

Table 1. Description of the measure taken and information on their qualitative impact											
CSR number (1)	CSR sub-categories (2)	Number and short title of the measure (3)	Information of the planned and already enacted measures							Foreseen Impacts	
			Description of main measures of direct relevance to address the CSRs					Europe 2020 targets	Challenges/Risks	Budgetary implications	Qualitative elements
			Main policy objectives and relevance for CSR (4)	Description of the measure (5)	Legal/administrative instruments (6)	Timetable on progress achieved in the last 12 months (7)	Timetable on upcoming steps (8)	Estimated contribution to Europe 2020 targets (9)	Specific challenges/risks in implementing the measures (10)	Overall and yearly change in government revenue and expenditure (reported in mln. national currency) Contribution of EU funds (source and amounts) (11)	Qualitative description of foreseen impacts and their timing (12)
CSR 1	a) Specify and implement the measures needed to achieve the annual structural adjustment effort set out in the Council recommendations under the EDP in order to correct the excessive deficit by 2014 in a sustainable and growth-friendly manner, limiting recourse to one-off/temporary measures.	Measure 1 – Review of ministerial spending allocations	The Government is committed to keeping Government expenditure in check including by improving efficiency in public spending	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.						A quantitative estimate of the budgetary implications is being presented in the Update of the Stability Programme.	
	b) After correcting the excessive deficit, pursue the structural adjustment effort at an appropriate pace so as to reach the MTO by 2019	Measure 1 – Ensuring an appropriate structural effort	Ensuring public finance sustainability in the short to medium term, while also addressing the long term is a key Government objective. Government is also committed to meet its commitments as per the Stability Programme which includes aiming for a balanced structural budget as its medium-term objective (MTO).	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.						The quantification of this measure will be included in the Stability Programme.	
	c) Put in place a binding, rule-based multiannual fiscal framework in 2013	Measure 1 – Implementing a rules-based fiscal framework	Government acknowledges the important role that national fiscal frameworks may play in sustaining budgetary retrenchment. The Government is committed to a full reform of the Maltese fiscal framework.	A Fiscal Responsibility Act (FRA) will entrench into Maltese law a set of fiscal rules designed to strengthen the budgetary process. The FRA transposes into Maltese law the provisions of relevant EU Directives.	Legal act to be adopted by the Parliament.	A bill has been drafted and is in the process of being adopted by the Maltese Parliament.					
	d) Ensure concrete delivery of measures taken to increase	Measure 1 – Investment Registration Scheme	Taxpayers will be given the opportunity to regularise their position.	Individuals residing in Malta who hold eligible assets without the necessary exchange			The scheme is expected to be concluded by the end of August 2014.				

	tax compliance and fight tax evasion			control permits will be given the opportunity to regularise their position.							
		Measure 2 – Auditing of construction values	This measure will create a level playing field and promote transparency in the construction industry.	Main aim of this measure is to reduce VAT evasion in the construction sector.			This measure is envisaged to start in January 2015.				
		Measure 3 – Tax evasion awareness campaign (Commissioner for Revenue)	This campaign is mainly aimed to combat tax evasion.	Improve taxpayer's compliance by increasing awareness of how the money collected from taxes is being used by the Government.			Measure is envisaged to start in the second quarter 2014.				
		Measure 4 – Consolidating the various functions of Government Revenue into one Authority	Through the merger, Malta is expecting a positive impact in terms of compliance as well as in terms of taxpayer services.	The primary objective for the establishment of this Office was to merge the Revenue Departments of the Ministry for Finance into one organisation to provide better services to taxpayers.			<p>1. VAT and Inland Revenue Accounting – January 2014 new accounting process implemented at VAT.</p> <p>2. Tax Return process alignments – to be completed by September 2014.</p> <p>3. Collection Systems – start date June 2014.</p> <p>4. Taxpayer Registration – Data cleaning to be completed by June 2014.</p> <p>5. Cash Office – This matter will be addressed in the period June to September 2014.</p> <p>6. Taxpayer Services – matter will be addressed in the period June to November 2014.</p> <p>7. Tax Compliance – Consolidate compliance functions by June 2014.</p> <p>8. Legal and International – start off a joint plan of work based on the above-mentioned activities i.e. 1 to 7 above. Work started in October, 2013.</p> <p>9. Online Systems – process to consolidate</p>				

							registration forms for the use of online services, to be concluded this year.				
	c) Take action to reduce the debt bias in corporate taxation	Measure 1 – An evaluation of the leverage in the corporate sector and the role of taxation	A proper understanding of the factors underpinning the level of leverage in the corporate sector is critical prior to any policy decision to take action to reduce the claimed debt bias in corporate taxation.	<p>The results of the analysis were shared with the Commission in a bilateral meeting. Research highlighted possible areas which the Maltese Authorities can address in order to address the problem of the debt bias in corporate financing, and also supports ongoing measures which could also help to mitigate the problem.</p> <p>The analysis clearly demonstrated that in the context of the full imputation system prevailing in Malta, the tax system actually eliminates the debt bias typical of the classical tax system applying in all the other EU member states. In particular, the debt-equity choice is tax-neutral since shareholders receive full credit for any tax paid by the company on profits distributed as dividends.</p> <p>Therefore the hypothesis of a debt bias in the corporate tax system in Malta is therefore deemed to be unfounded.</p>		Having concluded that there is no debt bias in corporate taxation, Government is considering other non-tax measures which have the potential of reducing corporate leverage in the Maltese economy.					
CSR 2	a) To ensure the long-term sustainability of public finances, continue to reform the pension system to curb the projected increase in expenditure, including by measures such as accelerating the increase in the statutory retirement age, increasing the effective retirement age by	Measure 1 – Pension reform	Malta is still at high risk with regard to the long-term sustainability of its public finances due to the projected long-term cost of ageing.	An interministerial working group – the Pensions Strategy Group (PSG) – was set up to review the work carried out by the Pensions Working Group,. The PSG 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		The Pensions Strategy Group is to deliver its report to the Ministry for the Family and Social Solidarity by September 2014. In determining an agenda for reform the Government will seek to secure consensus with the Opposition and social partners so that the process of reform becomes a national one and hence ensures continuity so important for successful implementation.	As per previous column, the Pensions Strategy Group will finalise its strategy by September 2014.		Main challenges concern the increase in awareness by the stake holders including the general public that further fine tuning to the first pillar is necessary to maintain sustainability and adequacy of pension system.	Government revenue from social security contributions increased with effect from 2011 by way of Pension Reform of 2007 by virtue of the increase in payment of social security contributions by persons born on or after 1/1/1962 due a guaranteed maximum pensionable income for this group.	Further reforms should mitigate for the demographic changes which if left unchanged would continue to have a negative effect on sustainability and adequacy.

	aligning the retirement age or pension benefits to changes in life expectancy and by encouraging private pension savings.			are adequate in order to sustain a high standard of living in retirement. Government is also in the process of reconstituting the Commission on Financial Literacy and Pension Retirement.						Government expenditure not yet affected by Pension reform of 2007 given that the first increase in the pensionable age came into effect in January 2014.	
		Measure 2 – Third Pillar Pensions		In the Budget for 2014, the Government announced that fiscal incentives will be introduced to encourage people to take out private pensions. The legislative framework, the Retirement Pensions Act, has been approved by Parliament in 2011 and it is foreseen that it will come into force in 2014. The Act will be supported by a number of Regulations (Legal Notices) and Rules to be issued by the Malta Financial Services Authority (MFSA). The Regulations and Rules were submitted for consultation on 1 April 2013. The MFSA is currently reviewing the substantial amount of feedback received from the market and amending Rules and Regulations where it deems necessary.		Legislation has already been approved by Parliament.	It is foreseen that legislations for the third pillar pensions will enter into force in 2014. The necessary legislative amendments relative to the introduction of tax incentives for third pillar pensions will also be enacted by end 2014.		Main challenge is the uptake of this measure which mainly depends on the package of incentives made available.	No effect on Government revenue or expenditure.	The uptake of this measure will serve to supplement the amount of pension from the first pillar to increase the level of income of future pensioners.
	b) Take measures to increase the employment rate of older workers by finalising and implementing a comprehensive active ageing strategy	Measure 1 – Increasing the employment rate of older workers	Raising the participation of older workers is on the labour market policy priorities of the Maltese Government.	Government has introduced legislation which enabled persons of pensionable age under the age of 65 to work without losing their pension entitlements, irrespective of the amount of earnings and irrespective of their age. Furthermore, the Government has	Government has introduced legislation which enabled persons of pensionable age under the age of 65 to work without losing their pension entitlements, irrespective of the amount of earnings and irrespective of their age.	Number of pensioners in employment as on 31/12/2013 – 10416. This measure was announced this year and therefore no		Increase in the employment rate of older workers.	Main challenge is to entice more pensioners to continue with their employment/self-employment.	In case of employment/self-employment, payment of social security contributions is due up to 65 years. Therefore more pensioners in employment/self-employment results in an increase in Government revenue from payment of social security contributions.	This measure helps pensioners to supplement their income through continued employment. Through this measure, older

