



OFFICE OF THE DEPUTY PRIME MINISTER
MINISTRY FOR EUROPEAN AFFAIRS
PARLIAMENTARY SECRETARIAT
FOR THE EU PRESIDENCY 2017 AND EU FUNDS

Annexes

Annual Implementation Report

European Maritime and Fisheries Fund 2014-2020

19 May 2017

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

Annex 1 – Citizen’s Summary

1 Introduction

The European Maritime and Fisheries Fund Operational Programme (EMFF OP) for the 2014-2020 programming period, formally adopted on 3rd March 2015 is based on the following Union Priorities (UPs) and Specific Objectives:

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

- **Specific Objective 1** - Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches (public eligible allocation €200,000);
- **Specific Objective 4** - Enhancement of the competitiveness and viability of fisheries enterprises, including of small-scale coastal fleet, and the improvement of safety and working conditions (public eligible allocation €10,730,572);
- **Specific Objective 5** - Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer (public eligible allocation €200,000);
- **Specific Objective 6** - Development of professional training, new professional skills and lifelong learning (public eligible allocation €500,000).

UP 2: Fostering environmentally sustainable, resource-efficient, innovative, competitive and knowledge- based aquaculture

- **Specific Objective 3** - Protection and restoration of aquatic biodiversity and the enhancement of ecosystems related to aquaculture and the promotion of resource-efficient aquaculture (public eligible allocation €3,306,822).

UP3: Fostering the implementation of the Common Fisheries Policy

- **Specific Objective 1** - Improvement and supply of scientific knowledge as well as the improvement of the collection and management of data(public eligible allocation €4,426,910);
- **Specific Objective 2** - Provision of support to monitoring, control and enforcement, thereby enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden (public eligible allocation €5,731,003).

UP5: Fostering marketing and processing

- **Specific Objective 1** - Improvement of market organisation for fishery and aquaculture products (public eligible allocation €469,771).

UP6: Fostering the implementation of the IMP.

- **Specific Objective 1** – Development and implementation of the Integrated Maritime Policy (public eligible allocation €1,600,000).

2 Overview of the Implementation of the EMFF Operational Programme

2016 was a challenging year for the EMFF Managing Authority (MA) and its major stakeholders as it saw the completion of the EFF Programming Period meaning that focus was placed on the closure of the EFF Programme. Notwithstanding this, work in relation to the implementation of the EMFF OP was still undertaken to ensure the achievement of the Programme's Objectives.

In order to continue steering its way into the EMFF Programme, in 2016 the MA continued working on a number of crucial documents linked to the setting up of a structure to implement the Programme. The Manual of Procedures for the 2014-2020 was concluded in 2016 and is available online on the MA's EMFF website¹. The EMFF National Eligibility Rules document was also updated with the second version of such document uploaded on the MA's website. The MA online EMFF webpage includes information ranging from regulations, publications, reports, EMFF supporting documentation, list of selected operations² as laid down in Article 119 of Reg. [EU] No.508/2014 and other miscellaneous documents pertaining to EMFF upcoming calls.

The formal designation of the Managing Authority and Certifying Authority (CA) was obtained upon completion of the Description of Management and Control Systems in October 2016. This document, together with other necessary documentation including the MA's and CA's Manual of Procedures, the Risk Register & Fraud Risk Assessment and the EMFF Database were an integral part for the official designation of the MA and CA.

Subsequently, the audit report and opinion prepared by the Audit Body for the Designation Procedure of the EMFF OP in Malta was issued by IAID on the 18th October 2016 stating that the EMFF MA and the CA were to be designated for the programme and that they comply with the designation criteria relating to internal control environment, risk management, management and control activities and monitoring set out in Annex XIII to Regulation [EU] No.1303/2013. The formal notification by Malta to the Commission was uploaded on SFC on the 26th October 2016.

With reference to information and publicity, with the aim of informing potential beneficiaries about funding opportunities under the EMFF OP, the MA participated in 'Festa Ftut' in Marsaxlokk on 11th September 2016 during which promotional material and generic information were disseminated with the general public and prospective applicants for upcoming calls.

