Draft Operational Programme II

Investing in human capital to create more opportunities and promote the wellbeing of society

Financed through the European Social Fund

Malta
May 2014
Foreword by Deputy Prime Minister

Stimulating growth and investment to raise economic performance, whilst also contributing to the well-being of society

Malta's ability to compete in the globalised world and deliver improvements in living standards to its people depends on the extent to which economic growth can be stimulated. Over the years Malta has undertaken important investments with the assistance of EU Funds that have yielded significant results in such key areas as enhancing competitiveness, the sustainability of the environment, and the development of human resources.

The Government’s vision for the next few years is to make our country a centre of excellence and a better place to live in, but not just for us but also for future generations. Again, the EU funds at our disposal will make a crucial contribution to the achievement of this vision. The programming of EU Funds for 2014-2020 is now reaching its final phases and the aim is to continue to build on what has been achieved so far in order to raise economic performance, whilst also contributing to the well-being of society.

Without growth there can be no real long term development, nor can we attain our social objectives for a better quality of life and an inclusive and caring society. I am convinced that apart from investing in the infrastructure, a strong focus should be put on the SMEs that are the backbone of the economy. We also need to concentrate on new engines of growth that will generate jobs for a better skilled and more qualified workforce.

The Government has identified the target areas for investment which are likely to have the most impact and which will improve the standard of living and quality of life of all citizens, including through the provision of a social safety net. For this purpose, EU Funds will be directed towards key objectives such as the competitiveness of SMEs, research and innovation, increased use of renewable energy, better waste and water management, urban sustainability, community-based services, social inclusion, health and education, lifelong learning as well as improving employability.

This document is intended to set out the Government’s plan for the utilisation of EU Funds over the next seven years. The Government believes, however, that its plan should have the support of both citizens in general and the Social Partners in particular. For this purpose, we are engaging in a public consultation process that will be open for the coming weeks, and we look forward to receiving comments and feedback, so that the best use possible is made of these funds for the country's benefit.

Mr. Louis Grech
Deputy Prime Minister
Foreword by the Parliamentary Secretary

Setting the implementation process in motion

For the programming of the 2014-2020 EU Structural and Cohesion Funds, Malta is required to prepare three documents for submission to the European Commission: the Partnership Agreement of Malta and two Operational Programmes; one for the European Regional Development Fund / Cohesion Fund and one for the European Social Fund. The Partnership Agreement was formally submitted to the European Commission on 1 April 2014 and within this framework the two Operational Programmes that are being presented for public consultation have been drafted.

The Operational Programmes set out the investment plan that Government will undertake in the next programming period and are integrated within Government’s overall strategy. Investments will be directed towards a number of key areas in line with Malta’s priorities, the Europe 2020 targets as well as the Fund specific missions. Interventions are aimed to enhance environmental sustainability, social well-being and a healthy society, whilst fostering competitiveness through economic development and job creation. The investments under each of the Operational Programmes will also complement each other in order to maximise the potential benefits of the Funds and the impact that they will have on the territory in terms of infrastructural investments as well as the standard of living and quality of life of all citizens.

Infrastructural investment will be implemented through Operational Programme I: Fostering a competitive and sustainable economy to meet our challenges, which will be financed through the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). The Programme will provide for investment in infrastructure targeted at generating economic growth through the creation of more and better jobs, whilst sustaining an environmentally friendly and resource efficient economy. In this regard, there will be a focus on the diversification of the economy with a view to creating new employment opportunities, also contributing to the well-being of society.

In addition to this, investment in infrastructure will be complemented by Operational Programme II: Investing in human capital to create more opportunities and promote the well-being of society, which will be financed through the European Social Fund (ESF). Operational Programme II will contribute towards the development of human capital. In particular, investment will focus on the creation of a more socially inclusive society which has the necessary skills to actively contribute within the labour market. In this regard, investments will aim to ameliorate the lives of citizens through measures that will address the challenges in the areas of employment, education, social inclusion and health.

As part of the public consultation process, I encourage interested stakeholders to come forward with their views, suggestions and comments in reaction to these documents. Our aim is to finalise the programming of the 2014-2020 EU Structural and Cohesion Funds by the summer in order that the first calls for projects may be ready for launching soon afterwards. It is now time to set the ball rolling and for the implementation process to start.

Dr. Ian Borg
Parliamentary Secretary for the EU Presidency 2017 and EU Funds
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<tr>
<td>CDRT</td>
<td>Centre for Development, Research and Training</td>
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<td>CSR</td>
<td>Country Specific Recommendation</td>
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<td>EAFRD</td>
<td>European Agricultural Fund for Rural Development</td>
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<td>EMFF</td>
<td>European Maritime and Fisheries Fund</td>
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<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
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<td>ESI Funds</td>
<td>European Structural and Investment Funds</td>
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<td>ESL</td>
<td>Early School Leaving</td>
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<td>EU</td>
<td>European Union</td>
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<td>EURES</td>
<td>European Employment Services</td>
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<td>FRC</td>
<td>Family Resource Centres</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>ICT</td>
<td>Information and Communications Technology</td>
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<td>ISCED</td>
<td>International Standard Classification of Education</td>
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<td>LLL</td>
<td>Lifelong Learning</td>
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<td>MCAST</td>
<td>Malta College for Arts, Science and Technology</td>
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<td>MCESD</td>
<td>Malta Council for Economic and Social Development</td>
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<td>MEUSAC</td>
<td>Malta-EU Steering Action Committee</td>
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<td>NCD</td>
<td>Non-communicable diseases</td>
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<td>NEET</td>
<td>Not in Education, Employment or Training</td>
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<td>NGO</td>
<td>Non-profit Government Organisation</td>
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<td>NRP</td>
<td>National Reform Programme</td>
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<td>OP</td>
<td>Operational Programme</td>
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<td>PA</td>
<td>Partnership Agreement</td>
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<td>R&amp;I</td>
<td>Research and Innovation</td>
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<td>SEBD</td>
<td>Social, Emotional and Behavioural Difficulties</td>
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<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
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<td>VET</td>
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The Operational Programme (OP) for the period 2014-2020, titled *Investing in human capital to create more opportunities and promote the wellbeing of society*, financed through the European Social Fund, aims to direct investment towards meeting Malta’s targets under the Europe 2020 for smart, sustainable and inclusive growth, particularly in terms of employment, social inclusion, education and capacity building. The Partnership Agreement of Malta provides the general thrust of the challenges and needs that Malta is facing together with a strategic and policy framework presenting the main areas of intervention to be supported through the European Structural and Investment Funds (ESI) for the 2014-2020. The implementation of the Partnership Agreement will be undertaken through the separate Operational Programmes focusing upon the specific sectors where the appropriate funds will intervene. In terms of Cohesion Policy, this Programme will be complemented through the OP, entitled *Fostering a competitive and sustainable economy to meet our challenges*, which focuses on investment that is supported through the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). Together these two programmes are expected to provide the basis of investment which should underpin Malta’s economic growth and competitiveness\(^1\).

