



EU funds  
for Malta  
2014-2020



OFFICE OF THE DEPUTY PRIME MINISTER  
MINISTRY FOR EUROPEAN AFFAIRS

PARLIAMENTARY SECRETARIAT  
FOR THE EU PRESIDENCY 2017 AND EU FUNDS

# ANNUAL IMPLEMENTATION REPORT

## European Maritime and Fisheries Fund 2014-2020

April 2016

Funds and Programmes Division, MEAIM, Malta



Maritime and Fisheries Operational Programme 2014-2020  
Part-financed by the European Union  
European Maritime Fisheries Fund (EMFF)  
Co-financing rate: 75% EU Funds; 25% National Funds



*Investing in sustainable fisheries and aquaculture*

## Table of Contents

List of Acronyms.....	3
1. Identification of the Annual Implementation Report.....	4
2. Overview of the Implementation of the Programme.....	5
3. Implementation of the Union Priorities.....	7
3.1 Overview of the Implementation of Article 50(2) of Regulation 1303/2013.....	7
3.2 Result, Output and Financial Indicators for EMFF.....	9
3.3 Financial Data.....	19
4. Issues affecting the performance of the programme and corrective measure taken.....	23
4.1 Actions taken to fulfil the ex-ante conditionalities.....	23
4.2 Issues which affect the performance of the programme and the corrective measure taken...	25
5. Information on serious infringements and remedy actions	..... 25
6. Information on actions taken to comply with Article 41(8)	..... 25
7. Information on the actions taken to ensure the publication of beneficiaries	..... 26
8. Activities in relation to the evaluation plan and synthesis of the evaluations	..... 26
9. Citizen’s Summary	..... 31
10. Report on the Implementation of the financial instruments	..... 32

## List of Acronyms

AIR	Annual Implementation Report
CA	Certifying Authority
CBM	Central Bank of Malta
CFP	Common Fisheries Policy
CSF	Common Strategic Framework
CPR	Common Provisions Regulation
DFA	Department of Fisheries and Aquaculture
DMCS	Description of the Management and Control Systems
DOI	Department of Information
EC	European Commission
EU	European Union
EMFF	European Maritime and Fisheries Fund
FAB	Fisheries Advisory Board
FPD	Funds and Programmes Division
MA	Managing Authority
MC	Monitoring Committee
MCESD	Malta Council for Economic and Social Development
MEAIM	Ministry for European Affairs and the Implementation of the Electoral Manifesto
MOP	Manual of Procedures
MSDEC	Ministry for Sustainable Development, the Environment and Climate Change
MEIB	Ministry for the Economy, Investment and Small Business
NGO	Non Governmental Organisation
OP	Operational Programme
SEA	Strategic Environmental Assessment
SWOT	Strengths, Weaknesses, Opportunities, Threats
UP	Union Priority

## 1. Identification of the Annual Implementation Report

<b>CCI Number</b>	2014MT14MFOP001
<b>Title</b>	European Maritime and Fisheries Fund - Operational Programme for Malta
<b>Version</b>	1.2
<b>Reporting Year</b>	2015
<b>Date of Approval of the Report by the Monitoring Committee (Article 113.d EMFF)</b>	

## 2. Overview of the Implementation of the programme<sup>1</sup>

The main objective of this Annual Implementation Report (AIR) is to provide key stakeholders of the European Maritime and Fisheries Fund Operational Programme (EMFF OP) in Malta with information on the implementation of the Programme between 2014 and 2015, in accordance with Article 114 (1) of Regulation (EU) No.508/2014.

In line with the EMFF OP, the Funds and Programmes Division (FPD) as the Managing Authority (MA) is responsible for drawing up the AIR for its subsequent examination and approval by the Monitoring Committee and submission to the Commission by 31 May from 2016 until and including 2023. In this regard, the MA is hereby presenting the first AIR for the EMFF OP in Malta covering the first two years of the EMFF OP, whose format is set on the model presented in Article 2 of Regulation (EU) No.1362/2014,

The FPD as the MA for the EMFF Programme co-ordinated the preparation of the OP. The call for tenders for the drafting of Malta's EMFF OP (2014 – 2020), was issued by the FPD on 30 November 2012, following which a contractor was engaged to assist in the said drafting. A call for tenders was also issued on 18 December 2012 for the provision of ex-ante evaluation and the Strategic Environmental Assessment for the EMFF OP, in view of Articles 28 & 55 of the Common Provision Regulation (EU) No 1303/2013).

The preparation, consultation, drafting, and completion process of the OP started towards end 2012 and continued till end February 2015 whereby the drafted OP was reviewed and revised in accordance with feedback provided by the relevant stakeholders. The drawing up process of the OP also comprised the drafting of the SWOT analysis which involved consultation meetings with the sector participants & key stakeholders identified in liaison with the DFA, as well as the main government bodies involved in regulating the sector & the maritime space as a whole. This preliminary SWOT analysis was followed by a public workshop where the results of the preliminary SWOT were presented and discussed. This process was concluded by means of a nationwide public consultation exercise involving MCESD, NGOs, civil society and the general public. The final part of the process consisted of a workshop among the various stakeholders in/directly related to the industry with the objectives being two-fold: (1). Attain further feedback on the draft measures of the OP; (2). Raise awareness of the likely contents of the OP. The draft OP was also discussed within the FAB, as per the procedure established in Article 5 of the Fisheries Management & Conservation Act.