				<p>introduced the extension of the 15 per cent contribution to all pensioners whose annual earnings from self-employment do not exceed the minimum earnings threshold.</p> <p>In the Budget for 2014, another budgetary scheme was announced to incentivise the training and employment of persons between 45 and 65 years of age. An income tax deduction of € 5,800 will be given for the first two years which results in a saving of € 2,030 annually for each person employed from the unemployment register. Apart from this, companies employing such persons will benefit from an income tax of 50% of the cost of training of these workers, up to a maximum of € 400.</p>		progress can be recorded.					persons who are more at risk of being detached from the labour market, in particular the older cohort who is unemployed would be given the opportunity to develop their skills and employability prospects through fiscal incentives provided to the employer.
		Measure 2 - Active Ageing Policy	<p>The launch of National Strategic Policy for Active Ageing: Malta 2014-2020. One of its key goals is to increase the number of older and ageing workers in Malta. The National Strategic Policy aims to reach such an objective by acting as a catalyst for maximising health life 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>On 3 May 2013, a National Commission for Active Ageing was set up to advise the Government with regard to the setting up of a National Policy for Active Ageing: Malta 2014-2020. The National Commission for Active Ageing finalised the National Strategic Policy for Active Ageing: Malta 2014-2020 on the 3rd October 2013. This Strategy was launched on the 25th November 2013.</p> <p>The Strategy takes stock of and builds upon existing measures, programmes and actions in the areas of active ageing by proposing further initiatives aimed at ensuring the sustainability of the pension system, increasing employability later in life, improving healthy life expectancy, ensuring social participation and social inclusion, as well as</p>	The first changes to the legal framework governing pensions were introduced in 2008. In the years 2009-2013, the retirement age has been harmonised to 61 for both males and females.	In 2014, the retirement age was increased to 62.	By 2019 the retirement age will increase to 63.	This measure is still currently being implemented and it is too early to assess its contribution towards the established targets.			

				<p>addressing independent living to enable more older persons to 'age in place'. Initiatives that support sustainable principles, and which seek to provide adequate incomes in later life and strengthen the financial autonomy of older people will also be included.</p> <p>The Office of the Parliamentary Secretariat for Rights of Persons with Disability and Active Ageing set up an Inter-Ministerial Committee for Active Ageing whose remit is to implement all the policy recommendations inherent in the document. Following several ad hoc meetings ownership of the implementation process was transferred to the Active Ageing Unit within the Department of Elderly and Community Care. The Active Ageing Unit was launched on 25th February 2014 whereby its first priority will be to transform all policy recommendations in the Strategic Policy into concrete deliverables.</p>							
	c) Pursue healthcare reforms to increase the cost-effectiveness of the sector, in particular by strengthening public primary care provision.	Measure 1 – Improving Governance: National Health Systems Strategy (NHSS)	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.	<p>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>	Administrative – Policy Document 'A National Health Systems Strategy for Malta 2014-2020'.	Draft NHSS published in February 2014 for consultation.	Consultation period closes on the 31 st March. Feedback will be analysed and changes included as necessary. Finalised NHSS to be published by end June 2014		<p>Dependant on whole of Government and whole-of-society engagement.</p> <p>Cooperation from stakeholders.</p>	Not estimated yet.	Foreseen impacts are likely to be a more coordinated and homogeneous delivery of care with best use of finite resources over the long term.
		Measure 2 – Improving Governance: Setting up of Health Systems Performance Assessment Framework (HSPA)	Having in place updated and detailed financial health information enables Government to provide for better budgetary calculations and better planning for healthcare provision. This is likely to achieve better value for money.	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	Administrative - Policy Document 'A National Health Systems Strategy for Malta 2014-2020' as well as dedicated document on HSPA once work is finalised.	<p>Working Group set up in 3rd quarter 2013.</p> <p>Collation of indicators, development of evaluation criteria and initial shortlisting in 1st quarter 2014.</p>	<p>External validation in 2nd quarter 2014.</p> <p>Compilation of first HSPA Report by end 2014.</p>		Stakeholder engagement.	Proposed role of HSPA is to inform future budgetary prioritisation and health system performance. € 21,000 WHO	Better planned services and more performance based healthcare system. Likely foreseen impact is in the long term.

				and clinical information will provide feedback on the value generated by the resources being invested in the health system.							
		Measure 3 – Improving Governance: Review of the medicines and medical devices procurement and distribution processes	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>1. In depth review of current processes.</p> <p>2. Publication and Implementation of White Paper – ‘Ensuring your rights to entitlement medicines at the time you require them’.</p>		<p>1. Completed.</p> <p>2. Receipt of feedback on White Paper and presentation of Action Plan. Set up Working Group to further develop project and presentation/implementation of the Action Plan. Centralisation of all medicines and medical supplies in one centralised location.</p> <p>3. A number of cost-effective and less bureaucratic procurement procedures have been introduced. These include pay-per-use system for medical devices and, four year Framework Agreements for the procurement of medicines and devices. A procedure to amalgamate all relevant bonds based on annual purchasing into a single performance guarantee has also been set up. Changes were made to tender specifications to allow any company to submit a bid for tenders irrespective of whether the product is registered in Malta or not. The registration procedure is started if and once the tender is awarded. Government has also centralised its medicinal stock in one store.</p>	<p>1. Ongoing reviews of business processes.</p> <p>2. During 2014, start of implementation of recommendations for further action which currently is awaiting Cabinet approval.</p>		Stakeholder engagement.	Processes are designed to maximise the cost effectiveness of the public pharmaceuticals and medical device procurement.	<p>Better control of the physical inventory especially accurate inventory records.</p> <p>Better understanding of where the inventory is going and to whom.</p> <p>Better understanding of who is prescribing and to whom.</p> <p>Establishment of a solid and informed foundation to launch the procurement and distribution process based on the feedback to the White Paper.</p> <p>Reduction of bureaucracy, improvement in reliability and dependability.</p>
		Measure 4 – Improving Governance: Further investment in ICT and Technologies	eHealth (inc. Electronic Health Records) can increase sustainability and efficiency of health systems by unlocking innovation, enhancing the quality of care and citizen empowerment and encouraging organisational changes.	1. New Clinical Patient Administration System. Through this system, patients and licensed clinicians can have access to patient records (both inter-health and also external). It is also being proposed that clinicians (GPs, etc) will update patient notes into CPAS, providing one common health record per patient. This would greatly facilitate diagnosis, and eliminate unnecessary		1. Completed in January 2014.	1. June 2014 – E-prescriptions and E-Entitlements using E-ID, October 2014 – Patient record access to GPs (with patient presence), December 2014 GPs E-prescriptions.		Stakeholder engagement.	Not estimated yet.	1. Better HR utilisation. Elimination of Patient waiting time for prescriptions new/changes. Streamlining Medicines distribution. Having one single repository containing patient’s records (being Govt, private) Better planning for any future services.