This Programme is inspired by the challenges that Malta, together with the EU, is facing. These challenges urge Europe to collectively address them as well as make up for recent losses, regain competitiveness, boost productivity and put the EU on a path of prosperity\(^2\). Through ESF financing, this OP is designed to contribute towards the following European targets, namely:

- 75% of the population aged 20-64 to be employed;
- an early school leaving rate of less than 10%;
- at least 40% of 30-34 years old complete tertiary or equivalent education; and
- at least 20 million fewer people in or at the risk of poverty.

In this regard, this OP will mainly focus on the implementation of Funding Priority 3 of the Partnership Agreement (PA) of Malta. This support is underpinned by targeted investment contributing towards the Thematic Objectives of the ESI Funds focusing on employment, social inclusion, education and institutional capacity. The aim is to tackle the challenges and development needs, imbalances and bottlenecks limiting Malta’s socio-economic growth through a strategic approach feeding mainly into the third pillar of the EU 2020 strategy of inclusive growth. This objective is expected to contribute towards more opportunities within the economy delivering economic, social and territorial cohesion. In line with the EU 2020 strategy, Malta will make concerted efforts through this OP to make full use of its human resources by building on its main strength to succeed by counting on the talent and creativity of its people whilst also focusing on the EU values of social cohesion, solidarity and respect for gender equality so as to achieve a decent standard of living for all\(^3\).

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1. The Partnership Agreement is also supported by two other Operational Programmes financed through the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).


3. Ibid.
CHAPTER 1 – MAIN NATIONAL NEEDS AND CHALLENGES

In the wake for Europe to fully engage in its recovery process from the international economic crisis, Malta must take stock of its needs and challenges and identify actions that will contribute towards the EU’s mission of securing economic growth and achieving a sustainable future. The aim is to invest appropriately to effectively contribute towards a sustainable recovery enabling Europe to make a full return to an earlier growth path and raise its potential to go beyond.\(^4\)

The main challenges that Malta faces with regard to its ability to foster a high employment economy that delivers economic, social and territorial cohesion are generally in line with those faced at a European level, ranging from demographic and employment challenges, low success rates in education at the different strands of the education cycle, and inequalities within the labour market and beyond which hinder a number of individuals from leading a dignified life.

1.1 Ageing Demographics

Malta, as in other EU Member States, is facing an ageing population leading towards a higher dependency ratio and a smaller productive workforce. The forecast is that Malta is expected to face significant increases between 2013 and 2035 in the older population segment of 65-plus of 16.2% to 24.8% and an increase from 6.8% to 13.7% for the 75-plus.\(^5\) Malta’s aging demographics will have a direct impact on the socio-economic growth of the country. These areas include employment, health, social inclusion, poverty, employment, lifelong learning, and productivity amongst others.

In this regard, Malta will seek to increase its working population, particularly by focusing on the activity rates of different target groups of the population (particularly women) and on increasing healthy life years. The aim is to increase productivity levels as well as contribute towards decreasing dependency ratios through the achievement of a larger and healthier workforce.

This approach is in line with the Council Recommendation for Malta\(^6\), whereby Malta has been urged to undertake measures aimed at increasing the employment rate of older workers by finalising and implementing a comprehensive active ageing strategy. Taking into account this Country Specific Recommendation (CSR), Government launched A National Strategic Policy for Active Ageing\(^7\) in November 2013 which primarily seeks to increase active participation in the labour market, participation in society and independent living of the older population.

1.2 Employment challenges

A particular success achieved by Malta is that whilst many Member States saw their economies constrict resulting in increases in unemployment levels, Malta – together with Austria, Belgium, Germany and Luxembourg - registered an increase in total employment over the 2008 rate. During this period, employment in Malta increased in 2012 by 10.5% over 2007 figures and has led Malta to meet the EU 2020 National Reform Programme target of 62.9% in 2012\(^9\).

Whilst taking note of Malta’s resilience during the economic crisis and the remarkable performance in terms of employment levels, further investment is required to ensure sustainable economic growth which supports job creation and encourages labour demand\(^10\).

The main challenges in this sphere mainly evolve around low activity rates, particularly amongst women and older workers, and increasing unemployment rates amongst youth. Compared to the EU levels, Malta is still facing lower employment rates. In depth data analysis shows that the low employment rates are attributed to the low female participation rates given that the employment rate of males (78.9% in 2012) supersedes that of the EU (74.6% in 2012)\(^11\). Whilst cognisant of the leap achieved to date – with female employment rate increasing from 37.4% to 46.8% between 2007 and 2012\(^12\) (with the main increase achieved in the 25-54 age cohort\(^13\)) further efforts are required to increase local employment levels.

The low participation of women in the labour market has also been identified as one of the Council Recommendation for Malta which needs to be addressed. Within this context, Government has embarked on a new initiative through its national funds for the provision of free childcare services to working parents with the aim to increase the working hours of parents, especially mothers and single parents, whilst also ensuring for the provision of a high quality service. In addition, Government will seek to address this CSR through additional interventions within this OP.