In line with Malta's commitment to ensure that the principles of equality, non-discrimination & accessibility as set out in Article 7 of the CPR are taken into account & promoted in the implementation of the OP, the relevant entities responsible for promoting equality, non-discrimination & accessibility were involved in

---

<sup>1</sup> Article 50[2] of Regulation [EU] no 1303/2013

the consultation process of the OP. Likewise environmental/climate authorities and experts were also consulted.

The MA's commitment towards equal opportunities and environmental sustainability is reflected in the project selection process. Applicants are requested to describe how specific actions will help to promote equal opportunities and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operation. Applicants are also requested to provide a description of how the operation shall contribute to any and/or all of the three pillars of sustainable development. A specific reference to the '*Sustainable Development Strategy for the Maltese Islands 2007-2016*<sup>2</sup>' must be included.

Following the adoption of Malta's EMFF OP on 3 March 2015, the official launch of the EMFF OP in terms of publicity and communication activities was held on 26 March 2015 at the Mediterranean Conference Centre. This event was widely publicised on various online news portals, news bulletins of the day and also on the Government Department of Information (DOI) website<sup>3</sup>. The first EMFF Monitoring Committee (MC) Meeting was held in May 2015 as a follow-up event.

In order to continue steering its way into the EMFF Programme, in 2015 the MA worked on a number of documents considered as critical prior to the issuing of EMFF Calls such as the Admissibility and Selection Criteria which were also subsequently approved by the EMFF Monitoring Committee, the MC's Terms of Reference and the EMFF Manual of Procedures.

With the aim of attaining its formal designation as MA, works also started in 2015 on the drafting of the Description of Management and Control Systems, the Project Selection Manual and the National Eligibility Rules for the EMFF Programming period. Development and testing of the modules comprising the EMFF Database was also conducted taking into consideration simplification measures such as the introduction of online applications adopted in the OP.

Although no calls were launched in 2015 following the adoption of the OP, MA preparatory tasks were carried out between November and December 2015 for the first EMFF call for applications under Union Priority 3 (UP3) – Fostering the implementation of the Common Fisheries Policy (CFP), Article 77 Data Collection which was launched through a restricted call in March 2016. In this respect, since no calls were issued in 2014 and 2015 and thus no operations could be selected, information and publicity measures in line with Annex V of the EMFF Regulation including reporting on data on selected operations and the electronic publication of selected operations will be implemented from 2016 onwards. In view of the effective implementation of the EMFF OP, its Union Priorities and related measures and especially in relation to the preparatory MA activities for the issuance of the initial EMFF calls for applications, towards end 2015 and beginning 2016, the MA kept in contact with the respective

---

<sup>2</sup> [https://www.um.edu.mt/data/assets/pdf\\_file/0003/64812/SD\\_Strategy\\_2006.pdf](https://www.um.edu.mt/data/assets/pdf_file/0003/64812/SD_Strategy_2006.pdf)

<sup>3</sup> Press Release published on the 26<sup>th</sup> March 2015:

<https://gov.mt/en/Government/Press%20Releases/Pages/2015/March/26/pr150642.aspx>

stakeholders. This also served to prioritise the calls to be issued and thus the measures to be implemented in 2016 and 2017.

The audit strategy for the EMFF OP was prepared by the Audit Authority and shall be discussed during the bilateral meeting to be held in 2016. The Annual Control report and opinion were submitted by the Audit Authority on 1 February 2016 and are available on SFC 2014.

On 17 March 2015, EC transferred the Initial Pre-financing amount of €425,395.54, to the EMFF account held by the CA (CBM), corresponding to 2% of the EMFF support allocated for the programming period.

As explained above, since EMFF calls were not issued in 2014 and 2015, the information being presented in the next section of this report on the implementation of the Union Priorities is limited in this regard.

### 3. Implementation of the Union Priorities

#### 3.1 Overview of the Implementation Article 50[2] of Regulation [EU] no 1303/2013

Union Priority	Key information on the implementation of the priority with reference to key developments, significant problems and steps taken to address these problems
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	<p>As mentioned in the previous section of this report, EMFF calls were not issued in 2014 and 2015 following the adoption of the EMFF OP in 2015. Due to this, information on the implementation of this priority on key development, significant problems and steps taken to address these problems cannot be provided.</p> <p>However, the MA would like to note that calls for proposals for measures to be implemented under UP1 in line with the EMFF OP adopted in March 2015 are planned to be issued between 2016 and 2018.</p>
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	<p>Due to the fact that calls were not issued in 2014 and 2015, information on the implementation of this priority on key development, significant problems and steps taken to address these problems cannot be provided.</p> <p>The relevant calls for proposals for UP2 Article 48.1.e.i.j Productive investment in aquaculture- resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use are expected to be issued between 2016</p>