				tests and prescriptions. 2. Design and implementation of a business/artificial intelligence tool in Malta's main acute hospital – Mater Dei (MDH).		2. Ongoing	2. Funding proposal submitted for consideration.				2. This would uncover inefficiencies in the system. The tool will, for example, flag re-admissions and provide in-patient tracking.
		Measure 5 – Health Promotion and Disease Prevention: Publication and implementation of Health Promotion and Disease Prevention Strategies/Policy Documents	Chronic diseases are of major burden not only to individuals but also on healthcare systems. Addressing the determinants of health and risk factors is likely to contribute to positive health benefits and active ageing, and likely to alleviate the burden on the healthcare system. Given the foreseen demographic and epidemiological trends, failure to implement a concerted strategy for prevention, early diagnosis and postponement/avoidance of complications from diabetes will result in higher healthcare and social care expenditures. The adoption and implementation of such a strategy is aimed at reducing the impact of diabetes on health care expenditure through careful management and support. In addition, diabetes is well known as a contributor towards poverty	1. Building on the work done in the recent years in this area including the publication and ongoing implementation of various strategies, a number of other strategies are being drafted and will be published in 2014. These include: a. The Food and Nutrition Policy and Action Plan b. National Breastfeeding Policy c. Communicable Disease Strategy d. Publication of a Diabetes Strategy		a. Action Plan launched for consultation in February 2014. b. Currently being drafted. c. Drafting work is ongoing. d. Preparatory work on the Diabetes Strategy started in January 2014. Epidemiological data analysis underway.	a. Consultation closes end of March. Incorporation of feedback by end of May 2014. b. Aim to publish in last quarter of 2014. c. Aim to publish by end 2014. d. A steering group to oversee the drafting and consultation for the Diabetes Strategy was established in March 2014 and is expected to commence its work in April 2014. A draft strategy for national consultation is expected to be launched in November 2014 on World Diabetes Day. Following consultation the full plan is targeted for adoption by February		a. Need to ensure that relevant stakeholders implement measures under their portfolio since this is an intersectoral strategy. b. Availability of supportive environment to encourage uptake. c. Clinician engagement/take up of recommended lifestyle changes by the population. d. Lack of available data to draw up appropriate baseline measures and projections, delays in the adoption or the plan, difficulties in funding the immediate expenditures required to ensure long term gains.	a. Being estimated. b. No additional expenditure envisaged. c. Not available yet. d. Not available yet.	Improvement of healthy life expectancy/reduction of disease burden/sustainability of healthcare system.

			and social exclusion particularly when associated with complications. The strategy therefore aims to contribute to social inclusion for diabetics.				2015.				
		Measure 6 – Health Promotion and Disease Prevention: Design and Implementation of studies related to food consumption and health behaviour	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 health system.	1. Conduct the 'Health Behaviour in School Children' study 2. Conduct a 'Maltese National Food Consumption Survey'.		1. Fieldwork underway. 2. Tool development underway.	1. Fieldwork finalisation by May 2014 and submission of data to ICC in last quarter 2014. 2. Piloting envisaged for 4 th quarter 2014 and fieldwork in 2015.		Response rate	Not applicable.	Establishment of health status and behaviours for monitoring and evaluation of interventions and to inform policy making.
		Measure 7 - Strengthening Primary Health Care: Increasing the range of services offered at primary level	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.	1. Extension of operating times of Orthopaedic Outreach Clinic in Mosta, Paola, Qormi Health Centres. 2. Opening of a minor operations theatre at Mosta Health Centre. 3. Introduction of Wound Clinics in more health centres. 4. Extension of Appointment Clinics for Investigation and X-Ray Results and Treatment. 5. Introduction of NaProTechnology (Natural Procreative Technology) Clinic. 6. Extension of opening hours of Birkirkara Health Centres. 7. Devolving the Anticoagulation Clinic from Mater Dei Hospital (state acute hospital) to health centres.		1. Completed in February 2014. Sessions increased from 8 to a total of 14. 2. Completed in January 2014. 3. Completed in February 2014 with wound clinic at Rabat Health Centre. 4. Completed in July 2013. 5. Completed. Operating every two weeks as from November 2013. 6. Completed. Opening hours extended by 20 hours for GP services and 43 hours for nursing services. 7. The procurement of machines has been finalised. Procurement of software is in adjudication phase. Training of staff has started. Infrastructural work for these	1. Not applicable. 2. Not applicable. 3. Not applicable. 4. Not applicable. 5. Not applicable. 6. Not applicable. 7. Finish adjudication of software (beginning of April). Finish training (end of April).	4. Address social exclusion by providing tests and results at community level (more accessible). 5. Increasing employment opportunities as a specialised nurse was trained. 6. Poverty and Social exclusion (since primary care services were increased). 7. Innovation (an innovative and safer service); Education (staff training was required).	1. Not applicable 2. Not applicable 3. Not applicable. 4. Not applicable. 5. Not applicable 6. Not applicable 7. Process might be delayed due to adjudication problems. This will affect also staff training as	1. Nil 2. Nil 3. Nil 4. Nil 5. Nil 6. Nil (re-engineering of work practices done). 7. Re-engineering of work practices done. € 40,000 monthly expenditure on test strips.	1. Decrease in load on secondary care, decrease waiting lists at secondary care level, service closer to the community and thus more accessible. 2. Decrease waiting list at Mater Dei, with easier accessibility. 3. Decrease waiting list at Dermatology Hospital, with easier accessibility. 4. Increase accessibility to investigations and results. Decreasing waiting lists for this at secondary care level. 5. Increase accessibility as this service was only available at Gozo General Hospital. 6. Easier access to primary care services very close to a secondary care hospital catchment area. 7. A safer system; easier access to patients for this service; patients can be given the dose required at point of

				clinics is being done. Devolution plan being devised.	Finish infrastructure (end of April). Finalise devolution plan (end of April). Start the devolution in May.		training needs to be done on the software.	Capital expenditure on machines and software (still to be adjudicated).	care.
			8. Introduction of Chronic Disease Management Clinics.	8. Plan to start a pilot of these clinics was drawn up.	8. Discuss the plan and start a pilot at Qormi Health Centre (July – August 2014).	8. Give holistic primary care services to the community thus tackling cases which due to poverty/social exclusion are not being adequately treated well in the community.	8. Limited manpower is a risk for this implementation.	8. Re-engineering of practices is being considered to mitigate costs of added manpower.	8. Delivering holistic one stop shop primary care services, which will result in better patient care and ultimately less patients needing to access secondary care which is more expensive.
			9. Reduction in Waiting Times for Ophthalmology; Optometry and Glaucoma Clinics.	9. Expression of interest to employ an ophthalmologist, expression of interest to recruit optometry services which was successful.	9. Employ an ophthalmologist (see risk column).	9. Tackling poverty and social exclusion as patients who cannot afford to pay for private optometry/ophthalmic services would otherwise not be able to have their needs attended to.	9. The interest was from a foreign and a local applicant who both still need to have their specialist status registered with the Specialist Accreditation Committee. This process is lengthy.	9. € 62,400 (ophthalmologist fees) every year.	9. Giving primary healthcare services and decrease waiting lists.
			10. Introduction of Catheterisation Service at Health Centres	10. Measure completed.	10. Measure completed.	10. Patients who had to resort to private services or go to Mater Dei can now have this service in the community – tackling poverty and social exclusion.	10. Measure completed.	10. Nil	10. Easier access to community services and decrease load on secondary care.
			11. Opening of a Chronic Kidney Disease Protection Clinic in two health centres.	11. This service started on 6 June 2013 at Qormi Health Centre and has been extended to Paola Health Centre as from 1 July 2013.	11. Measure completed.	11. Tackling poverty and social exclusion – these patients previously had to resort to the private sector for such a service. Education – training of staff was done.	11. Measure completed.	11. Nil	11. Giving holistic primary care services to decrease progression of disease and burden the more expensive secondary care sector.
			12. Open up direct referrals to physiotherapy, bone density scans and X-rays to private family doctors working in the private sector.	12. Completed. Physiotherapy as from September 2013. Bone Density as from 1 st October 2013. X-Ray as from 2 nd July 2013.	12. Measure completed.	12. Reduce bureaucracy towards patients and making it easier for patients to access these services - lower income patients will benefit as well.	12. Measure completed.	12. Nil	12. Reduce bureaucratic measures, decrease waiting list time to book the service, empowering the private sector and burden sharing.
			13. Extension of hours of	13. Completed. Started	13. Measure	13. Address poverty as	13. Measure	13. Nil (re-	13. Increase