With reforms in the statutory pension, the participation of older workers beyond 61 years of age has also increased. In fact Eurostat data registered an increase in the activity rates of older workers from 29.6% (2007) to 34.9% (2012)\(^14\). Furthermore, during this period a positive trend was also recorded in the employment rate of the elderly – wherein the 55-64 cohort registered a constant increase since 2007 to reach 33.6% in 2012, with the 60-64 years age cohort registering an increase of 3.8%. Notwithstanding, the employment rate of older workers, is still below the EU-27 rate of 48.9% (55-64 age cohort in 2012), which is partly attributed to lower retirement ages in Malta plus the limited participation of females within that age cohort in the labour market\(^15\).

Youth Employment also transpires as one of the main challenges that Malta needs to address in terms of employment related challenges. In fact, Government adopted a National Youth Employment Strategy to strengthen the measures targeting youth\(^16\) to address the increasing trend in youth unemployment. Although over the years, Malta has successfully managed to contain its general unemployment levels, with a rate hovering around 6.4%\(^17\), youth unemployment levels are more than

\(^12\)Such increase was reflected in the three different strands of employment (full-time, full-time with reduced hours and part-time).
\(^14\)Eurostat Online Database: Population, activity and inactivity - annual averages [Accessed on 21 April 2014]
\(^15\)Eurostat Online Database: Employment (main characteristics and rates) - annual averages [Accessed on 28 February 2014]
\(^16\)National Youth Employment Strategy (Ministry of Education and Employment, 2015)
double the general unemployment rate which in 2012 stood at 14.2%. Within the youth bracket, female youth unemployment has experienced significant challenges with the 2012 rate of 14.6% superseding that of male youths at 13.9%. In this regard, Malta recognises the need to address the specific challenges in terms of the employment participation rates for different target groups (especially in terms of the elderly, women and youth) and adopt varying approaches to ensure their sustainable integration.

1.3 Social Cohesion

Inequalities in disposable incomes are evident and are also increasing in Malta. In fact, throughout the years Malta has experienced an increase in its number of people at risk of poverty or social exclusion to reach an amount of approximately 94,000 persons in 2012 (23.1% of the total population)\(^{19}\) which is depriving people from their fundamental right to live a dignified life. Although Malta’s figures are still lower than the EU-27, the figures have increased at a faster rate than that registered at a European level\(^{20}\). Within Malta and Gozo, the levels of poverty do not vary significantly between the districts and pockets of poverty are found across different areas\(^{21}\).

Education is a fundamental pillar that contributes towards improved standard of living. In fact, a main determinant leading to severe material deprivation or at-risk-of-poverty rate is the level of education acquired. Persons attaining low levels of education experience a higher at-risk-of-poverty rate. Over the 2007-2012 period, the rate of youth (18-24 years old) at-risk-of-poverty attaining an education level of ISCED Level 0-2 has more than doubled\(^{22}\) implying that there is a real need to address this challenge. The correlation between education and poverty is also evident for children and the level of education of their parents - with the higher the level of education of the parents, the less likelihood that the child will face poverty and social exclusion problems. This trend is also reflected in the case of the registered unemployed whereby the majority of persons have low levels of education and also face a higher risk of in-work poverty.

In line with the analysis carried in section 3.1.5 of the Partnership Agreement, the target groups that raise particular concerns when it comes to poverty and social exclusion related matters in Malta are children, youth, elderly, women, persons with disability, the working poor and the unemployed. This calls for Government to identify targeted approaches taking into account the different requirements of the individual groups with a view to meet the several needs of individuals and support the sustainable integration to quality employment\(^{23}\). In particular, focus needs to be directed to improve access to education and skills to improve attainment levels for people to move out of poverty.

1.4 Health inequalities

Based on the demographic trends that Malta is facing\(^{24}\), the health sector has a crucial role to play in ensuring the provision of adequate health services with a view of ascertaining a healthy workforce which will in turn contribute towards longer participation within the labour market. In addition, the health services also face high levels of non communicable diseases (NCD) which represent the

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\(^{19}\) Census of Population and Housing 2011 – Aggregate Data (National Statistics Office, March 2014)
\(^{20}\) Eurostat Database: People at risk of poverty or social exclusion by age and sex [Accessed on 21 April 2014]
\(^{21}\) SABS (Sistema għall-Amministrazzjoni tal-Benefiċċji Soċjali) Database 2011
\(^{22}\) Eurostat Online Database: People at risk of poverty or social exclusion by education level (population aged 18 and over) [Accessed on 21 April 2014]
\(^{23}\) Commission Recommendation on the active inclusion of people from the labour market (European Commission, 2008) 2008/867/EC
\(^{24}\) Refer to Section 1.1.
biggest cause of mortality rates across the world, consequently having a considerable economic and social impact\textsuperscript{25}.

Unhealthy diets, coupled with lack of physical inactivity, tobacco use and alcohol abuse are the main determinants linked to NCD. Locally, this represents a major challenge since Malta is facing an increasing prevalence of obesity across all age groups, with Maltese children and adults being amongst the heaviest both within Europe as well as globally\textsuperscript{26}. Education is considered an important tool to reduce health inequalities since there is a correlation between the body mass index and the level of education - in fact the body mass index decreases with increasing education levels\textsuperscript{27}. This calls for efforts to invest in appropriate measures to enable people to lead a healthy life and live their life to their maximum potential whilst also actively contribute to the economy.

1.5 Education and training challenges

Since 2007 Malta has registered improvements in the education sector with progress achieved in terms of reducing the early school leaving rate and increasing participation rates in further and higher education. However, especially in terms of early school leaving, the progress achieved to date still lags behind the European targets. In fact, the ESL rate for Malta still stood at 22.6\% in 2012 which is high when compared to the 12.8\% for the EU\textsuperscript{28}. Within this context and in line with Malta’s Country Specific Recommendation which urges Malta to take further measures to reduce early school leaving, Government prepared a draft Early School Leaving Strategy to address this issue holistically.

Government is currently refining the strategy for its finalisation. Furthermore, Government has also set a newly ambitious ESL target of reaching an ESL rate of 10\% by 2020. Cognisant of the recommendation within the CSR to set up a comprehensive monitoring system to combat ESL, the draft ESL strategy recommends the constitution of an ESL monitoring unit which will be responsible for ensuring an integrated systematic, sustained, cohesive and co-ordinated approach to the addressing of the challenge of ESL\textsuperscript{29}.

