Continue efforts to increase the efficiency and reduce the length of public procurement procedures; encourage alternatives to debt-financing of companies through facilitating access to capital markets and developing venture capital funds; and increase efficiency of the judicial system by ensuring a timely and efficient implementation of the planned judicial reform.	i) Review of the start-up scheme	Malta Enterprise is currently reviewing the start up scheme. The new scheme will be aimed at facilitating access to finance. The beneficiaries from this programme will receive financing, part of which may be repayable according to the success achieved by business.
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4. Enhancing the competitiveness and transparency of the products and services markets whilst strengthening consumer protection.

4.1. Addressing skill-gaps

	a) MCAST ESF-funded projects	
	i) ESF 2.85 - Industrial Needs and VET to Optimise Human Capital	The project addresses the current and anticipated education needs of ten industrial sectors and identifies potential skills gaps and shortages of present workforce.
	ii) ESF 3.102 - Inclusion for Employment	The aim of ESF 3.102 is that of conducting a review of the Pathway to Independent Living Programme and courses between MQF Levels 1-3 through the Embedded Learning methodology and the Universal Design for Learning approach.
	iii) ESF 1.130 – Making VET Education more Relevant and Attractive	The aim of ESF 1.130 is that of conducting a substantial upgrading exercise within the context of Vocational Education at MQF Levels 4 and 5.
CSR 3: Continue policy efforts to address the labour-market relevance of education and training and by stepping up on the reform of the apprenticeship system.	iv) ESF 2.139 – Increasing Accessibility, Flexibility and Innovation to MCAST Lifelong Learning Course Offer	This project will be introducing a Blended Learning approach to a number of MCAST courses through the integration of e-learning components with traditional teaching elements. The project also aims to introduce a system of Accreditation of Prior Learning.
	v) ESF 1.34 - Addressing Skills Mismatches in the Aviation Maintenance Industry	The aim of this project was that of offering a number of courses in the aviation maintenance sector.
	b) Job Practice Scheme for young graduates	Young graduates often find it difficult to make the transition from education to work because they lack the work experience required by employers. This initiative will provide graduates/students a portfolio of skills and experience to improve their job finding prospects.

CSR 3: Further improving the labour market participation of women, in particular those wishing to re-enter the labour market by promoting flexible working arrangements.	i) Employability Index	The Employability Index will offer more guidance to students on the choices of jobs that are available for the various lines of studies by indicating to the student the potential of finding a job with the line of study being chosen.
	ii) Additional Employment Advisors	ETC's vote is being strengthened such that the Corporation would be in a position to recruit additional employment advisors. A higher complement of advisors will make it possible to offer better quality service to jobseekers.
	c) Youth Guarantee	Government has allocated funds for a Youth Guarantee project proposed as an ESF co-financed project (ESF: € 1,911,065.05, Local: € 337,246.77). Malta's youth guarantee will primarily focus on individual empowerment. Together with ongoing initiatives being undertaken by the different stakeholders, an ESF project will be launched for NEETs. NEETs will be individually profiled by experts and will receive thirty hours of direct contact with a youth worker and another ninety hours of training intervention that will consist of motivation and behaviour, labour market orientation sessions.
	d) Labour Market Trends Research	In 2012 and 2013, the Employment and Training Corporation (ETC) conducted research to capture labour market trends and forecast the skills and competences needed in the industry. Following this study, ETC is committed to continue strengthening its evidence-base to ensure that ETC is cognisant of both the supply and demand of the labour market. To this effect, ETC is presently discussing the framework to be used for the development of future periodic forecasting surveys, together with a study on the existing skills available in the labour market.
	e) ETC Collaboration to Address Skills Mismatches	The Employment and Training Corporation, together with education providers and other entities seeks to address the labour market needs and skills mismatches through the assistance that it provides youths through a number of employment and training services, including occupational guidance services and work exposure schemes.
CSR 2: Ensure that a comprehensive reform of the public health system delivers a cost-effective and sustainable use of available resources, such as strengthening primary care.	Training of Healthcare Professionals for Integrating Acute and Community Care	The aim of this measure is to equip healthcare workers with the capacity to take on new innovative practices when discharging patients hence enhancing the integration and continuity of care from the acute to the community services whilst enhancing the quality of service provided.

4.2. Raising efficiency in the generation and use of energy

	i) implementation of the National Renewable Energy Action Plan	Priority will be given to those technologies which are already widely available mainly solar PV systems and solar water heating. Financial incentives for Solar Technology are aimed at making these technologies more affordable, are being made available to the general public as well as to organisations. This will be facilitated by further measures to reduce administrative burden within MEPA.
	ii) Feed-in Tariffs	Attractive feed-in tariffs remained the main support tool to incentivise PV deployment unless benefiting from a grant. As a result of these efforts, the total capacity of PVs allocated a feed-in-tariff by MRA as at 28 February 2014 increased to 68.8MWp, out of which 27.2MWp are already commissioned and connected to the grid.
	iii) Solar farm Policy	The policy is intended to provide the definition of a solar farm and sets out the fundamental criteria to guide the planning and consideration of solar farm development. The guidelines shall provide appropriate siting for solar farms development with priority given to large scale rooftops, car parks, industrial areas and quarries.