	and 2018.
3 - Fostering the implementation of the CFP	<p>Due to the fact that calls were not issued in 2014 and 2015, information on the implementation of this priority on key development, significant problems and steps taken to address these problems cannot be provided.</p> <p>In March 2016, a restricted call for proposals was issued for the implementation of Article 77 Data Collection of the Regulation (EU) No 508/2014 covering the 2014 - 2016 period. A second restricted call under Article 77 shall be issued for the 2017-2020 period. With reference to the implementation of Article 76 – Control &amp; Enforcement, calls are foreseen to be issued between 2016 and 2018.</p>
5 - Fostering marketing and processing	<p>Due to the fact that calls were not issued in 2014 and 2015, information on the implementation of this priority on key development, significant problems and steps taken to address these problems cannot be provided.</p> <p>A call for proposals targeting Article 68 Marketing Measures is expected to be issued between 2016 and 2017.</p>
6 - Fostering the implementation of the Integrated Maritime Policy	<p>Due to fact that calls were not issued in 2014 and 2015, information on the implementation of this priority on key development, significant problems and steps taken to address these problems cannot be provided.</p> <p>A call for proposals under UP 6 Article 80.1.c – Improving the knowledge on the state of the marine environment is expected to be issued in mid 2016.</p>
7 - Technical Assistance	<p>Preparatory activities for the 2014-2020 programming period, such as the call for tenders issued for the drafting of the OP, and that for the provision of services for the ex-ante evaluation and Strategic Environmental Assessment were covered through the EFF (2007-2013) Technical Assistance in accordance with Article 46(2) of the EFF Regulation.</p> <p>2016 till 2023 shall see the continued implementation of this Union Priority through the measures of technical assistance referred to in Article 59(1) of Regulation (EU) No 1303/2013 in accordance with the EMFF OP.</p>

3.2 *Result, Output and Financial Indicators for EMFF<sup>4</sup>*(i) Result Indicators for the EMFF

UP1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries														
Specific Objective	Result Indicator	Measure Unit	Target Value	Yearly Value										Cumulative Value
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
1. Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches	1.4.a - Change in unwanted catches	(tonnes)	- 0.69	0	0									
	1.4.b - Change in unwanted catches	(%)	-10.00	0	0									
4. Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	1.7 - Employment created (FTE) in the fisheries sector or complementary activities	FTE	2	0	0									
	1.8 - Employment maintained (FTE) in the fisheries sector or complementary activities	FTE	260	0	0									

<sup>4</sup> Article 50[2] of Regulation [EU] no 1303/2013

<b>UP1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries</b>														
Specific Objective	Result Indicator	Measure Unit	Target Value	Yearly Value										Cumulative Value
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
5. Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer	1.3 - Change in net profits	Thousand Euros	2.0	0	0									
6. Development of professional training, new professional skills and lifelong learning	1.8 - Employment maintained (FTE) in the fisheries sector or complementary activities	FTE	260	0	0									

<b>UP2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture</b>														
Specific Objective	Result Indicator	Measure Unit	Target Value	Yearly Value										Cumulative Value
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
3. Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture	2.10 - Change in net profits	thousand Euros	420	0	0									

UP3 - Fostering the implementation of the CFP														
Specific Objective	Result Indicator	Measure Unit	Target Value	Yearly Value										Cumulative Value
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
1. Improvement and supply of scientific knowledge and collection and management of data	3.B.1 - Increase in the percentage of fulfilment of data calls	%	100	0	0									
2 - Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden	3.A.1 - Number of serious infringements detected	Number	0.003	0	0									
	3.A.2 - Landings that have been the subject to physical control	%	100	0	0									

<b>UP5 - Fostering marketing and processing</b>														
Specific Objective	Result Indicator	Measure Unit	Target Value	Yearly Value										Cumulative Value
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
1. Improvement of market organisation for fishery and aquaculture products	5.1.c - Change in value of first sales in non-Pos	thousand Euros	1,000	0	0									
	5.1.d - Change in volume of first sales in non-Pos	Tonnes	200	0	0									
	5.1.e - Increase in the estimated per capita fish consumption	Kgs	0.50	0	0									

<b>UP6 - Fostering the Implementation of the Integrated Maritime Policy</b>														
Specific Objective	Result Indicator	Measure Unit	Target Value	Yearly Value										Cumulative Value
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
1. Development and implementation of the Integrated Maritime Policy	6.3 - Development of a database on the marine environment	number	1	0	0									

(ii) Output Indicators for the EMFF

<b>UP1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries</b>																
<b>SO1 - Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches</b>																
Selected relevant measures	Thematic objective	Output Indicators														Cumulative Value
		Indicator	Incl. in Perform. Framework	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
03 - Article 39 Innovation linked to the conservation of marine biological resources (+ art. 44.1.c Inland fishing)		1.4 - N° of projects on conservation measures, reduction of the fishing impact on the marine environment and fishing adaptation to the protection of species	Yes	1	1 (M.U <sup>5</sup> : number)	0	0									

<b>UP1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries</b>																
<b>SO4 - Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions</b>																
Selected relevant measures	Thematic objective	Output Indicators														Cumulative Value
		Indicator	Incl. in Perform. Framework	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
02 - Article 30 Diversification and new forms of income (+ art. 44.4 Inland fishing)		1.9 - N° of projects on promotion of human capital and social dialogue,	Yes	5.00	5.00 (M.U: Number)	0	0									

<sup>5</sup> M.U.: Measurement Unit

		diversification and new forms of income, start ups for fishermen and health/safety														
05 - Article 33 Temporary cessation of fishing activities		1.10 - N° of projects on temporary cessation	No		10.00 (M.U: Number)	0	0									
09 - Article 43.1 + 3 Fishing ports, landing sites, auction halls and shelters - investments improving fishing port and auctions halls infrastructure or landing sites and shelters; construction of shelters to improve safety of fishermen (+ art. 44.1.f Inland fishing)		1.3 - N° of projects on added value, quality, use of unwanted catches and fishing ports, landing sites, actions halls and shelters	Yes	1.00	4.00 (M.U: Number)	0	0									