With the aim to improve the labour market relevance of education and training system which also feeds into the third CSR\textsuperscript{30}, Malta is currently also going through an education reform focusing on smoothening the transition from primary to secondary education, ensuring a more successful secondary cycle of education as well as contribute positively towards the structural changes that the Maltese economy is facing through revised courses, curricula and research.

In terms of participation rates, Malta has registered progress especially in terms of participation rate of 17 year olds\textsuperscript{31} in further and higher education which has increased steadily since 2008 reaching 83\% in 2012. The participation rate of 19 year olds was not as successful with the highest rate of 61\% registered in 2009, which thereafter dropped to 56\% in 2012\textsuperscript{32}. A critical concern that Malta is facing is linked to the limited progress that Malta has achieved in terms of the percentage of the population aged 30-34 years old having completed tertiary education with a rate that has been hovering around

\begin{thebibliography}{100}
\bibitem{25} A Strategy for the Prevention and Control of Non Communicable Disease in Malta (Ministry for Health and the Elderly, 2010)
\bibitem{28} Eurostat Online Database: Early leavers from education and training by sex and labour status [Accessed on 10 March 2014]
\bibitem{29} A Draft Early School Leaving Strategy for Malta (Office of the Permanent Secretary, Ministry of Education and Employment, 2012)
\bibitem{30} CSR 3: focuses on the continuation of policy efforts to reduce early school leaving, notably by setting up a comprehensive monitoring system. It also underlines the importance of increasing the labour-market relevance of education and training to address skill gaps, including through the announced reform of the apprenticeship system. The CSR also refers to improving labour market participation of women and urges the continuation of the promotion of flexible working arrangements, in particular by enhancing the provision and affordability of childcare and out-of-school centres.
\bibitem{31} At 17 years old, students would most often be participating in further education – both of general and vocational nature.
\end{thebibliography}
21% and 22% over six consecutive years\textsuperscript{33}. Compounded with these issues, lies the need to increase further the percentage of graduates in Mathematics, Science and Technology which in 2011 was low standing at 13.1% when compared to the EU27 rate of 22.6%. In 2012, visible progress was achieved with a rate of 19.1\%\textsuperscript{34}, which marked an increase of 6 percentage points over the previous year\textsuperscript{35}.

On the other hand, considerable progress was registered since 2007 in the field of lifelong learning (LLL) whereby an increasing trend has been registered. The profile of adults participating in LLL in Malta is above the EU average in the case of persons who hold upper secondary level of education or higher. However, adult participation is lower than the European average in the case of persons who hold a secondary level of education or lower\textsuperscript{36}. Inactive persons also registered a low rate of 3.4\% as compared to the EU-27 rate of 7.0\%\textsuperscript{37}. This poses a challenge to ensure that LLL is embarked upon by persons who have lower levels of education or who are not engaged in an economic activity. An important positive observation is that up to 2011\textsuperscript{38} the unemployed represented the cohort with a higher LLL participation rate of 10.6\% (2011) as opposed to 9.1\% (2011) rate for the EU-27\textsuperscript{39}.

Notwithstanding the improvements registered within the educational sector, Malta still faces significant challenges in the area of illiteracy whereby the conclusions reached in the report of the High Level Group on Literacy issued in 2012 show that Malta had a 36\% illiteracy rate, placing it in the 25th position out of the EU-27\textsuperscript{40}.

1.6 Institutional Capacity Building

Better regulation and simplification remain the main challenges for the public administration with the aim to deliver a cost-effective and quality service both internally within departments and entities as well as externally to the general public and enterprises. The setting up of a Better Regulation Unit in 2007, together with the appointment of the Commissioner of Laws and the Commissioner for Simplification and Reduction of Bureaucracy is a step in the right direction towards the achievement of this objective. However, Government recognises that further efforts need to be undertaken to address the demands of a modern society.

A major challenge in the sphere of the public administration is the need to focus on the improvement of the overall efficiency of the judicial system which has also been highlighted as the relevant CSR for Malta. Government is placing considerable efforts and resources to achieve the desired results and in fact has already embarked on a Judicial Reform. In this context, 2013 witnessed the appointment of a Parliamentary Secretary focusing solely on Justice (now Ministry for Justice, Culture and Local Government), who in turn set up the Commission for the Holistic Reform of the Justice System.

Government believes that the administration needs to be in a position to address the changes and developments of a modern economy. In this regard, investment in human capital is key for the development of a workforce with the right aptitude and skills to steer changes and achieve a renewed vision for the public administration. Direct attention towards the provision of training and up-skilling of

\textsuperscript{34} The EU 27 rate was not yet issued as at 21 April 2014.
\textsuperscript{35} Eurostat Online Database: Mathematics, science and technology enrolments and graduates [Accessed on 21 April 2014]
\textsuperscript{36} Eurostat Online Database: Participation rate in education and training (last 4 weeks) by sex, age and educational attainment level [Accessed on 21 April 2014]
\textsuperscript{37} Eurostat Online Database: Participation rate in education and training (last 4 weeks) by sex, age and labour status [Accessed on 21 April 2014]
\textsuperscript{38} The 2012 figure for Malta stands at 8.8\% but is underrepresented due to the small sample size.
\textsuperscript{39} Eurostat Online Database: Participation rate in education and training (last 4 weeks) by sex, age and labour status [Accessed on 21 April 2014]
the human capital element is imperative. This is considered critical for an effective public administration to truly deliver an effective high quality service.
Chapter 2 – Contribution towards the EU 2020 Strategy

The Europe 2020 Strategy seeks to address fundamental structural weaknesses in Europe’s economy exposed by the financial crisis and in doing so, sustain the model of the European social market economy. The principles and measures underlined in the Europe 2020 Strategy ultimately serve to contribute towards the creation of an environment which is conducive to economic growth and job creation. The three main priorities of smart growth, sustainable growth and inclusive growth urge Member States to work together to help Europe succeed whilst taking into account the different needs, starting points and national specificities of MS so as to promote growth for all.\(^{41}\)

The identification of the needs and challenges that Malta must address has been translated into strategic priorities aiming to effectively ameliorate its socio-economic development and competitiveness, whilst contributing towards the delivery of the EU 2020 Strategy for smart sustainable and inclusive growth. This Operational Programme identifies priorities which will be addressed by the European Social Fund. These priorities are based on national strategies whilst also taking into account the experiences gained and lessons learnt in implementing EU funded programmes under the previous programming periods.