				operation of the Mental Outreach Clinic at Gżira Health Centre.		operating 5 days per week rather than on a fortnightly basis as from December 2013. Plan to start a pilot of these clinics was drawn up.	completed.	these patients can have employment problems and thus have financial constraints. Having free service in the community will help this sector.	completed.	engineering of work practices)	accessibility to these services in primary care.
		Measure 8 – Strengthening Primary Healthcare: Upgrading of current primary care 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.	1. Extensive refurbishment of Mosta Health Centre. 2. Structural works at Rabat Health Centre and the procurement of new high tech equipment. 3. National Immunisation premises at the Floriana Health Centre were refurbished. 4. Establishment of a new health centre in Kirkop to cater for the South West region of Malta. 5. Digital ECG machines.		1. Completed in April 2013. 2. Completed in February 2014. 3. Completed in January 2014. 4. Planning work has started in March 2014. 5. Tenders issued.	1. Measure completed. 2. Measure completed. 3. Measure completed. 4. Restructuring of identified premises (end of 2014). Equipment needed is being planned and will then be procured (process should end mid 2015). Capacity building is being planned (initial services can be delivered Q3 or Q4 2015). 5. Tendering process ongoing.	1. Employment – private sector was given the task to refurbish. Innovation – new equipment was bought and new services introduced. 2. Employment – private sector was given the task to refurbish. Innovation – new equipment was bought and new services introduced. 4. Employment – capacity building has to be done. Innovation – new equipment will be bought. Address poverty – provide primary care services in an area which does not have a health centre. Approximately 26,000 people will benefit from this health centre. 5. Provide new equipment (innovation).	1. Measure completed. 2. Measure completed. 3. Measure completed. 4. Financial and human resources need to be tapped. 5. Nil known at present	1. € 638,465 2. € 459,343 3. Done in-house with minimal expenses. 4. Costs being drawn up. 5. € 21,000	1. Better premises and equipment for the benefit of patients and staff. Introduction of a plaster service, a wound clinic, and a minor ops theatre at Mosta are helping to alleviate the load on secondary care. 2. Better premises and equipment for the benefit of patients and staff. Introduction of a wound clinic at Rabat Health Centre are helping to alleviate the load on secondary care. 3. Better premises for the benefit of patients and staff. 4. Innovation – new equipment will be bought. Provide primary care services in an area which does not have a health centre. Approximately 26,000 people will benefit from this health centre. This will decrease the load on secondary care and also bring primary healthcare closer to the community. 5. Better services in the community so as to decrease the load on secondary care and provide a one stop shop approach.
		Measure 9 – Strengthening	Regional hubs will be centres of excellence, one-stop shops,	Government intends to tap EU funding to build		Work has just started on the compilation of the Medical	Work is being done to be in a position to	Employment opportunities;	ERDF application has to be	Being compiled.	Better services in the community so as to

		Primary Healthcare: Opening of new regional centres co-financed by the European Union	which will provide holistic preventive, investigative and care services. This will serve to address challenges related to ageing, social inclusion and poverty.	new regional centres that will serve as hubs for the other health centres in such a way that clinics will function as clusters within each region. These new buildings are 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.		Briefs for these Regional Health Centre Hubs with a view of submitting a project proposal for EU funding consideration in the New Programming period 2014-2020.	submit an ERDF application when this is issued.	addressing poverty by providing free primary health care; education by staff training; innovation – using latest equipment.	successful for these plans to be implemented		decrease the load on secondary care and provide a one stop shop approach. This will serve to address challenges related to ageing, social inclusion and poverty.
		Measure 10 – Strengthening Primary Healthcare: Training of Healthcare Professionals for Integrating Acute and Community Care	Institutional care has changed over the past few years but changes in the acute sector were by far more dramatic and radical. Surgical and medical interventions have become less invasive and on a day basis. Medical care has become also highly specialised, meaning that patients are being discharged from hospital earlier than in previous years and continue to be treated in the community. Such practices however have created a vacuum in the system since patients being discharged from hospital are often left with limited information and lack of continuity of care, with the result of having patients dissatisfied with the system and with a higher possibility of readmission to hospital due to complications.	1. 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. 2. Research is to evaluate current practices against the discharge liaison services which will be implemented on a pilot basis once training is completed.		1. A group of 16 nurses and 4 midwives were sent to Northern Ireland for job-shadowing. These same professionals have received further local training on discharge services, train the trainee, building policies and furthermore they have each trained other nurses and midwives about the discharge service. Moreover, 20 midwives were trained under the same ESF project on issues specific to situations which they come across with mothers and newborns, that is, pre-natal and postnatal care. Eleven seminars have been organised in order to inform all health professionals who will be involved in a patient's discharge, about the service and what this will entail. 2. Call for tenders issued and awarded.	1. New discharge planning mechanisms at the Mater Dei Hospital and Gozo General Hospital as from April 2014. 2. Work with contractor to identify necessary data from Mater Dei Hospital and Gozo General Hospital is ongoing. Evaluation exercise to follow soon after. Target date for completion of project is 2014.		2. Response rate/delays by contractor.		1. Continuity of care, less readmissions due to complications, better quality in service provision and patient satisfaction. 2. Evaluation of outcome of new services delivery method.
		Measure 11 – Strengthening of Primary Healthcare: 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,	1. Introduction of afternoon surgery sessions in the Gozo General Hospital operating theatres and OutPatients Department. 2. Introduction of Pain Clinic		1. In progress 2. Completed. October 2013.	1. Awaiting intake of nurses to increase operating theatre capacity.	1. Increase employment in Gozo; poverty reduction as elderly can be operated in Gozo. 2. Increase employment, poverty reduction.	1. Lack of nursing manpower. 2. Not applicable.	1. Nil 2. Not applicable.	1. Reduction of waiting times. 2. Increasing equity in access to quality care and standards across

			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.	3. Setting up of a Chemotherapy Unit in Gozo General Hospital. 4. Introduction of Rheumatology and Urology Clinics. 5. Introduction of shared posts for clinical specialists/consultants. 6. Setting up of Day Care Unit in the Gozo General Hospital. 7. Upgrading of operating theatres and medical imaging departments, part funded by EU funds. 8. Upgrading/replacement of most of the hospital's medical equipment in line with modern medical technology part funded by EU funds.		3. Completed. December 2013. 4. Planning stage – discussions with key stakeholders in progress. 5. In progress – first shared post appointed September 2013. 6. Completed December 2013 – awaiting nursing staff to commission. 7. Completion date – end June 2014. 8. Completion date – end Q1 2015.		4. Post of urology nurse to be issued in Q2 2014. Capacity building in rheumatology in progress. 5. All posts for specialists to include clause re working in Gozo as from Q4 2013. 6. Commissioning by Q2 2014 with resulting increase in day surgery lists. 7. Implementation of last remaining tender for operating theatre accessories. 8. Tenders published Q1 2014. Adjudication and award Q2 2014. Implementation Q3 – Q4 2014.	3. Increase employment, poverty reduction 4. Increase employment, poverty reduction. 5. Increase employment, poverty reduction. 6. Increase employment, poverty reduction. 7. Increase employment. 8. Increase employment, poverty reduction.	3. Not applicable. 4. Not applicable. 5. Not applicable. 6. Lack of nursing manpower. 7. N/A 8. Any delays in tendering procedure may jeopardise disbursement deadlines.	3. Not applicable. 4. Not applicable. 5. Not applicable. 7. ERDF 068 € 3.6 million. 8. ERDF 317 € 4.2 million.	the islands. 3. Increasing equity in access to quality care and standards across the islands. 4. Increasing equity in access to quality care and standards across the islands. 5. Increasing equity in access to quality care and standards across the islands. 6. Addresses a shortage of acute beds in hospital wards, facilitates more day care interventions in the hospital, again reducing the need for Gozitan patients to travel to the mainland for these interventions. 7. Increasing equity in access to quality care and standards across the islands. 8. Increasing equity in access to quality care and standards across the islands.
d) Improve the efficiency and reduce the length of public procurement procedures	Measure 1 – Full Transition to e-procurement	Transition to e-procurement Reduction in the advertising period. Increase in HR capacity Re-assignment of duties Training	E-Procurement is now being implemented across Government for tenders above the EU threshold. Consequently, the advertising period has been reduced to 40 days from 52 days. During 2013 there has been an increase in HR capacity and this will continue during 2014. Some members of staff will be assigned duties in various key Ministries to	No particular legal instruments were necessary to implement the measures. However, in the case of the reduction of the advertising period a Procurement Policy Note has been published by the Department of Contracts and circulated across Government.	In terms of e-procurement all tenders, with a few exceptions, above the EU threshold are being issued as e-tenders. The reduction in the advertising period has been implemented in December 2013. During the second half of 2013 and early 2014 new Procurement Managers (PMs) were recruited. Once the newly recruited PMs are trained, they will be	During 2014, e-procurement will be expanded to the issue of tenders below the EU thresholds. In line with an operations review carried out in 2013, new staff will be recruited by the end of 2014. Procurement Managers will be deployed to various Ministries as from	An estimate in numbers is not available. Particularly through the transition to e-procurement it is however expected that both the efficiency and effectiveness of public procurement is improved thus contributing to the economy.	In respect of e-procurement the volume of work involved and the culture change needed is always the biggest challenge, followed by the need to maintain the best standards possible. In terms of HR, the challenge is that to find the necessary resources with the required skills	The measures will not drastically impact the revenue although over time the revenue generated by participation fees is expected to decrease. In terms of expenditure, there will be an increase in order to recruit new staff and also to maintain and upgrade the e-procurement	Over a number of years e-Procurement promises to increase cross-border competition, visibility across Government, reduce costs to both Government and Economic Operators and potentially, increase savings to Government. It also promises to decrease litigations and award lead times. It will also be simpler for Economic Operators to participate		