### UP1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries

#### S05 - Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer

Selected relevant measures	Thematic objective	Output Indicators														Cumulative Value
		Indicator	Incl. in Perform. Framework	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
04 - Article 41.2 Energy efficiency and mitigation of climate change - Replacement or modernisation of main or ancillary engines (+ art. 44.1.d Inland fishing)		1.8 - N° of projects on replacement or modernisation of engines	Yes	4.00	4.00 (M.U: Number)	0	0									

<b>UP1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries</b>																
<b>SO6 - Development of professional training, new professional skills and lifelong learning</b>																
Selected relevant measures	Thematic objective	Output Indicators														Cumulative Value
		Indicator	Incl. in Perform. Framework	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
01 - Article 29.1 + 29.2 Promoting human capital and social dialogue - training, networking, social dialogue; support to spouses and life partners (+ art. 44.1.a Inland fishing)		1.9 - N° of projects on promotion of human capital and social dialogue, diversification and new forms of income, start ups for fishermen and health/safety	Yes	1.00	1.00 (M.U: Number)	0	0									

<b>UP2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture</b>																
<b>SO3 - Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture</b>																
Selected relevant measures	Thematic objective	Output Indicators														Cumulative Value
		Indicator	Incl. in Perform. Framework	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
02 - Article 48.1.e, i, j Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use		2.2 - N° of projects on productive investments in aquaculture	Yes	2.00	2.00 (M.U: Number)	0	0									

<b>UP3 - Fostering the implementation of the CFP</b>																
<b>SO1- Improvement and supply of scientific knowledge and collection and management of data</b>																
Selected relevant measures	Thematic objective	Output Indicators														Cumulative Value
		Indicator	Incl. in Perform. Framework	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
01 - Article 77 Data collection		3.2 - N° of projects on supporting the collection, management and use of data	Yes	1.00	2.00 (M.U: Number)	0	0									
<b>SO2- Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden</b>																
Selected relevant measures	Thematic objective	Output Indicators														Cumulative Value
		Indicator	Incl. in Perform. Framework	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
01 - Article 76 Control and enforcement		3.1 - N° of projects on implementing the Union's control, inspections and enforcement system	Yes	3.00	11.00 (M.U: Number)	0	0									

<b>UP5 - Fostering Marketing and Processing</b>																
<b>SO1- Improvement of market organisation for fishery and aquaculture products</b>																
Selected relevant measures	Thematic objective	Output Indicators														Cumulative Value
		Indicator	Incl. in Perform. Framework	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
02 - Article 67 Storage aid		5.2 - N° of projects on marketing measures and storage aid	No		1.00 (M.U: Number)	0	0									
03 - Article 68 Marketing measures		5.2 - N° of projects on marketing measures and storage aid	Yes	1.00	1.00 (M.U: Number)	0	0									

<b>UP6 - Fostering the implementation of the Integrated Maritime Policy</b>																
<b>SO1- Development and implementation of the Integrated Maritime Policy</b>																
Selected relevant measures	Thematic objective	Output Indicators														Cumulative Value
		Indicator	Incl. in Perform. Framework	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
03 - Article 80.1.c Improving the knowledge on the state of the marine environment		6.2 - N° projects on the protection and improvement of knowledge on marine environment	Yes	1.00	1.00 (M.U: Number)	0	0									

(iii) Financial Indicators for the EMFF

Union Priority	Financial Indicators													Cumulative Value
	Indicator	Milestone (2018)	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
UP1 -Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	<i>Financial</i>	2,000,000	11,630,572	0	0									
UP2 -Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	<i>Financial</i>	500,000	3,306,822	0	0									
UP3 - Fostering the implementation of the CFP	<i>Financial</i>	3,000,000	10,157,913	0	0									
UP 5 - Fostering Marketing and Processing	<i>Financial</i>	150,000	469,771	0	0									
UP 6 - Fostering the implementation of the Integrated Maritime Policy	<i>Financial</i>	500,000	1,600,000	0	0									

## 3.3 Financial Data

(i) Financial Data for the EMFF (cumulative)

U P	Selected Specific Objective	Thematic Objective	Measure	Total Contribution (EUR)	EMFF Contribution (EUR)	Contribution to climate change from EMFF contribution (EUR)	EMFF co-financing rate (%)	Total eligible expenditure of operations selected for support (EUR)	Total public contribution of operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%)	Contribution to climate change of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the Managing Authority (EUR)	Total eligible public expenditure declared by beneficiaries to the Managing Authority (EUR)	Proportion of total eligible public expenditure declared by beneficiaries of the total allocation (%)	Contribution to climate change of total eligible public expenditures declared by beneficiaries to the Managing Authority (EUR)	No. of Operations Selected
1	1.Reduction of the impact of fisheries on the marine environment	TO6	Article 39 Innovation linked to the conservation of marine biological resources (+ art. 44.1.c Inland fishing)	200,000	150,000	40%	75%	0	0	0	0	0	0	0	0	0
	4.Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions	TO3	Article 30 Diversification and new forms of income (+ art. 44.4 Inland fishing)	1,000,000	750,000	N/A	75%	0	0	0	0	0	0	0	0	0