The Partnership Agreement of Malta presents the overarching strategy which will contribute towards the EU2020 strategy through the ESI Funds. In this regard, the Partnership Agreement has identified three funding priorities which are considered as the main overarching objectives for the 2014-2020 programming period, namely:

- **Funding Priority 1:** Fostering competitiveness through innovation and the creation of a business-friendly environment;
- **Funding Priority 2:** Sustaining an environmentally-friendly and resource-efficient economy; and
- **Funding Priority 3:** Creating opportunities through investment in human capital and improving health and well-being.

This programme will directly contribute towards the achievement of Funding Priority 3 which strategically targets policy areas aimed to meet the Europe 2020 and national objectives relating to employment, education, social inclusion together with health. Funding Priority 3 will also be supported through the ERDF, EAFRD and EMFF.

The primary objective of the ESF Operational Programme for Malta is that of achieving inclusive growth by fostering an economy which is conducive to economic, social and territorial cohesion in line with the third priority of the EU 2020 Strategy. The Programme aims to increase the employment levels of the different target groups across the Malta’s socio economic fabric. Within the OP, 5 Priority Axes have been identified upon which it will focus resources to meet its employment, social inclusion, education and capacity building challenges. The 5 Priority Axes have been based on the ESF’s scope of support as outlined in the ESF Regulation (EU No. 1304/2013).\(^{42}\) These are:

- **Priority Axis 1:** Investing in the employability and adaptability of human capital;
- **Priority Axis 2:** Towards a more inclusive society;
- **Priority Axis 3:** Investing in people through Education, Training and Life Long Learning;
- **Priority Axis 4:** Building the Institutional Administrative Capacity; and


• **Priority Axis 5: Technical Assistance**

Each Priority Axis is directly linked to a Thematic Objective as outlined in Article 9 of the Common Provisions Regulation (Regulation 1303/2013). In this regard, each Thematic Objective is supported by a selected number of investment priorities which will help Malta to channel its ESF financial resources in critical investment areas which will render the maximum outputs, impacts and results in the ESF related sectors. The investment priorities identified will primarily consolidate and build upon interventions carried out under the outgoing programming period with the aim to present a process of continuity. To support the implementation of the strategy, specific objectives have been identified for each investment priority to steer investment towards the needs and challenges that contribute towards the overall development of the economy as well as contribute towards the EU 2020 targets.

The Priority Axes together with the supporting investment priorities are explained in detail in **Chapter 3** of this Operational Programme, however **Table 01** below provides an explanation as to how each Priority Axis will contribute towards the EU 2020 priorities and targets.

**Table 01: EU 2020 Priorities and Headline Targets**

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<tr>
<th>EU 2020 Priorities</th>
<th>Employment</th>
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<th>Education, Training &amp; LLL</th>
<th>Administrative Capacity</th>
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<tr>
<td><strong>Smart Growth</strong></td>
<td>✓</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Sustainable Growth</strong></td>
<td></td>
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<tr>
<td><strong>Inclusive Growth</strong></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Headline Targets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>75% of the population should be employed</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>3% of the EU’s GDP should be invested in R&amp;I</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>The “20/20/20” climate/energy targets should be met. 44</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reducing early school leaving to less than 10%</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>At least 40% of the 30-34 year olds completing tertiary education or equivalent</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>At least 20 million fewer people in or at risk of poverty</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

43 This Priority Axis will finance the management and control function of this programme and hence is not being included as part of this consultation document.
44 Based on the needs of the industry the ESF can also contribute towards this objective.
2.1 Priority Axis 1: Investing in the employability and adaptability of human capital

The Employment Priority Axis of the ESF Operational Programme was developed in response to the employment challenges that the EU and Malta are facing. It is supported by 2 investment priorities dealing with access to employment for job seekers and inactive people; and the sustainable integration of young people in employment. The objectives set for the different IPs and the supporting planned actions are directed to support the priorities for smart and inclusive growth as part of the EU 2020 strategy.

The main objective of this axis is to support the Smart Growth Priority as well as to contribute to the Youth on the Move Flagship Initiative. This will be achieved through measures supporting youth employability (including EURES-related activities), promoting entrepreneurship and the implementation of job exposure schemes so as to enhance the employability of the Maltese labour force.

Furthermore, the Employment Priority Axis will contribute directly towards the Inclusive Growth EU 2020 Priority, and will feed into the Flagship Initiative of An Agenda for New Skills and Jobs. Measures foreseen under this Axis will aim to make use of the human capital resources available, taking into account the changing demographic challenges and increased competitiveness. In this context, through this OP, Malta will support measures reconciling work and family life, increased gender equality as well as supporting the shift from the unemployed to the employed segment. Such an approach will provide the Maltese labour force with enhanced opportunities to access the labour market including upgrading of skills through further training and education; bridging the gap between the supply and demand in the labour market; and introducing active labour market initiatives that enhance the employability of the labour force. Through these types of measures, policy action would be directed to promote the employability of the Maltese labour force; thereby increasing the employment rate and hence reduce the rate of at-poverty risk which is strongly correlated to unemployment.

Over the past decade Malta has managed to meet its 2020 employment target established within the NRP of 62.9% in 2012. Through this Priority Axis, Malta aims to build on the positive employment results achieved with the aim to continue progressing and contribute more effectively to the EU2020 employment target of 75% of the population aged 20-64. Within this context, Malta has set a new employment target of 70% to be achieved by 2020.