				<p>help in the whole procurement cycle.</p> <p>Later on this year new training will be targeted to public employees who perform evaluation of offers duties.</p>		<p>assigned duties across Ministries.</p> <p>Discussions with the Government's training arm have taken place early in 2014 as part of a comprehensive training strategy.</p>	<p>April 2014.</p> <p>Training specific to the evaluation stage of the procurement cycle will commence by the 3rd quarter of 2014.</p>		<p>which in turn could impact the capacity of the Department to implement the comprehensive training plan set by the Department.</p>	<p>system.</p>	<p>successfully by preventing certain common errors upon submission of offers.</p> <p>The reduction in advertising time will help the award lead time.</p> <p>The increase in HR will certainly help to equip the Department to carry out its role in an effective and efficient manner, including the assignment of staff to other Ministries and delivery of training.</p>
CSR 3	<p>a) Continue to pursue policy efforts to reduce early school leaving, notably by setting up a comprehensive monitoring system.</p>	<p>Measure 1 – Early School Leaving Strategy</p>	<p>Fighting against early school leaving.</p>	<p>A national strategy on early school leaving, as per Council Recommendation 10544/11 on policies to reduce ESL.</p>	<p>The setting up of an Early School Leaving Prevention Unit and an Advisory Early School Leaving Board.</p>	<p>After the 5th April launch, and the May conference, a consultation period followed and suggestions and comments were received from the general public and from stakeholders. Consequently, work on a final document was started.</p>	<p>A final strategic policy for the prevention of ESL in Malta will be ready by end of March 2014.</p> <p>a) By Q3 of 2014 an ESL working group will bring together stakeholders from departments and agencies within MEDE to tackle ESL.</p> <p>b) By end of 2014, an inter-ministerial committee will bring together representatives from different Ministries that might have a contribution to give towards reducing ESL.</p>	<p>Once the strategy is finalised and the proper organisational structures are in place, a more focused approach will be taken by all stakeholders to reach the 10% target for ESL in Malta in 2020 in line with Europe 2020 target.</p>	<p>To set up the necessary organisational structures, in order to bring stakeholders together for concerted action focused on tangible results.</p>	<p>Government financing will be needed to cover the salaries of five officials that will be working within the ESL Unit at MEDE.</p> <p>A proposal is being discussed with MEAIM regarding a project to finance school-based actions that tackle ESL.</p>	<p>A more focused strategy to prevent ESL with cooperation from different stakeholders from within and outside of MEDE.</p>
		<p>Measure 2 – Alternative Learning Programme</p>	<p>Reducing the number of potential early school leavers.</p>	<p>To provide alternative learning pathways for form 5 students not sitting for any SEC examinations and therefore, almost de facto early school leavers.</p>	<p>N/A</p>	<p>A first intake of form fives started the programme on the 13th of January 2014. 200 out of a possible 350 students enrolled in the programme.</p>	<p>The first intake will be finishing the programme in June 2014. A small number of students will finish in September 2014. During the Summer, students who will be in form 5 in the academic year 2014-2015 will be interviewed in order to prepare them for participation in the ALP programme for that year.</p>	<p>It is hoped that students participating in the ALP will be enticed to join foundation courses at MCAST or ITS and thus contribute to reduce their likelihood of becoming early school leavers.</p>	<p>The programme is still in its first year and a thorough review needs to be done to evaluate effectiveness in offering an alternative learning pathway into further education.</p>	<p>It is estimated that the programme that started in January 2014 and will come to an end in September 2014 will cost around € 314,050.</p>	<p>It is envisaged that a good number of these students will obtain certification accredited at MQF level 1 in one or more subjects and will eventually be able to further their education beyond compulsory schooling.</p>

		Measure 3 – Comprehensive Monitoring System in relation to Early School Leavers	To have a clear picture of who early school leavers really are in order to have in place focused and effective strategies to reduce ESL.	To have an effective monitoring system that gives up-to-date information about potential and real early school leavers, with particular reference to school attendance, assessment of student performance, and relationship between ESL and wider socio-economic factors.	A collaborative framework that brings together Director for Quality Assurance (QAD), Director of Research and Development (DRD), ESL Unit, church and independent schools.	An electronic platform (E1 platform) exists in all state schools whereby all students are registered by their ID number. Schools input school attendance on this platform on a daily basis. Schools have access to data related to their own school and thus can monitor school attendance and regular absenteeism by accessing this platform. This platform is being used as an early warning system to tackle absenteeism. The platform is also used to record students' performance in assessment exercises.	It is being proposed in the upcoming ESL strategy that: <ol style="list-style-type: none"> 1. the possibilities of the E1 platform are further explored in order to input other useful data in it such as the socio-economic status of students. 2. schools are enabled to make use of the data related to assessment, available on the E1 platform for curricular purposes in order to better address the needs of the more vulnerable students. 3. that the E1 platform is extended also to the church and independent schools in order to get a clearer picture of who potential and real early school leavers really are, nationwide. 4. that talks are held with other departments within MEDE that collect useful data about students in order to see how this data can be integrated. Talks in this regard have already started with the Director of Research and Development and the Director for Quality Assurance. 	Having a clearer picture of who early school leavers are will enable Malta to enact more effective policies to reduce ESL and to monitor the progress achieved through implementation.	To bring all stakeholders together, especially church and independent schools.	The E1 platform already offers possibilities for the management of further data. ESF funding may be sought to develop a framework that will bring other important data from different departments in line with the E1 platform.	All the information retrieved from E1 and also from the proposed wider framework will be invaluable to complement the statistical information supplied by NSO from its labour force survey.
		Measure 4 – Reform of the NCF in Malta	This document outlines the core components that should govern our national curriculum so that we continue to sustain personal growth and inclusivity, responsible citizenship and employability.	To have a number of learning areas and general learning outcomes that will determine learning and assessment programmes, standards, criteria and profiles. These will guide the teaching and learning process in compulsory education.	Responsibility lies within the DQSE.	An EU ESF project has been approved with the scope of developing the Learning Outcomes Framework and the Learning and Assessment Programmes.	An International tender has been issued and is due to be awarded in the coming weeks. An Expression of Interest for Local Curriculum Developers has been issued and selection is taking place.	The development of Malta's vision as a high value-added knowledge and service base economy, as well as becoming one of the leading Member States in implementing the EU 2020 Strategy, will only be achieved if the NCF responds to the nation's economic aspirations and goals.	To bring all stakeholders to work together and to coordinate well all the initiatives to be taken.	A € 3.6 M ESF funding has been obtained for the implementation of the programme.	It is envisaged that all students will have acquired by the end of compulsory education the necessary knowledge, skills, competences, attitudes and values that stimulate them to view lifelong learning as part and parcel of their development as individuals and as