	iv) Wind farms	Since the energy policy was published in 2012, the conclusions of several studies on wind farms (EIA and AA reports) became available. There were also several changes in the national energy priorities, driven by new initiatives in conventional energy generation being undertaken by Government. Environmental studies are also under way on two other onshore sites, Hal Far and Wied Rini but in both cases results show that development of wind farms shall face environmental issues.
CSR 4: Diversify the energy mix in the economy, and energy sources, in particular through including by increasing the share of energy produced from take up of renewable sources	v) electricity interconnector	the electricity interconnector with Sicily is expected to become operational in 2014. This will bring about an important change to the energy system, since Malta will no longer be an isolated island, in terms of energy supply, thus increasing energy security. The increase in capacity as a result of the interconnector shall result in the switching off of the Marsa power station and thus improving the overall efficiency. it is estimated that the electrical interconnection to the European energy grid will only be commissioned and placed in commercial operation by the end of 2014.
	vi) Developing electricity distribution network	Malta is continuing to pursue the development of its internal electricity distribution network, both to meet increased consumer demand and to enable the connection of increased renewable energy installations. A new 132kV primary distribution centre (sub-station) in Kappara has been constructed and is intended to receive the electricity imported from the Interconnector and to distribute it to the network for distribution throughout Malta.
	vii) smart metering	meters are being installed for every electricity consumer in Malta. This is expected to lead to a reduction in energy consumption by changing consumer behaviour through information on energy consumption. The current target is to complete the installation of meters by the end of the third quarter of 2014. By 31 July 2013, 218,815 electricity meters were installed of which <u>146,192 were commissioned.</u>
	viii) gas interconnector	This is also expected to reduce Malta's CO2 emissions. In fact, it is estimated that the interconnector and natural gas projects will result in CO2 emissions reductions of over 300Gg per annum. The outcome of the cost-benefit analysis is expected by 2014. This analysis should determine the commercial viability of such a project and its effect on the Maltese economy.
	viii) switching from Liquid Fuel Oils to Natural Gas	This new source will reduce Malta's dependence on electricity produced from oil, and will result in corresponding reductions in both electricity costs and environmental emissions, in line with the European Union roadmap. Consequently reductions in electricity costs will reflect in reduced tariffs to the end consumer thus channelling more money into the economy.
	ix) energy efficiency in buildings	The Building Regulation Office (BRO), on behalf of the Building Regulation Board (BRB) has commissioned cost-optimal studies in order to check the levels of the existing national minimum requirements. The Malta Resource Authority in collaboration with the Building Regulation Board and the Building Regulation Office amongst others shall draw up the NEEAP and other national plans in order to increase the number of nearly zero-energy buildings and measures concerning the use of energy from renewable sources in new buildings and existing buildings undergoing major renovation.

	<p>x) Implementation of Malta's national strategy for policy and abatement measures relating to the reduction of greenhouse gas emissions.</p>	<p>The organisational framework set out in the Strategy was partially established with the Climate Change and Policy Unit (CCPU) of the Malta Resources Authority. A June 2013 Cabinet decision has built upon this organisational structure to establish climate change as a horizontal, cross-cutting, policy framework. An Inter-Ministerial Committee involving different ministries has been established to ensure synergy between the different governmental policies having a bearing on climate change or which may be impacted by climate change and the effects thereof. Measures within the energy sector as mentioned above and the project of gas management at non-hazardous landfills impact of the progress on the abatement measures.</p> <p>The efficiency of Reverse Osmosis plants is essential to achieve high quality water with a low emission footprint. Finally, Projects related to Waste and Agriculture (capping and extraction of gases from Magħtab and other landfills, Sant' Antnin Waste Treatment Plant and the implementation of the Nitrates Action Plan) are also contributing further to a reduction of emissions from this sector.</p>
4.3. Transport Policy		
<p>CSR 4: Diversify the energy mix in the economy, and energy sources, in particular through including by increasing the share of energy produced from take up of renewable sources</p>	<p>i) Biofuels in Road Transport</p>	<p>The introduction of the biofuel substitution obligation (described above) has proved to be a valuable tool in the promotion of sustainable biofuels, decreasing lifecycle greenhouse gas emissions from fuels used in the transport sector.</p>
	<p>ii) Energy efficiency in Transport</p>	<p>The public transport reform is a key contributor to reduce emissions. This process led to an overhaul in the bus fleet which has increased vehicle efficiency. Action is now focused to instil an effective modal shift which should bring about a perceptible contribution to the reduction of greenhouse gas emissions from passenger transport.</p> <ol style="list-style-type: none"> 1. In depth review of current processes. 2. Publication and Implementation of White Paper – 'Ensuring your rights to entitlement medicines at the time you require them'.
	<p>vi) Autogas conversion scheme</p>	<p>This scheme makes it more attractive for car owners to convert their cars to autogas. The indirect effects will be a healthier local population due to cleaner air (therefore less expenditure on pollution-related ailments) and less CO2 emissions hence enabling Malta to reach its climate change targets.</p>
4.4. Justice System Reform		
<p>CSR 5: Continue efforts to increase the efficiency and reduce the length of public procurement procedures; encourage alternatives to debt-financing of companies through facilitating access to capital markets and developing venture capital funds; and increase efficiency of the judicial system by ensuring a timely and efficient implementation of the planned judicial reform.</p>	<p>implementation of judicial reform</p>	<p>The implementation process of the reform measures are structured over a three-year period: 2014-2016. During the first half of 2014, the necessary Constitutional and legal amendments are enacted and the implementation is envisaged of those measures that have legal endorsement and are deemed as urgent for the benefit of the general public, good administration and the elimination of undue bureaucracy. In particular, action will be taken to address the time it takes to resolve insolvency cases. Given that the ownership of the reform measures rests on the respective entities directly responsible for their implementation, a seminar held in late February was followed by the setting up of a Justice Reform Implementation Committee (JuRIC) that will meet on a regular basis under the chairmanship of the Parliamentary Secretariat for Justice to monitor the progress and iron out difficulties relating to the implementation of the reform process. The works on the new premises for the Judiciary have been finalised.</p>