2.2 Priority Axis 2: Towards a more inclusive society

The Europe 2020 Strategy recognises the need to make significant attempts to address the issue of poverty and social exclusion and also address health inequalities. These priorities are mirrored in the second Priority Axis of the ESF OP for Malta. Priority Axis 2 is supported by 2 main investment priorities namely: Active Inclusion, including with a view to promoting equal opportunities and active participation, and improving employability; and Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest. The investment priorities are supported by specific objectives aimed at contributing towards the Inclusive Growth Priority of the EU2020 Strategy, especially by supporting the Flagship Initiative of European Platform against Poverty.

The objectives and the planned actions under Priority Axis 2 are geared towards enabling people experiencing poverty and social inclusion to live in dignity and take an active part in society. It will support measures addressing the specific circumstances of groups at particular risk at different junctures of their life through education, training and support measures, bottom up approaches
revolving around the concept of the Family Resource Centres, targeted approach towards children, measures supporting social enterprises, anti-discrimination measures as well as capacity building related actions to improve service delivery. Additionally, this Priority Axis will focus on promoting healthy lifestyles with the aim to ensure a healthy society who remains active in the labour market. The focus will be directed towards reducing health and social inequalities arising from person's health condition and their ability to participate actively in the economy and hence affecting their social well-being.

Through the planned actions envisaged under this Priority Axis, Government aims to effectively contribute towards the EU 2020 target of fighting poverty, with a national target set in Malta’s NRP of lifting around 6,560 from the risk of poverty and social inclusion by 2020. Additionally, this Priority Axis will also contribute towards the EU 2020 targets of employment and education. This OP will finance measures targeting people facing various complexities with the aim to empower them and help them become active contributors to the economy through employment, hence improving their life prospects. In terms of education, particularly lifelong learning, focus will be directed towards those persons who need it most to improve their life chances away from state dependency. ESL targets will also be addressed including through the concept of the Family Resource Centre which aims at strengthening the family as a tool to improve opportunities for its members and targeted approach towards children directed towards breaking the intergenerational cycles of poverty.

2.3 Priority Axis 3: Investing in people through Education, Training and Life Long Learning

Education is as an essential driver for growth as outlined in the Europe 2020 Strategy. In fact, education is deemed as a key instrument for addressing unemployment (particularly among young people) and challenges emanating from globalisation and the knowledge economy. In this regard, Malta recognises the need to sustain investment in knowledge, skills and competences of citizens throughout their life and across all sectors of education and training.

Investment in this Priority Axis will contribute both towards the policy responses of Smart Growth and Inclusive Growth Priorities of the EU 2020 Strategy. Smart Growth focuses on the need to strengthen knowledge and innovation for future growth which requires, inter alia, improvement in the quality of education and strengthening of research performance. This Priority Axis will directly contribute towards improving the educational experience and its relevance to the labour market with the aim to limit the number of young people that leave education too early. In this context, Malta has set itself a new ambitious target for Early School Leavers of 10% by 2020 which will contribute towards the same target set at a European level. Through action directed towards strengthening the compulsory education cycle, investment will also contribute towards the Flagship Initiative of Innovation Union, which calls Member States to ensure a sufficient supply of science, maths and engineering graduates and to focus school curricula on creativity, innovation and entrepreneurship.

In terms of strengthening the research performance, through this Programme, Malta will invest in post-doctoral research programmes to increase the human capital supply that can effectively contribute towards R&I investment - thereby, contributing towards the EU Headline Target of increasing R&I investment.

Investment undertaken within this Priority Axis will seek to empower the future workforce by adapting to new conditions, reduce unemployment and raise productivity through improved educational experience. In addition, further and higher education measures together with lifelong learning, will seek to consolidate investment in the skills of the current workforce. This approach is expected to

contribute towards the Inclusive Growth Priority including through the Flag Ship Initiative of *An Agenda for new skills and jobs* and towards the EU2020 employment target.

Besides contributing directly towards the reduction of ESL, this Priority Axis will contribute effectively towards increasing the number of 30-34 year olds completing tertiary education or equivalent, for which Malta has set a national target of 33% (from the 2012 rate of 22%) in the NRP. In addition, it is worth noting that given the direct correlation between education and poverty the envisaged investment in education will also support the EU 2020 target of reducing the number of people at risk of poverty or exclusion.

### 2.4 Priority Axis 4: Building the Institutional Administrative Capacity

Addressing the evolving needs of a modern economy is critical in order to ensure economic development and social cohesion. In this regard, investment in institutional capacity is key since the administration provides the institutional backbone for the effective functioning of the Maltese economy and society. In this regard, interventions under this Priority Axis will continue to be directed towards the strengthening of the role of the public administration both as a service provider as well as a regulator.

This Axis is expected to contribute towards the Sustainable Growth EU 2020 Priority, primarily through the Flagship Initiative of *An Industrial policy for the globalisation era*, where it foresees support towards reducing administrative burden on companies and improving the quality of businesses and make them more competitive. In fact, the ESF Programme envisages the financing of measures focusing on the reduction of the administrative burden in line with the spirit of better regulation, including the reform within the judiciary sector with the aim to facilitate the interface between Government, enterprises and citizens.

Measures foreseen through this Priority Axis will also support the Inclusive Growth Priority of the EU 2020 strategy. Investment in the administration is expected to provide robust policy framework and will also contribute towards the effective and efficient implementation of policy. Furthermore, Government will also seek to invest in the capacity of all stakeholders delivering ESF related policies with a view to contribute towards the necessary socio-economic development of the country.
CHAPTER 3 – PRIORITY AXES

The analysis and development needs identified under Chapter 1 of this document brought about the need to invest ESF resources in specific areas which could contribute towards Malta’s fight towards unemployment, poverty and social exclusion. This also underlies the regulatory requirements brought about by the ESF Regulation\(^\text{46}\) which calls for the concentration of resources towards priorities of intervention through the principle of thematic concentration.