Local and external training of MA officials and stakeholders continued in 2016 so as to increase institutional knowledge and better understanding of the EMFF regulatory requirements. The Annual Review Meeting with EC representatives was held on 10th November whereby aspects regarding implementation discussed.

¹ <http://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Pages/EMFF-2014-2020.aspx>

² <http://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%202014-2020/List%20of%20Operations%2026102016.pdf>

The MA would like to note that throughout 2016, it maintained contact with EC representatives, namely its assigned desk officer. The second EMFF MC Meeting was held on 11th November whereby the first set of proposed amendments to the OP was approved by the MC.

During 2016, in order to ensure clarity and avoid unnecessary delays to the calls issued, various meetings were held by the MA with stakeholders prior to call deadlines to provide information and guidance to applicants and related stakeholders. MA officials placed considerable effort in maintaining contact with beneficiaries following the award of operations to ensure smooth transition of the implemented operations and processing of payments. This regular monitoring and contact maintained by the MA aims at ensuring that indicators and targets set in the EMFF OP for 2018 and 2023 are met.

In 2016, the CA received two pre-financing payments, namely [i] €212,697 (initial pre-financing) and [ii] €425,395.54 (annual pre-financing).

3 Calls launched during 2016

[i] Data Collection Framework Multi Annual Programme (2014-2016).

Under Union Priority 3 [UP3] – Fostering the implementation of the Common Fisheries Policy [CFP] and on the basis of Article 77 of Regulation [EU] No. 508/2014, the EMFF Managing Authority (MA) launched a *restricted* call on 11th March 2016 for the DFA as the competent authority to be able to apply in order to start processing requests for reimbursements for activities implemented during 2014-2016 with the National Programme 2014-2016³. Following evaluation of the project proposal by the Project Selection Committee and award of project proposal, a grant agreement was signed with the beneficiary, i.e. the Fisheries Resource Unit [FRU] within the DFA which is responsible for the collection, management and use of data in the fisheries sector and to provide support for scientific advice regarding the Common Fisheries Policy.

This operation includes the collection, use and management of fisheries data in line with Council Regulation EC No. 199/2008 and Commission Decision [2010/93/EU] and as outlined in the National Programme for the collection of primary biological, technical, environmental and socio-economic data in the fisheries sector of the Republic of Malta, 2014 - 2016 National Programme. The total eligible expenditure allocated to this call was € 1,822,425 of which 80% EU contribution will amount to € 1,457,940. This operation is expected to near completion by 30th June 2017. In this regard 2018 milestone values for output indicator 3.2 as outlined in Section 7.1 of the EMFF Operational Programme in relation to the Performance Framework is expected to be achieved. This together with other operations to be awarded in 2017/2018 will contribute to the achievement of financial indicator of €3,000,000 set for 2018.

³ Commission Decision C(2013)5568 of 30th August 2013

[ii] Marine Environmental Monitoring: towards effective management of Malta's marine waters

The second call for 2016 was issued for the Environment and Resources Authority [ERA] as the competent authority on 9th June 2016 for Article 80.1.c Improving the knowledge on the state of the marine environment under Union Priority 6 of the EMFF OP. Following evaluation of the operation proposal by an independent Project Selection Committee, a grant award was issued resulting in a grant agreement signed with the beneficiary organisation. The project aims at initiating the implementation of sustained environmental monitoring in marine waters in order to assess the state of Malta's marine waters on a continuous basis and address current knowledge gaps. This monitoring intends to provide a sound knowledge base for effective management of anthropogenic activities and work towards achievement of Good Environmental Status in marine waters. The project will seek the development of a database system to be linked to ERA's data platform supporting INSPIRE compliant data generated by the implementation of the monitoring programme and other data or metadata as provided by relevant stakeholders.