		TO3	Article 33 Temporary cessation of fishing activities	500,000	250,000	40%	50%	0	0	0	0	0	0	0	0	0
		TO3	Article 43.1 + 3 Fishing ports, landing sites, auction halls and shelters - investments improving fishing port and auctions halls infrastruc- ture or landing sites and shelters; construction of shelters to improve safety of fishermen (+ art. 44.1.f Inland fishing)	9,230,572	6,922,929	40%	75%	0	0	0	0	0	0	0	0	0
	<i>5. Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer</i>	TO4	Article 41.2 Energy efficiency and mitigation of climate change – Replace- ment or moderni- sation of main or ancillary engines	200,000	100,000	100%	50%	0	0	0	0	0	0	0	0	0

	<b>6. Development of professional training, new professional skills and lifelong learning</b>	TO8	Article 29.1 + 29.2 Promoting human capital and social dialogue - training, networking, social dialogue; support to spouses and life partners (+ art. 44.1.a Inland fishing)	500,000	375,000	0%	75%	0	0	0	0	0	0	0	0	0
2	3. Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource-efficient aquaculture	TO6	Article 48.1.e, i, j Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use	3,306,822	2,480,116	40%	75%	0	0	0	0	0	0	0	0	0
3	1. Improvement and supply of scientific knowledge and collection and management of data	TO6	Article 77 Data collection	4,426,910	3,541,528	N/A	80%	0	0	0	0	0	0	0	0	0
	2. Provision of support to monitoring, control and enforcement, enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden	TO6	Article 76 Control and enforcement (Article 76(2)(a) to (d) and (f) to (l))	5,692,102	5,122,892	N/A	90%	0	0	0	0	0	0	0	0	0

			Article 76 Control and enforcement (Article 76(2)(e))	38,901	27,231	N/A	70%	0	0	0	0	0	0	0	0	0
5	1. Improvement of market organisation for fishery and aquaculture products	TO3	Article 67 Storage aid	219,771	219,771	N/A	100%	0	0	0	0	0	0	0	0	0
		TO3	Article 68 Marketing measures	250,000	187,500	N/A	75%	0	0	0	0	0	0	0	0	0
6	Development and implementation of the Integrated Maritime Policy	TO6	Article 80.1.c Improving the knowledge on the state of the marine environment	1,600,000	1,200,000	40%	75%	0	0	0	0	0	0	0	0	0
		N/A	Article 78 Technical assistance at the initiative of the Member State	1,733,940	1,300,455	N/A	75%	0	0	0	0	0	0	0	0	0

(ii) Cost of operations implemented outside the programme area

Union Priority	Eligible expenditure within the EMFF incurred in operations implemented outside the programme area declared by the beneficiary to the managing authority (EUR)	Share of the total financial allocation to the priority axis (%)
1. Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	0	0
2. Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	0	0
3. Fostering the implementation of the CFP	0	0
4. Increasing employment and territorial cohesion	0	0
5. Fostering marketing and processing	0	0
6. Fostering the implementation of the Integrated Maritime Policy	0	0
Technical Assistance	0	0
<b>TOTAL OP</b>	<b>0</b>	<b>0</b>

#### 4. Issues affecting the performance of the programme and corrective measures taken

##### 4.1 *Actions taken to fulfil the ex-ante conditionalities*<sup>6</sup>

<sup>6</sup> Article 50(4) of Regulation (EU) No 1303/2013

(i) Actions taken to fulfil the ex-ante conditionalities

Thematic ex-ante conditionalities which are not or partially fulfilled	Criteria not fulfilled	Action to be taken	Deadline (Date)	Bodies responsible for fulfilment	Action completed by the deadline (Y/N)	Criteria fulfilled (Y/N)	Expected date for full implementation of remaining actions	Commentary
Report on fishing capacity has been submitted in accordance with Article 22(2) of Regulation (EU) No 1380/2013	1- The report is made in accordance with common guidelines issued by the Commission  Partially fulfilled	Submission of the Annual Report on Efforts to Achieve a Sustainable Balance between Fishing Capacity and Opportunities for year 2014	31 May 2015	MSDEC - DFA	Yes	No	31 May 2016	<p>Following the submission of the Fleet Capacity Report for the year 2014 on 30 April 2015, this specific ex-ante conditionality was still partly fulfilled as per feedback given by EC (Ref ARES(2015)2443395) on 11 June 2015.</p> <p>Issues in need of address by Malta are mainly related to insufficient economic information and data quality.</p> <p>EC noted and welcomed the action plan identified in the Fleet Capacity Report for year 2014 to improve the data quality. In view of the action plan, a census was completed in November 2015 (for reference year 2014) instead of sampling for the fleet economic survey. This data was provided to JRC through the 2016 Economic Data Call. Historical data was also reviewed and recalculated in order to ensure standardisation in the methodology of calculation. The economic information to be presented in the Fleet Capacity Report for year 2015 was updated accordingly for all years requested.</p> <p>The Fleet Capacity Report for year 2015 shall be submitted to EC by 31 May 2016.</p>

#### 4.2 *Issues which affect the performance of the programme and the corrective measure taken.*<sup>7</sup>

No major issues affecting the performance of the programme were encountered by Malta. However, the MA notes that certain delays resulted in the implementation of the EMFF programme in terms of issuance of calls due to the late adoption of the EMFF Operational Programme and also due to resource constraints taking into consideration the fact that in 2015 MA resources were shared between the implementation of the EMFF programme (2014-2020) and the closure of the EFF Programme (2007-2013),

With the aim of minimising the risks of the delay in programme implementation, MA efforts in 2015 were focused on ensuring that the necessary resources, tasks and activities as described in Section 2 of this report were available and implemented in time in preparation for the issuance of EMFF calls. EMFF tasks implemented by the MA in 2015 in this regard revolved around ensuring that the requirements and obligations deriving from the Regulation (EU) 1303/2013 and Regulation (EU) 508/2014 such as the official launch of the EMFF programme, the setting up of the monitoring committee and its terms of reference and requirements in relation to the designation of the MA are met by the MA and its stakeholders (where applicable).