Malta has identified four Priority Axis which aim to exploit the full potential of EU financing to reach the targets set at a national level whilst also contributing towards EU2020 targets. The Priority Axes reflect the Thematic Objectives identified the ESF Regulation\(^\text{47}\) and are supported by ten investment priorities. The Priority Axes and their respective investment priorities are explained in detail in this Chapter. For each investment priority this chapter identifies the related specific objectives, development needs and expected results. This information is also complemented by the actions to be considered for funding under each investment priority which also captures the target groups that will be supported and a list of potential interventions envisaged.

3.1 Priority Axis 1: Investing in the employability and adaptability of human capital

3.1.1 Investment Priority 1: Access to employment for job seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility.

Specific Objective

Improving the employment prospects of job seekers and inactive persons as well as support for labour mobility.

Development Needs

Malta’s employment levels have increased steadily despite the economic and financial crisis both globally and within the Euro Zone. In fact, Malta’s employment rates have experienced an increasing trend between 2007 and 2012 (from 58.4% to 63.1%)\(^\text{48}\) which rate is converging closer to that of the EU. The EU employment rate has, on the other hand, experienced a slower downward trend from 69.9% in 2007 to 68.5% in 2012\(^\text{49}\). Progress in Malta has also been achieved in terms of female employment levels as well as unemployment levels. Female employment has registered considerable increases from 37.4% to 46.8% between 2007 and 2012\(^\text{50}\). Unemployment levels in general have also experienced positive trends, with decreasing rates being registered since 2010, from 6.9% to reach 6.4% in 2012 - a favourable rate when compared to the EU rate of 10.4% which rate has been increasing since 2009\(^\text{51}\). Positive trends have also been recorded in the employment rate of the elderly. Notwithstanding, Government recognises that further efforts are needed for Malta to enhance

\(^\text{49}\) Ibid.
\(^\text{50}\) Ibid.
\(^\text{51}\) Eurostat Online Database: Unemployment rate by sex and age groups - annual average, % [Accessed on 28 February 2014 ]
its competitiveness whilst also ensuring that everyone is granted the opportunity to participate and remain active in the labour market.

Of particular concern is that despite the progress registered, the overall female employment level still remains low (46.8%) when compared to figures for male employment (78.9%) and female employment figures at European level (62.4%)\(^{52}\). Employment levels of older workers are also still low when compared to the EU. Furthermore, the unemployment rate of persons attaining low levels of education is also a cause for concern since unemployment levels are more striking for this target group. In fact in 2012, the unemployment rate for those attaining ISCED levels 5 and 6 stood at 2.2% while for those attaining ISCED levels 0-2 the rate increases to 9.3%\(^{53}\). In a competitive labour market, the lack of the necessary skills creates obstacles towards an improved standard of living. This highlights the need for interventions that will focus on re-skilling and up-skilling of the workforce that meet employment challenges, including providing job seekers with job mobility opportunities as well as facilitating employment access for jobseekers and the inactive with the aim to further achieve steady increases in the employment rate.

**Expected Results**

The expected results under this investment priority are:

- Increasing the employment rate;
- Increase in the female participation rate in the labour market; and
- Increase the number of elderly workers in the labour market.

The achievement of this result will contribute towards reaching Government's national 2020 target of increasing the Employment Rate to 70%.

**Actions to be supported under the investment priority**

The objective of Government is to invest in employment measures aimed at enhancing accessibility to employment for all with a view to reduce inactivity and prevent inflows into unemployment. Labour market mobility as well as addressing the notion of making work pay is also considered important to improve employment prospects. Government also seeks to create an environment which is conducive to self-employment. This approach will contribute towards the creation of new businesses, whilst also supporting existing ones. Moreover, creating employment opportunities for different target groups at different levels and categories of employment is pivotal in achieving enhanced competitiveness. In this regard, actions under this Thematic Objective will be complemented through ERDF.

**Indicative Target groups, beneficiaries and territories targeted**

<table>
<thead>
<tr>
<th>Target groups</th>
<th>Job seekers and inactive people.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>Public Administration, Social Partners, Employers</td>
</tr>
<tr>
<td>Territories</td>
<td>Malta and Gozo</td>
</tr>
</tbody>
</table>

Interventions under this Investment Priority will target job seekers and the inactive. These include amongst others: inactive persons, the unemployed, persons facing labour market challenges, persons

\(^{52}\) National Statistics Office, March 2014: Annual Labour Force Survey Datasets

\(^{53}\) Eurostat Online Database: Unemployment rates by sex, age and highest level of education attained (%) [Accessed on 28 February 2014]
aiming at improving their employment prospects, persons who are away from the labour market and persons who are more difficult to employ.

The Beneficiaries envisaged under this Investment Priority include the Public Administration, social partners and employers who can contribute towards achieving an inclusive labour market. Employers are also seen as a necessary partner in the sustainable integration process to provide the target groups with the necessary labour market exposures.

**Types of Interventions**

This investment priority will tap into different employment measures to ensure that every individual is endowed with the possibility to carry out a job that meets his or her aspirations. Measures under this investment priority will support different individuals seeking sustainable integration and retention into the labour market with the aim of helping them succeed in their endeavour through the provision of adequate training programmes and exposure schemes that equips them with the necessary skills and competences to thrive in a competitive labour market. This will be complemented by the required employment support services to facilitate the process. Investment will also be directed towards actions contributing towards increasing the necessary support facilities as well as facilitating the commitment of working parents to remain in employment. In addition, focus will also be directed towards persons who are distant from the labour market to help them reintegrate in the labour market and become more productive. Individuals aiming to improve their employment prospects will be supported through appropriate measures.

**List of Potential Interventions**

- **Access to employment and support for labour mobility**

The achievement of Government’s aim to create a thriving society in which each individual realises his/her potential is translated into the implementation of a number of measures that contribute towards this objective. In this regard, focus will, amongst others, be directed towards the provision of relevant training, empowerment and employment programmes so that individuals can acquire the necessary skills and competencies which will ultimately enable them to find and retain a job as well as improve employment prospects. These programmes also cover job exposure measures since Government believes that this can be an effective tool that facilitates sustainable labour market integration. This will be supported through specific training and employment support initiatives, including the provision of relevant subsidies both to specific target groups as well as employers, as appropriate. The participation of employers is of utmost importance for Government to be able to deliver on its commitments. Through practical work exposure measures, employers can give job seekers relevant labour market skills that smoothens their progress towards labour market integration, retention and progression.