											citizens of our country, of the European Union and of the world.
		Measure 5 – Follow up exercise with 4 th and 5 th formers	Identifying and supporting potential and early school leavers.	Form V students who will not sit for at least one MatSec Exam and those who have a history of habitual absenteeism are identified and interventions are held accordingly. The main objective is to engage the students with the Alternative Learning Programme (ALP) and to formulate an individual career plan focusing on their interests and capabilities. Keeping the same objective in mind individuals and career programmes are held with Form 4 students to ensure that more students continue and are channeled with their lifelong education process.	Involvement of personnel within the Education Psycho-Social Services giving their service in their respective colleges.	Intake October 2013, Youth.Inc received applications from students who attended the State Colleges amounted to 30 males and 29 female students for scholastic year 2012 – 2013. Other students were channelled to more appropriate career paths.	By end of scholastic year 2013-2014 students with low academic achievement and high rates of absenteeism will be identified to participate in next scholastic year 2014-2015 ALP.	Possible contribution to the early school leaving target.	The main challenges in this area are that human resources related to career guidance is inadequate. The need for more specialised personnel in career guidance is also an issue Another challenge is to deal with students who refuse any contact with support staff and/ or to refuse to attend the ALP.		Students will no longer leave education without formal qualification and will be better equipped to respond to the demands of the labour market.
		Measure 6 – Broadening Access in Education	Fighting against early school leaving.	Mentoring: 12 secondary school students from the St. Margaret College (found in a socially deprived area). The students identified by the College, are encouraged by mentors to continue with their education beyond the compulsory age. Social and study skills are passed on by the mentors. Revision classes for Form V students attending secondary schools located in the south of Malta. Students are given free tuition by University students specialising in the subject to help them pass their Matsec O-level examinations.	Legal Notice 49 of 2014. Statute for the University of Malta Cottonera Resource Centre ¹ .	Project A. Feedback from teachers and parents of those students who attended the mentoring sessions was that it helped them boost their morale, increased their confidence, which helped them gain better marks at school. This project was not effective with all those who attended however Quantitative data on project b is still being collected.	Mentoring and revision classes Mentoring and revision classes started again in January 2014 with different students. This year revision classes will also be given to Form 4 students who are studying Maths. These sessions will start in April 2014.	The projects were ad hoc responses emerging from a study conducted on the Cottonera area. ² Another study was conducted by students undergoing a BA in Social Policy who undertook a proactive evaluation study to find out what type of courses the community needs.	These projects depend on the voluntary work given by University of Malta students. If we don't have these volunteers, we cannot run these projects. ³	N/A	The objective of these projects is to help more students from the Cottonera area further their education. It is also hoped that by befriending students already studying at university, it might help encourage them to attend this institution.
	b) [...] and increase the labour-market relevance of education and training to	Measure 1 – New Scholarship Scheme – Master It!	The key objectives of the Master it! Scheme are to: ▪assist people to pursue further levels of academic research; ▪improve the quality and relevance of the education	There were two Calls under Master it! scheme. The first Call was issued on 30 April, 2013 and the second Call was issued on 1 November, 2013. Since the funding was under the 2007-2013 programme of	N/A	In 2013, 330 scholarships were awarded under the 1 st Call and 134 scholarships were awarded under the 2 nd Call.	To launch a similar scheme MEDE will endeavour to seek funds under the ESF 2014-2020 programme.	This measure is contributing to two targets of the EU2020. a. The DLLL is aiming to increase the MQF	The major challenge was to meet the ever increasing demand for such scholarships. 685 applications were submitted. 464		More students are undergoing studies at MQF Level 7 and Level 8. Postgraduate education forms an increasingly important

¹ <http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12153&l=1>

² Cutajar, J. Bormla: A struggling community. Malta: Faraxa Publications.

³ Azzopardi, M., Formosa, M., Buhagiar, E. (2013) The practice of evaluation. Cottonera Resource Centre. Unpublished report.

	address skills gaps, including through the announced reform of the apprenticeship system.		system; <ul style="list-style-type: none"> ▪reduce skills mismatches particularly within the priority economic sectors; ▪support further research in science and technology; and ▪increase the capacity and level of research, innovation and development activity in Malta. 	ESF funding, all programmes of studies had to finish by October 2015. Therefore, both Calls were open for those who wish to undergo studies at Masters Level with a duration of 2 years or less.				Level 7 from 0.50% (2012) to 1.00% by 2020 so that an increase in tertiary education of 30+ students is obtained. b. Simultaneously, this measure is contributing to increasing women in employment aged 20-64, by increasing their educational level. This year 56% participants were women.	scholarships were awarded. Calls to submit projects for ESF Funding under the 2014-2020 Programme are not issued as yet.		part of our country's economic and social agenda. It is also a key element in lifelong learning. The availability of a higher skilled workforce will make our economy more competitive, able to attract more foreign investment, and sustain economic growth.	
		Measure 2 - MGSS (Post-Graduate and Under-Graduate)	The key objectives of the MGSS-PG are to: <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. The key objectives of the UG scheme are: <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. 	The PG scheme is open during Q2 of each year and is open for those who wish to pursue studies at MQF Level 7 and MQF Level 8. The UG scheme is open from September till November for those wishing to pursue studies at MQF 6 and they are not studying at the University of Malta. Students undergoing studies at MQF 5 but their course leads to MQF 6 may benefit from this scheme.	N/A	In 2013, under MGSS-PG, 35 scholarships were awarded at Masters level (MQF 7) and 45 scholarships were awarded at Doctoral level (MQF 8). In 2013, 130 scholarships were awarded under MGSS-UG.	The 2014 scheme will be launched in April/May. The 2014 scheme will be launched on 1 September and will close at the end of November.	One of the main challenges under Smart Growth is to Broaden access to higher education. Increasing overall higher education attainment levels generally involves broadening the intake to include students from all parts of society. This means attracting more students from disadvantaged socio-economic backgrounds or and from among people with a disability. Such schemes are aimed in this direction. More students will continue with their participation in undergraduate learning thus contributing to achieve Malta's target	The major challenge is to meet the ever increasing demand for such scholarships.	€ 900,000 from local funds are earmarked for this measure.	More students are undergoing studies at MQF Level 7 and Level 8. Postgraduate education forms an increasingly important part of our country's economic and social agenda. It is also a key element in lifelong learning. More students are undergoing studies at MQF Level 6 and within a greater variety of subject areas, some of which are not offered by the University of Malta.. The availability of a higher skilled workforce will make our economy more competitive, able to attract more foreign investment, and sustain economic growth.	
		Measure 3 - Lifelong Learning Strategy	Increasing participation in lifelong learning to improve skill matching.	A draft Lifelong Learning Strategy.			The scope of the Lifelong Learning Strategy may be widened to encompass all levels of learning from early childhood education until learning in old age.					
		Measure 4 - National Apprenticeship Scheme	Providing the adequate skills for the labour market.	A Reform of the Apprenticeship schemes is being proposed by the Employment and Training Corporation (the Maltese Public Employment Service): the aim is to create a single national	Legal Notice	Legal Notice was drafted.	The reform and consultation with other stakeholders are expected to come into force gradually in the coming year (2014).	Possible contribution to the early school leaving target and towards increasing employment rate.		€ 1,148,400 from National Funds.	Once the new Legal Notice comes into force it is being envisaged that the number of apprentice in the system will increase by 100.	