As described in Section 2 and 3.1 of this report, MA preparatory tasks implemented between mid to end 2015, helped to facilitate and speed up the process for the issuance of the first call for proposals issued in 2016 which shall be subsequently followed by other calls between 2016 and 2018.

Taking into consideration the Performance Framework of the EMFF programme and its set targets and indicators, as in 2014 and 2015, the MA shall continue maintaining contact throughout the programming period, with its beneficiaries and stakeholders to ensure that any issues affecting the performance of the programme are addressed. This will be implemented through bilateral meetings held between the MA and its beneficiaries in line with the MA's monitoring procedure and further supplemented with additional meetings and exchanges as deemed necessary.

### **5. Information on serious infringements and remedy actions<sup>8</sup>**

No infringements were recorded.

### **6. Information on actions taken to comply with Article 41(8)<sup>9</sup>**

At the time of writing of this report, no actions falling under Article 41(8) were taken as no operations were financed under UP1, Specific Objective 5 Article 41.2.

---

<sup>7</sup> Article 50(2) of Regulation (EU) No 1303/2013

<sup>8</sup> Article 114(2) of Regulation (EU) No 508/2014

<sup>9</sup> Article 114(2) of Regulation (EU) No 508/2014

## **7. Information on the actions taken to ensure the publication of beneficiaries<sup>10</sup>**

No calls were issued during 2014 and 2015 and thus a list of selected operations in line with Annex V of the EMFF Regulation could not be published. The list of operations shall be published in 2016 in accordance with the said Annex and Article 119 (2) of the EMFF Regulation on the dedicated MA's webpage.

## **8. Activities in relation to the evaluation plan and synthesis of the evaluations<sup>11</sup>**

In preparation for the 2014- 2020 EMFF programming period, the first phase of evaluation for the EMFF Operational Programme was implemented by the MA through the ***Ex-ante evaluation and Strategic Environmental Assessment (SEA) on the European Maritime and Fisheries Fund for the programming period 2014-2020.***

This evaluation was carried out in line with the requirements set out in Article 55 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council with the overall aim of improving the quality of the design of the EMFF OP and verifying whether its objectives and targets can be reached.

Subsequent to this towards end 2015 and beginning 2016, the MA drew up and circulated an evaluation plan to EMFF Monitoring Committee members on 2 March 2016 in accordance with Section 10 of the EMFF OP. Details on the Evaluation Plan will be provided in the AIR for year 2016 to be submitted in May 2017.

### **Synthesis of the findings of the Ex-Ante Evaluation**

The ex-ante evaluation concluded that a strong internal coherence exists within the OP, not only between the specific objectives within the same Union Priority but also in terms of interdependencies across the Union Priorities. Taking into account the relationship of the programme with other instruments, the ex-ante evaluation observed that the EMFF OP contributes to three flagship initiatives under the Europe2020 Strategy and shall support actions that contribute to smart, sustainable and inclusive growth. The OP was also considered to contribute positively to the implementation of the CFP and to complement existing regulatory efforts in this regard. The assessment also concluded that the OP was consistent with the relevant objectives outlined by the Treaty, CPR, CSF and the EMFF Regulation.

In relation to internal coherence of the operational programme, the OP was found to be logically structured with the selected priorities matching the needs identified in the needs assessment and with the measures proposed being complementary to each other. It was noted that no measures were

<sup>10</sup> Article 114(2) ) of Regulation (EU) No 508/2014

<sup>11</sup> Article 114(2) of Regulation (EU) No 508/2014, Article 50(2) of Regulation (EU) No 1303/2013

inconsistent with one another as they complemented each other through similar initiatives or were different but still complementary in their efforts to work towards a common goal. No conflicts were observed especially between measures which were simply unrelated.

In its assessment of the financial allocations of the OP the ex-ante evaluation concluded that the proposed expenditure was directed towards the critical needs identified in the SWOT and needs assessment, with larger portions of the budget being allocated for measures with higher strategic value. Financial allocations amongst budgeted measures were considered consistent in terms of their unit cost and budget allocated.

The ex-ante evaluation of the EMFF measures proposed under the respective Union Priorities noted that the size of the EMFF budget requires the MA to prioritise needs. The mix of measures proposed under UP 1 was considered appropriate and balanced to meet the objective of achieving sustainable development of the fisheries sector. The evaluation also noted that the EMFF OP's contribution towards the implementation of the CFP under UP 3 contributed to a number of CFP objectives.