The total eligible expenditure allocated to this call was € 1,600,000.00 of which 75% EU contribution will amount to € 1,200,000. Although the operation is expected to near completion in terms of certified payments by 31st March 2019, output indicator 6.2 and the €500,000 financial indicator set in Section 7.1 of the EMFF OP will be achieved by end 2018 thus fulfilling the 2018 milestone values for the Performance Framework. Following certification of the remaining payments to be processed in 2019, the financial indicator target of €1,600,000 set for 2023 will be achieved by the beneficiary.

[iii] Article 43.1 + 3 of Regulation (EU) No 508/2014- 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

Under Union Priority 1 and on the basis of the article listed above, on 20th October 2016, a restricted call was issued for Ministry for Transport and Infrastructure (MTI) and the Ministry for Sustainable Development, the Environment and Climate Change (MSDEC) as competent authorities with 30th November 2016 as the closing deadline. Two applications were submitted, one by MTI for the **Refurbishment and upgrading of slipways in the port of Marsaxlokk** and another by MSDEC for **The Construction and Finishing of a Fish Landing Site in the Marsaxlokk Designated Port**.

Subsequent to the receipt of applications within the closing deadline, completeness checks and validity checks were undertaken by the Managing Authority. Evaluations were subsequently conducted in 2017 by the Project Selection Committee.

Due to the fact that only two applications were received in 2016 out of the expected four operations as outlined in the EMFF OP and also taking into consideration requests for extensions of the call for applications made by MTI for the remaining expected two proposals (2 breakwaters), the MA would like to note that the call for proposals for measures to be implemented under UP1 Article 43 was extended to 28th

April 2017 in order to ensure completeness and quality of applications received. As at time of reporting, the remaining project proposals were submitted by MTI.

All projects are expected to be completed by 2020 and are not envisaged to encounter any delays with result indicators identified in Section 3.2 of the EMFF OP being achieved and thus achieving Specific Objective 4 of the Programme: Enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and the improvement of safety or working conditions. The MA notes that in line with Section 7.1 of the EMFF OP output indicator 1.3 is expected to be achieved by end 2018 which will contribute to the €2.000, 000 financial indicator set for end 2018 for all operations falling under this Union Priority.

4 Evaluation Activities

Subsequent to the Ex-ante Evaluation and SEA on the EMFF OP (2014-2020) as detailed in the full version of the 1st EMFF Annual Implementation Report (2014/2015), the MA drew up and circulated an evaluation plan to EMFF Monitoring Committee members on 2nd March 2016 in accordance with Section 10 of the EMFF Operational Programme adopted in March 2015. The purpose of the Evaluation Plan is to lay out in more detail the framework to be followed by Malta for the Evaluation Plan of the EMFF Programme in Malta in accordance with the plan set out in Section 10 of the EMFF OP.

As identified in the Evaluation Plan, evaluation activities implemented throughout the 2014-2020 programming period will help assess the overall strategy of the EMFF Operational Programme. This was effective in terms of results achieved in the over-arching context of the European 2020 strategy for smart, sustainable and inclusive growth, the policy intentions of the reformed Common Fisheries Policy, the national development priorities as defined by the Maltese Government and also the sectorial ambitions as highlighted by industry stakeholders. The EMFF MA shall lead the evaluation process and assume the responsibility for the coordination of the monitoring and evaluation process of the EMFF OP 2014-2020. The MA shall also be responsible for ensuring that sufficient resources are available for carrying out evaluations and that procedure are in place to collect common and programme specific data for evaluations. It is envisaged that the EMFF Monitoring Committee shall also contribute toward the evaluation plan by [i] reviewing the implementation of the EMFF OP [ii] approve the Annual Implementation Report prior to submission to the European Commission.

5 Information and Publicity

The MA online EMFF webpage⁴ includes information ranging from regulations, publications, reports, EMFF supporting documentation, list of selected operations⁵ as laid down in Article 119 of Regulation [EU] No.508/2014 and other ,miscellaneous documents pertaining to EMFF upcoming calls. A call for quotations was issued for the procurement of promotional items which included travel mugs, USB drives and caps, all bearing the Fund's promotional visibility. These were used during the 'Festa Ħut' in Marsaxlokk on the 11th September 2016 during which promotional material and generic information was disseminated with the general public and prospective applicants for upcoming calls.