				apprenticeship scheme covering more qualification levels.							
		Measure 5 – Additional employment advisors	Increase the labour-market relevance of education and training to address skills gap.	As part of the 2014 budgetary measures, the ETC will recruit additional employment advisors to offer better quality service to jobseekers.		New Measure		Contribution to the employment target.			This measure is expected to improve the quality of the advisory services offered to clients by resulting in more manageable caseloads thus allowing Employment advisors to provide more intensive follow-up of their clients.
	c) Continue supporting the improving labour-market participation of women by promoting flexible working arrangements, in particular by enhancing the provision and affordability of childcare and out-of-school centres	Measure 1 - Childcare centres	The main objective of this measure is to construct and operate a number of childcare facilities to be able to allow more women to re-enter the labour market. This measure is directly related to the CSR in question.		The Maltese Government established the national standards for child day care facilities in 2006, aimed streamlining the operations of childcare facilities.	During 2011, Government Childcare Centres extended their operational hours until 1600hrs so as to be more accessible for working parents. To date, there are 12 active centres (Vittoriosa, Birkirkara, Qawra, Siggiewi, Pembroke, Cospicua, Santa Venera, Floriana, Marsa, Qormi, Naxxar and San Ġwann).	One further location, Gżira was identified for a childcare centre to be set up.	Contribution to the employment target, through an increased labour market participation of women.		Cost of operating Government-run childcare centres in 2012: € 1.35 million. Total cost for the opening of three childcare centres in industrial estates € 1.75 million of which € 1.488 million coming from EU Funds.	
		Measure 2 - Afternoon school programmes in the Community	This measure aims at providing an after-school care service within school structures, particularly to bridge the gap between day school and regular working hours of parents in employment. This measure is in line with the CSR.	The 'Klabb 3 -16' have been in operation since October 2009 and provide an after-school service to children whose parents are in employment. This service is operated for school children aged 3 to 16 years, and it operates throughout the scholastic year and school holidays including summer.		The Foundation for Educational Services is offering the Klabb 3-16 service from within 21 Primary Schools FES is also planning to open a further 9 new centres in 2014.	New localities have been identified to be opened during year 2014. More Centres to be opened in 2015. New centres are expected to open in two phases.	Contribution to the employment target, through an increased labour market participation of women.			
		Measure 3 – 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.	This incentive will allow further flexibility to working parents and may also encourage more women to either return or enter into the labour market.	N/A	Currently, out of a total of approximately 16,000 children, there are about 1,750 applications to participate in this measure.	The Breakfast Club is expected to start in April 2014.	Increasing the employment rate of women by year 2020.	Budget constraints	National funds will be used amounting to approximately € 600,000 per year.	More women at work.
CSR 4	a) Continue efforts to diversify the energy mix and energy sources, in particular through increasing the take up of renewable energy	Measure 1 – Implementation of the National Renewable Energy Action Plan	The objectives of the policy are security of supply, competitive pricing of high energy Services and sustainability, in particular the financial and environmental aspects. The policy addresses the above objectives in six policy areas: · Energy efficiency	The proposal makes special emphasis on the reduction of dependence on fossil fuels as a primary energy source and on providing cleaner energy sources, namely renewable energies. This is to be achieved through	As per Directive 2009/28/EC.	Refer to Malta's Article 22 update report.	Refer to Malta's Article 22 update report.				

	and the timely completion of the electricity link with Sicily.		<ul style="list-style-type: none"> Reducing reliance on imported fuels Stability in energy supply Reducing the emissions from the energy sector Delivering energy efficiently and effectively Ensuring that the energy sector can deliver. 	a number of actions which are listed in the document.							
		Measure 2 – Electricity interconnector with Sicily	Reduce Malta's dependence on oil. Put an end to the secular isolation of Malta by interconnecting the country to EU energy infrastructure. Diversification of energy sources.	Project of the Electricity interconnector MT-Italy (Sicily).	N/A	The project was progressing well and was supposed to be completed in August 2013.	The project is delayed beyond the current end date of August 2013 to Q4 2014.	N/A	The project faced excessive delays due to permitting issues.	This project is funded by the EEPR (max. EU contribution is € 20Mio). The total estimated cost of the Action is now approximately € 275 million.	Security of supply, grid stability, more varied energy mix, hence increasing the country's energy flexibility. Closing down of the Marsa Power Station.
		Measure 3 – Diversification of generation fuel mix	Reduce dependence on imported oil and reduce the cost of electricity by switching from liquid fuels to natural gas.	Power purchase agreement (PPA) and a Gas-supply Agreement (GSA) with a private bidder. This consortium is tasked with building, owning, operating and maintaining (a) a new LNG delivery, storage, re-gasification and natural gas supply facility; and (b) a new natural gas-fired 215 MW combined cycle gas turbine electricity generation plant + related infrastructure.	Power purchase agreement (PPA) and a Gas-supply Agreement (GSA).	Call for EoI published on 11th April 2013 and contract was awarded in December 2013. MEPA permit was awarded on 24 th March 2014.	Q2 2015: Commissioning of new gas-fired plant.	Significant reduction in GHG emissions.	N/A	N/A This will be built by private consortium.	Overall reduction in generation cost and GHG emissions Generation efficiency to increase to 50%, hence enabling reduction of electricity and water bills; 28% less 'carbon dioxide' (CO ₂) 32.6% less 'carbon dioxide' (CO ₂) in case of HFO 79% less 'oxides of nitrogen' (NO _x /NO ₂) 99.9% less 'sulphur dioxide' (SO ₂) 91.7% less particulate matter (PM)
		Measure 4 – Developing electricity distribution network	Malta should further pursue the development of its internal electricity distribution network, consequently to measure 2 described above and to enable a much-needed increase in renewable energy.	Construction of a new distribution centre (sub-station) in Kappara, meant to receive the Interconnector and to re-distribute electricity in Malta.	N/A	Project was to be commissioned by December 2013 but this was postponed due to technical issues.	The beneficiary, Enemalta, expects that the project is fully commissioned by July 2014.	N/A	N/A	Project also funded by EEPR (max. EU contribution is € 5Mio). The approximate expenditure is: pre-2010: € 4million, 2011 – € 3million, 2012 – € 3million, 2013 – € 10million	Increase robustness of local grid and prepare for seamless integration with the European grid.
		Measure 5 – Increase in share of renewable energy &	Increase the share of energy from renewable energy sources & increase the use of alternative fuels	A tender was awarded for the instalment of photovoltaic units on roofs of Government property.	PPA guaranteed for 25 years.	Awaiting administrative processing.	Expected to be implemented during Q3/Q4 2014.	In 2012, Malta has reached 2.7% of the gross final consumption of energy from	Delays in implementation.	Government has awarded a € 20m tender for the instalment of photovoltaic	Lower imports of fossil fuels, higher budget to support FIT.

		alternative fuels						renewable energy sources.		systems.	
				New scheme for PV panel installation in households. Grant of up to 50% of capital cost (capped at € 2,500 per system) and FIT of 22c/kWh guaranteed for 6 years.	Grant Scheme managed by MRA.	Scheme opened in May 2013 and fully subscribed by March 2014.	Fully subscribed by Q1 2014.	Contribution included under main heading.	N/A	Funding allocation of € 21million co-financed from ERDF.	As above
				Feed in Tariffs for PVs not supported through other funding.	S.L. 423.46	Feed-in tariffs which vary according to size and location applicable until 30 September 2013.	New set of feed-in tariffs are expected to be announced during Q2 2014.	As above	N/A	National funds up to € 5 million.	As above
				Biofuels substitution obligation.	S.L. 423.28 An obligation on importers and wholesalers of petroleum to place on the market as a minimum biofuel amounts as a percentage of the total energy content of petrol and diesel.	Biofuel substitution is expected to reach 3.5% (for the purpose of the transport target as per Directive 2009/28/EC).	Target for 2014 is 4.5%.	As above	Unable to blend bioethanol with petrol due to air quality issues, may be difficult to find a suitable substitute.	No budgetary implications.	Lower Life cycle GHG emissions and dependency on fossil fuel.
		Measure 6 – Gas Interconnection	Connecting Malta to the European Gas Network: Increase security of supply and energy mix.	The concept project consists in a Floating Storage Regasification Unit (FSRU) and a pipeline connecting it to both Delimara (Malta) (12km approx) and Gela (Sicily) (150km approx) for transmission of Natural Gas. The project has been selected as a project of common interest.		Contract was signed in September 2013 for the feasibility study and cost-benefit analysis. Outcome of studies expected towards Q3 2014.	Evaluating the outcome of the studies and submitting and outlining the next studies that need to be carried out.	N/A	N/A	N/A	The outcome of the studies may be used to support actions for co-financing under the Connecting Europe Facility.
		Measure 7 – Implementation of Malta’s National Strategy for Policy and Abatement Measures relating to the Reduction of Greenhouse Gas Emissions	Measures aimed at reducing greenhouse gas emissions. These include the promotion to implement renewable energy sources, electricity efficiency and conservation.	Progress on the abatement measures themselves, such as: 1) Lower emissions/kWh being produced with the extension of the Delimara Power Station 2) Achieving high quality water with a lower emission footprint due to the efficiency of the Reverse Osmosis Plant 3) Government’s commitment to introduce gas 4) Projects related to Water and Agriculture such as the implementation of				This measure contributes to Malta reaching the Europe 2020 targets as confirmed by the PAMs report.			