The assessment concluded that the EMFF measure to be implemented under UP 2 was expected to deliver stronger and more viable aquaculture operations which are less dependent on imported feed and less reliant on wild stock. The marine hatchery was also expected to contribute to the prevention of future depletion of wild stocks through the production of species specifically bred as substitute stock, with an overall very positive influence, particularly for a variety of fish species. It was thus noted that to an extent, this measure will contribute to the related specific objective under this UP, the protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture. The ex-ante evaluation noted however, this measure could spur an increase in fish-farming activity that could result in negative impacts on the marine environment. In this regard, reference was made by the evaluators to observations made during the SEA process where it was noted that this specific objective could be addressed more holistically if a degree of support were to be provided in respect of reducing the environmental impact of existing aquaculture operation. The Environmental Report recommended the consideration of extending the scope of this intervention to include actions aimed at mitigating any negative environmental impacts which may arise post the development of the hatchery. The SEA also suggested additional funding being allocated to promote and support changes in operational practices at farm level.

In relation to the promotion and awareness campaign proposed under UP 5, the ex-ante evaluation concluded that it is expected to deliver increased consumer awareness and therefore improved competitiveness of SMEs in the fisheries sector. It was also noted that although the OP does not propose any support for investment in facilities to help marketing of fishery and aquaculture product, the investment in the hatchery for aquaculture is substantial and should generate sufficient stimulus for the industry to take up other initiatives. With reference to the measure to be implemented under UP 6, it was noted that while the scientific studies were considered as a very positive and much needed action point,

support should also be provided for actual implementation that will be required based on the findings of such studies.

Assessment of indicators was also taken into account by the ex-ante evaluation. It was noted that result indicators scored well, with clarity and measurability scoring high across all indicators. In terms of relevance, the evaluators suggested the consideration of inclusion of additional indicators particularly to be able to better assess environmental improvements as a result of the OP. This feedback was subsequently taken into consideration in the EMFF selection criteria. As regards output indicators, these scored well in terms of relevance, clarity and measurability criteria.

The ex-ante evaluation also appraised whether quantified target values for indicators were realistic and achievable considering the planned budgetary allocation for each priority. The appraisal noted that all quantified target values scored high for being realistic and achievable. In respect of the suitability of output indicators and the achievability of milestone values, Union Priorities 1, 2 and 6 scored high, whilst UP3 and 5 were considered average and low respectively. These concerns were addressed in subsequent versions of the EMFF OP and changes were acknowledged in the ex-ante evaluation report.

In terms of programme implementation, the ex-ante evaluation acknowledges that the OP recognises the need for the effective management, control and implementation of EU funds and commits to the strengthening and consolidation of data collection and monitoring arrangements. In this regard, the arrangements proposed in the OP for monitoring and data collection, recording and reporting were considered appropriate to ensure sufficient and timely information for monitoring and for evaluation purposes. The additional functionality and IT systems proposed were assessed as providing a good platform for monitoring and evaluation which should also reduce the administrative burden on the MA, the beneficiaries and other users. It was thus noted that the use and adoption of such systems should reduce the burden on the authorities' capacity to monitor, collect data and report.

The ex-ante evaluation observed that during the programme preparation, and particularly during the formulation of the SWOT analysis and needs assessment, an extensive consultation process involving the relevant entities responsible for promoting equality, non-discrimination and accessibility was carried out by the MA which also commits to the continuation of such involvement and consultation during the implementation of the OP.

With reference to the expected contribution of the OP in respect of the promotion of equality between men and women and non-discrimination, the ex-ante evaluation concluded that due to the nature of the EMFF OP one does not expect to find specific actions addressing equality and accessibility. It was also noted that although the OP does not make direct reference in its proposed measures to address equality, the training initiatives proposed were open to both males and females thus promoting equality in this respect. Other planned measures in the OP were also assessed as being similarly non-discriminatory.

In relation to the ex-ante appraisal of the adequacy of planned measures to promote sustainable development, it was noted that the consideration of sustainable development as one of the project selection criteria will be maintained in the 2014-2020 programming cycle. As part of the horizontal theme of sustainable development in the preparation and implementation of actions, climate change considerations were also taken into account. A number of planned actions were considered to contribute directly towards sustainable development. As to the balance between the three pillars of sustainable development, it was noted that an appropriate balance between the economic/social and the environmental considerations exists.

The Ex-ante Evaluation Report of the EMFF OP can be accessed [here](#).

### **Synthesis of the findings of the Strategic Environmental Assessment (SEA)**

The SEA was carried out in accordance with the SEA Regulations (Legal Notice 497 of 2010), which transposes the requirements set out in the Directive 2001/42/EC of the European Parliament and of the Council on the assessment of the effects of certain plans and programmes on the environment.

The purpose of the SEA was to assess the environmental impact that the OP may have and to identify ways in which any impacts can be mitigated or avoided through the identification of mitigation measures or alternative actions to the ones proposed in the OP. The findings and recommendations resulting from the SEA process were taken into account and fed into the finalisation of the OP.

The screening of the EMFF OP was carried out in line with the SEA Regulations, in January 2014 whereby the need for a SEA to be carried out on the EMFF OP was established. This was followed by a Scoping Report, based on the Preliminary Draft OP, circulated to statutory consultees to seek guidance and feedback on the content of the report. The preparation of the environmental report took into consideration the consultations and feedback received during this stage. On 30 April 2014, the Draft Environmental Report was issued for a 6 week consultation process. No feedback was received during this consultation period.