6 Way forward

As explained in more detail in the full version of this Annual Implementation Report, as at time of writing of this report additional calls were issued with some applications already received in 2017, as follows:

A. Union Priority 1:

- Article 39- Innovation linked to the conservation of marine biological resources
- Article 29.1 + 29.2- Promoting human capital and social dialogue-training, networking, social dialogue; support to spouses and life partners

B. Union Priority 3:

- Article 77- Data Collection (2017-2019)

As also described in the full version of this Implementation Report, 2017-2018 shall see increased issuance of calls targeting fishermen, the aquaculture sector, marketing measures and control & enforcement, more specifically in relation to:

A. Union Priority 1:

- Article 30 – Diversification and new forms of income
- Article 41.2 Energy efficiency and mitigation of climate change - Replacement or modernisation of main or ancillary engines

B. Union Priority 2:

- Article 48.1.e, i, j Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use

C. Union Priority 3:

- Article 76 Control and enforcement (Article 76(2)(a) to (d) and (f) to (l))
- Article 76 Control and enforcement (Article 76(2)(e))

⁴ <http://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Pages/EMFF-2014-2020.aspx>

⁵ <http://eufunds.gov.mt/en/EU%20Funds%20Programmes/Agricultural%20Fisheries%20Fund/Documents/EMFF%202014-2020/List%20of%20Operations%2026102016.pdf>

D. Union Priority 5:

- Article 68 Marketing measures

The MA would like to note that further calls may be issued in 2017-2018 under other measures which still need to be adopted by the EMFF OP (2014-2020) as mentioned in the full version of the AIR. These measures will be programmed upon approval of the proposed amendments to the OP by the EMFF Monitoring Committee and the European Commission.

Annex 2

Table 1: Entities that formed part of the Fisheries Sub-Committee (sectorial subcommittee referred to in the full version of the EMFF AIR reporting on 2016)

- Ministry responsible for Fisheries & Aquaculture
- Ministry responsible for the Environment
- Ministry responsible for Resources
- NSO
- Federation for Recreational Fishing
- Malta Chamber of Commerce, Enterprise & Industry
- Għaqda Koperattiva tas-Sajd Ltd
- National Fishing Co-operative
- Ministry for Gozo
- Ministry responsible for the Economy
- Ministry responsible for Finance
- OPM
- Political Parties - Partit Laburista, Partit Nazzjonalista'
- Local Councils' Association
- Malta Hotels & Restaurants Association
- Heritage Malta
- Nature Trust
- Forum of Maltese Unions
- MTA
- Confederation of Malta Trade Unions
- GRTU
- Malta Employers' Association
- MEPA
- GWU
- SAMB
- The Federation of Maltese Aquaculture Producers
- MARC
- FAB

Table 2: List of meetings with local stakeholders

- Koperattiva Nazzjonali tas-Sajd
- Trawlers Owners Association
- Federazzjoni ta l-Għaqdiet tas-Sajjieda Dilettanti Malta
- MARC
- South Key Fishermen
- Closed-cycle Aquaculture Operator
- Fish Processor (North of Malta)
- Office of the Permanent Secretary of the Ministry responsible for fisheries & aquaculture
- Fish Processor (South of Malta)
- Inland-based Aquaculture Operator
- Għaqda Sajjieda Dilettanti Ġnejna
- Sharklab Malta
- Gozitan full-time fishermen (various meetings)
- Processing company – Gozo
- Fish for Tomorrow – OCEANS2012
- Din l-Art Helwa
- Ministry responsible for the Fisheries & Aquaculture
- Ministries responsible for Tourism, Culture & the Environment
- TM
- MEPA
- OPM
- Fishers from the North of Malta
- Workshop with all the industry stakeholders