5. Ensuring that the public service is not only efficient and cost-effective, but delivers a quality service.

5.1. Enhancing the efficiency and cost-effectiveness of public service

<p>CSR 5: Continue efforts to increase the efficiency and reduce the length of public procurement procedures; encourage alternatives to debt-financing of companies through facilitating access to capital markets and developing venture capital funds; and increase efficiency of the judicial system by ensuring a timely and efficient implementation of the planned judicial reform.</p>	<p>i) transition to e-procurement</p>	<p>The transition to e-procurement will certainly contribute to increase the efficiency of public procurement in Malta. However, while it must certainly be considered as a very important tool to increase efficiency, other aspects of the procurement cycle need to be addressed in parallel in order to increase efficiency. The full transition to e-procurement will make the procurement system simpler, more efficient and effective, both for Economic Operators and for Contracting Authorities. E-procurement aims to increase the visibility and accessibility of tenders. It will be less costly both in terms of bidding and process costs. It is expected to also reduce the number of litigations over time. registration by foreign Economic Operators in the e-procurement system has increased over the last few months of 2013. On 1 April 2013, there were 82 foreign EOs registered; these had gone up to 199 as at end July 2013. Until 31 December 2013, the number of foreign EOs registered with the system had increased to 409. This figure continued to increase from 466 at the end of January 2014 to 743 as at end September 2014, that is, an increase of 59%.</p>
	<p>ii) reduction in time periods of tendering</p>	<p>It is expected that there would be a reduction in time for Contracting Authorities to prepare and publish a call for tenders and a reduction in the time employed by Economic Operators to implement e-tendering. Time reductions are foreseen also with regards to the tendering period and the average adjudication period. In fact, further streamlining public procurement whereby tenders whose value exceeds a certain amount, will fall under the three package procedure. This will translate in an automatic reduction of 20 days of the period required to award a tender.</p>
<p>CSR no. 2: Ensure that a comprehensive reform of the public health system delivers a cost-effective and sustainable use of available resources, such as strengthening primary care</p>	<p>Review of the medicines and medical devices procurement and distribution processes</p>	<p>Review of the procurement, management and distribution processes practices with the aim of streamlining these processes to persistently improve their reliability, dependability and reduce bureaucracy.</p>
	<p>National Health Strategy</p>	<p>Publication of a National Health Systems Strategy providing an overarching framework that seeks to attain good quality and accessible healthcare, but above all sustainability in healthcare provision. The overall objectives of the NHSS are to:</p> <ul style="list-style-type: none"> - respond to increasing demand and challenges - achieve timely access - improve quality of care <p>secure the sustainability of the Maltese Health System.</p>

Health System Performance Assessment Framework	The Health Systems Performance Assessment Framework is a joint initiative between Government and the WHO. The aim of the framework is also to provide for regular surveillance on the performance of the health system towards its set objectives. The periodic epidemiological and clinical information will provide feedback on the value generated by the resources being invested in the health system.
Increasing the range of services offered at primary level	Initiatives under this measure are aimed at increasing the effectiveness of the primary care sector by decreasing the load on the acute sector and increasing the interaction between public and private primary care provision with the aim of enhancing access.
Upgrading of current primary healthcare facilities	Government is committed to reduce the unnecessary use of specialist and hospital services by re-orienting existing services to primary, rehabilitation and community services. Reducing unnecessary use of specialist and hospital services is widely accepted as one of the methods to make the system more efficient and cost effective. Upgrading is necessary to keep abreast with the increasing demand and the constant advancement in medical technology.
eHealth (inc. Electronic Health Records)	Aim to increase sustainability and efficiency of health systems by unlocking innovation, enhancing the quality of care and citizen empowerment and encouraging organisational changes.
Opening of new regional centres	Government intends to build a New Regional Centre which will serve as a hub for a number of satellite health clinics. This new build is necessary as current premises are not suitable to accommodate the new more specialised services Government intends to devolve from the acute sector to the primary sector.