An assessment framework was established in order for the SEA to assess the environmental impact of the measures proposed in the OP. In scoping for the Environmental report, the statutory consultees agreed that the OP should consider interactions with specific thematic areas which were identified through the review of the environmental policy and legal context of the OP and feedback received during the consultation process. These themes comprised the issues deemed relevant to the OP and which were considered by the SEA. A set of SEA objectives representing desired outcomes and based on external objectives set out in various international, EU and national documents promoting environmental, social and economic objectives were also identified for the assessment of the OP interventions.

An environmental baseline assessment was carried out during the SEA process so as to allow actors involved in the programme to understand the current state of the environment and the impacts the OP

may have on the environment in different areas. The analysis covered the following themes: air quality, climate change, biodiversity, human health, spatial, marine environment, resource efficiency and water. A summary of the analysis is being provided hereunder:

- Air Quality –The impact of fisheries and aquaculture activities was noted as being restricted to emissions by fishing and other service vessels and therefore considered to have a negligible impact on air quality. Although the OP may contribute to temporary impacts on air quality during the construction phase of projects, such impacts were considered temporary and not significant.
- Climate Change - Greenhouse Gas emissions were reported to have remained stable with the main contributors being the energy sector and transport. In view of the negligible impacts of the sector, (agriculture, forestry and fisheries' contribution: 0.2% of the total), potential contributions to climate change were deemed insignificant.
- Biodiversity – Measures included in the OP such as temporary cessation in fishing activity, and diversification of target and aquaculture species are expected to contribute positively to biodiversity. The Environmental report notes that while not building the hatchery would limit the potential negative impact on benthic species close to production areas, the absence of such a development would limit the sectors competitiveness, decrease the production of alternative raised species and increase pressure on wildlife stocks.
- Human Health – The assessment concluded that demand for fish arises from individual consumption, restaurants and the hotel industry with fish constituting an alternative healthy food source with many health benefits. The OP was thus assessed as expected to result in a number of benefits related to human health as well as the economic survival of the fishing community.
- Spatial – At the time of assessment Malta was working on the initial assessment of the environmental status of marine water, determination of Good Environmental Status and the establishment of environmental indicators and targets. An inter-ministerial technical working group was set up to ensure an integrated approach to environmental protection and sustainable use of coastal and marine environments. The construction of a new breakwater, aquaculture hatchery as well as measures to improve amenities in fishing ports were considered as important infrastructure measures aimed to have positive spill over effects. It was observed that the absence of such measures may lead to increased pressure on wildlife stocks.
- Marine environment – The Environmental report noted that aquaculture culture activities may be a cause of concern to the coastal and marine environment due to the risk of accumulation of waste generated from fish and feed, the growth of pathogens and associated diseases infecting wild flora and fauna, accumulation of pharmaceuticals with lateral effects on biodiversity within vicinity, over-fishing of wild species, introduction of alien species and adversely affecting tourism and recreation. In this regard, other measures to be implemented under the OP such as

temporary cessation, data collection and control programmes were deemed as ensuring a better managed and sustainable approach through the OP.

- **Resource Efficiency** – It was observed that this theme is addressed by the OP from an energy point of view through proposed new engines installed on small-scale vessels. Due to the negligible overall impact of this sector to air quality and emissions as explained above, although this measure is expected to have a positive impact, it will not be significant. It was also noted that in absence of the OP such improvements would not be achieved.
- **Water** – The environmental assessment observed that aquaculture activities can affect water quality depending on scale and location. Through the proposed commercial scale hatchery, it was noted that the OP can lead to an increase in aquaculture projects with associated localized nutrient enrichment, sedimentation and transparency issues. Notwithstanding this, it was observed that such developments would need to operate within regulated parameters and conditions set out in regulatory regimes. It was further noted that in the absence of the OP, an increase in aquaculture activities may still occur as a result of market forces.
- **Socio-economic** - The Environmental Report notes that fisheries and aquaculture sectors face a number of socio-economic threats due to ageing workers, uneconomic trawler fleet, rising fuel costs and better employment opportunities elsewhere. Since measures to develop a marine hatchery and improvements in fish shelters may not occur in the absence of the OP, it was noted that more fishermen could depart from the sector if such measures are not implemented.

As outlined above the measures proposed in the OP are thus not expected to create any significant negative environmental impacts. A number of major positive impacts were identified particularly in relation to biodiversity. Identified minor negative impacts relate to investment in infrastructure (port and shelters). Due to the fact that the baseline data was restricted in scope to information at a national level in terms of definition of the projects, the Environmental Report observed that detailed baseline assessments will thus be required at a project level through Environmental Impact Assessments (EIAs), Appropriate Assessments (AAs) or other form of assessments for applicable measures.

[The Strategic Environmental Assessment of the EMFF OP can be accessed here.](#)

## **9. Citizen's Summary<sup>12</sup>**

Please refer to the citizen's summary annexed to this annual implementation report which shall be uploaded on the MA's webpage following approval of this report by the MC.

---

<sup>12</sup> Article 50(9) of Regulation (EU) No 1303/2013

## **10. Report on the implementation of the financial instruments<sup>13</sup>**

This section is not applicable for the EMFF 2014-2020 Maltese Operational Programme as no measures are planned to be implemented through financial instruments.

---

<sup>13</sup> Article 46(1) of Regulation (EU) No 1303/2013