				<p>Nitrates Action Plan and the Sant'Antnin Waste Treatment Plant</p> <p>5) Introduce an effective modal shift from passenger transport</p> <p>6) Increase the implementation of renewable energy infrastructure in Government buildings</p> <p>7) Introducing the biofuel substitution obligation</p>							
	b) Maintain efforts to promote energy efficiency and reduce emissions from the transport sector.	Measure 1 – Energy Efficient Buildings	Nearly-zero energy buildings. Malta plans to utilise experience acquired through the implementation of the Energy Performance in Building Directive 2010/to achieve the final goal of substantial energy savings through new nearly zero-energy buildings by 2020.	<p>Promotion and penetration of nearly-zero energy buildings. The construction of nearly-zero energy buildings on a wider scale is expected to contribute to a significant reduction in energy consumption. Furthermore, Malta plans to compile an inventory of central Government buildings as required by Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC.</p>	<p>Energy Efficiency Fund, created by the then Ministry of Finance, the Economy and Investment.</p> <p>With regard to Government buildings, Legal Basis stands as per Directive 2012/27/EU.</p>	<p>At start of 2009 about € 8.3 million was spent on energy efficiency)</p> <p>Measures are being taken to insert energy efficiency clauses in all leases, grants and allocations made on Government owned property to third parties that will oblige the construction and or refurbishment of such property to nearly zero energy buildings by 2020.</p> <p>A memo was sent to all Government Departments on the plans and areas of buildings they occupy for the compilation of central Government buildings inventory. In June 2013, a presentation was therefore delivered to all Permanent Secretaries. This process was launched in August 2013 and is expected to be completed by December 2014.</p>	<p>By the end of 2018 all new buildings constructed for the use of public authorities are envisaged to be nearly-zero energy buildings. There are further proposals for the expansion of nearly-zero energy buildings. These include the tightening of existing minimum requirements for the building envelope of new buildings and buildings undergoing major renovation as indicated by cost-optimal studies for dwellings and offices.</p>	<p>Energy savings not yet accurately calculated. It is roughly estimated that there will be between 5 to 10% savings over energy consumption levels that would have been used had measure not been introduced.</p>	<p>Enforcement of building standards in the private sector.</p>		<p>Reduce oil imports, improve building comfort.</p>
			Promotion of uptake of RES and building envelope insulation – extended measure	<p>This measure aims to promote the uptake of solar water heaters and roof insulation and double glazing by issuing financial grants to households to encourage the purchase of new solar water heaters (maximum € 400 per system installed) and the purchase of roof insulation and double glazing (maximum € 1000 per dwelling).</p>		<p>From 2012 and was also repeated in 2013; extended to 2014.</p>				<p>National funds up to € 0.6million.</p>	
		Measure 2 – Smart metering	Smart metering: Reduction in energy consumption by changing consumer behaviour through information on energy	<p>A smart metering scheme is under implementation in Malta by Enemalta Corporation.</p>	<p>In 2008, Enemalta Corporation awarded a</p>	<p>Start: 2009. The full replacement of all 283,676 (originally 245,000 but increased due to new</p>	<p>End: 2014.</p>	<p>The expected annual savings will be approx. 25-50 GWh from 2014.</p>		<p>Enemalta Corporation. Original estimated capital</p>	

			consumption.		contract for an automated meter reading system.	consumers and PV systems) electricity meters started in 2010 and should be completed within four years. A total of 241,956 meters are currently installed.				expenditure – € 30 million increased to € 34 million. The approximate expenditure is: Total investment of € 34million; investment has been ongoing since 2010. Remaining investment is approx € 10million, spread evenly over two years, i.e. 2013 – € 5million, 2014 – € 5million.	
CSR 5	a) Take measures to further strengthen the provisions for loan-impairment losses in the banking sector to mitigate potential risks arising from exposure to the real estate market. Maintain policy effort to ensure strict banking sector supervision, including for the non-core domestic and internationally-oriented banks.	Measure 1 - Proposal to amend Banking Rules BR/09 and BR/12	Credit institutions are now required to hold additional capital buffers/non-distributable reserves against NPLs (net of IFRS impairments and interest in suspense) which may not necessarily qualify as impaired facilities as per local accounting standards (IFRSs as adopted by the EU). This will be undertaken through the major amendments which have been effected to BR/09, which came into effect as from 31 st December 2013.	Amendments have been carried out to Banking Rules BR/09 and BR/12 which are aimed to address issues created by heightened levels of NPLs within the perspective of Pillar II requirements. Banking Rule BR/09 in particular established a methodology for allocating a reserve for General Banking Risks equating to a percentage of the difference between total NPLs and specific provisions, which will help to improve capital buffers.	Amendments to BR/09 and BR/12.	Amendments were finalised and approved by the Joint Financial Stability Board (MFSA/CBM) and the amended Rules were implemented as at end December 2013.	Banks are being monitored on an ongoing basis to ensure that they undertake the necessary workings to enable the requisite calculation of the allocation for General Banking Risks. Banks have been formally advised on the need to inform the Authority with such workings through an apposite letter to all banks.		Challenges are known and factored in since the measures contemplated in BR/09 effect the dividend distribution policies of the banks. Risks are however contained since pre-calculations and other measures taken to implement the Rule still leave room for the banks to maintain healthy dividend pay-outs. This also without any adverse effects both domestically and abroad. It has also been ascertained that there is nothing in the provisions of CRDIV and CRR that precludes the authority from amending BR/09 and BR/12.	No Budgetary impact is expected.	The intention of the measures which have been implemented through the amended BRs is for banks to increase their capital base against risks arising from heightened levels of NPLs although such measures will possibly also have a material impact on dividend payouts. The aim of the BR/09 is also for credit institutions to recognise incurred losses as early as possible within the context of the IFRS. To this effect it also requires institutions to set up appropriate governance structures, a robust credit risk management framework and reporting systems. The Rule also adopts at an earlier stage the EBA's newly established European Banking Authority (EBA) draft Technical Standard on Supervisory Reporting on Forbearance and Non-Performing

											Exposures.
	b) Improve the overall efficiency of the judicial system, for example by reducing the time needed to resolve insolvency cases.	Measure 1 – Justice Reform	<p>The Holistic Justice Reform report proposes several measures that will help render the justice system more efficient and effective, in particular the reduction of time to decide court cases. Particular measures to address insolvency cases are:</p> <ul style="list-style-type: none"> -the appointment of a Jurist to assist all members of the judiciary; - strengthening the use of ICT for better case management; - introduce measures to improve the efficiency of judicial processes, such as better utilisation of court halls, diary appointments, etc. <p>For the effective implementation of the Justice reform proposals (that amount to 450 measures), a Justice Reform Implementation Committee (JuRIC) consisting of 4 sub-committees has been set up. Each sub-committee is responsible for a specific area of implementation. The timeframe for the implementation of the justice reform process is of 3 years (2014-2016).</p>	The Holistic Justice Reform report proposes 450 measures. These can be clustered in 4 specific areas: judicial processes, administration of courts, agencies, and Restorative Justice.	The majority of the 450 measures require Constitutional, primary or secondary law amendment. Work has already started on the necessary legal amendments and whilst amendments to primary and secondary law are envisaged for finalisation during the first half of 2014, the Constitutional amendments are envisaged to be finalised by end of 2014. Concurrently implementation has started on those measures not requiring legal amendments.	The Holistic Justice Reform Report was finalised in November 2013. In mid January 2014, a Director General (Strategy & Support – Justice) was appointed who immediately started work on an implementation plan for the justice reform proposals. A Justice Reform Implementation Committee (JuRIC) consisting of 4 sub-committees has been set up and implementation of reform measures has commenced.	180 measures will be implemented during 2014. The rest of the measures will be implemented during 2015 and 2016.	N/A	The major risk for the implementation of certain reform proposals is that certain amendments to the Constitution require 2/3 majority of the House of Representatives.	More efficiency in time to decide court cases; reduction of time wastage and man hours absenteeism from place of work thus increased productivity; more trust in the justice system; more efficiency in court management; more motivated court employees.	