Attention will also be directed towards persons facing difficulties in either accessing the labour market or retaining long term employment. Government aims to support measures which will provide these individuals with the necessary support to avoid reliance on the welfare system and thereby also contribute towards the economic development of the country. As the unemployment rate for persons attaining low levels of education are of particular concern; the low skilled will be targeted by these measures with the aim of increasing their competencies and skills to prevent inflows into unemployment and subsequently into long term unemployment, including through possible employment mobility measures. In addition, Government aims to support older workers in the consideration of career mobility prospects, followed by the relevant training and support, with the aim to increase their work life duration.
**EURES Related Activities**

The free movement of persons and labour is one of the pillars on which European integration is founded and which has provided the citizens of Europe with the possibility of securing a future for themselves and their families in another country if they choose to. Individuals need not feel as though they are limited to finding employment in their home country, but should be given the possibility to explore opportunities at a European level. In this regard, Government aims to promote and facilitate labour mobility across the EU Member States, which is another form of support for job seekers to improve their employment prospects. In this context, this investment priority will support EURES related activities, which include services to EU Nationals and their dependents living in Malta, employers and job seekers in relation to recruitment and related information, as well as advice and guidance services with the aim of enhancing the transnational geographical mobility of workers.

**Nurturing an entrepreneurial culture**

Studies have shown that in the area of entrepreneurship Malta experiences a lack of a genuine start-up culture and is in fact trailing behind the EU average on this front.\(^{54}\) Government believes that in order to steer individuals to consider business ownership and self-employment as an alternative form of occupation there must be some form of incentives in the different economic sectors so that these individuals may succeed in their business creation mission. Within this context, Government aims to create an environment in which business ownership and self-employment are considered as an alternative form of employment including through the provision of specific training programmes and incentive schemes. Self-employment and entrepreneurship are considered essential since these allow for economic diversification and improvement of the standard of living. These actions will be complemented through ERDF.

**Measures supporting work-life balance**

Over recent years, the rate of women graduating from University has by far exceeded that of males. However this trend is reversed in terms of employment figures. Within this context, it is evident that there is a need to address the loss or under utilisation of human capital which is an important resource to the economy given Malta’s heavy dependence on its human resources complement to generate economic activity. Government intends to address this challenge by strengthening its support for family friendly measures to ensure that parents, particularly women, are in a better position to balance their family responsibilities whilst at the same time remaining or returning to employment. Different forms of flexible working arrangements, including the use of technology tools and/or applications, will be further invested upon to allow employees to better share family responsibilities, including the care for the children, elderly and other dependents.

The success of family friendly measures is also dependent upon the support by the management hierarchy of the organisation. In this regard, management will play a key role in building the working environment that is needed to support family friendly measures with the aim of increasing female participation as well as contributing towards the sharing of family responsibilities. Measures may include the promotion of different forms of working arrangements as well as through the provision of other measures such as childcare services. In fact, childcare is considered as an essential tool in achieving work-life balance and therefore actions contributing towards this objective such as the availability of more, extended, affordable and good quality childcare services as well as out of school care solutions are seen as an important contributor towards increasing female participation in the

\(^{54}\) Enterprise and Industry, SBA Fact Sheet 2013 Malta.  
\(^{55}\) The term parent refers also to guardians. This is applicable throughout the OP.
labour market. Ongoing campaigns on the benefits of childcare will also be considered as this can have a direct impact on the family’s decision making process on employment retention.

Attention will also be directed towards achieving work-life balance for working age carers who often have to assume the role of informal carer of their frail relatives. As a result, these workers often lose out on opportunities in the labour market due to employment policies and working conditions which do not consider their need to find a balance between their working lives and the caring responsibilities that they have. This often results in these workers having to exit the labour market. In this respect, Government will support measures focusing on the reconciliation of work-family life to help working age carers to retain economic independence whilst staying active in the labour market, and also meeting their familial obligations\(^56\).

### 3.1.2 Investment Priority 2: Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.

#### Specific Objective/s

Enhancing the sustainable integration of young people into the labour market.

#### Development Needs

Youth unemployment rates have been increasing across Europe; although Malta has fared better than other European countries, this target group is facing considerable challenges in achieving sustainable labour market integration. In fact, 2012 unemployment figures show that Malta has a considerable high level of youth unemployment (14.2%) when compared to the adult unemployment rate (5.0%)\(^57\). The unemployment rate for youth males decreased between 2007 and 2012 whereas that for youth females increased significantly over the same period. The employment rate for youth has also been decreasing\(^58\) (this may be as a result of more youth engaging in education following compulsory schooling)\(^58\), from 45.7% in 2007 to 43.8% in 2012 as opposed to the overall local employment rate which has increased from 58.4% to 63.1% over the same reference period\(^59\).

In addition to these negative trends, Malta is also experiencing increasing not in Employment, Education or Training (NEET) rates for youth. Within this context, Government has launched its National Youth Employment Strategy with a view to direct investment towards addressing the myriad of issues faced by this target group focusing mainly on achieving a smooth transition from education to employment. In terms of employment, the National Youth Employment Strategy focuses on providing the learning tools which will equip young people with the necessary employability skills whilst also ensuring the sustainability of young people’s entry into the labour market by addressing temporary, precarious and informal work arrangements.

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\(^{59}\) National Statistics Office, March 2014: Annual Labour Force Survey Database
Expected Result

The expected result under this investment priority is:

- Reduction in youth unemployment.

The achievement of this result will contribute towards reaching Government’s national 2020 target of increasing the Employment Rate to 70%.

Actions to be supported under the investment priority

The integration of youth within the labour market poses a significant challenge both at a national and European level. Malta believes that it is important to address this challenge not only for this target group to flourish in the labour market but also to contribute towards overall economic development given that youth represent the country’s future backbone.

Within this context, this Investment Priority will support the sustainable integration of youth in the labour market with a view to enable youth to play an active role both economically and socially. This priority will mainly address actions that combat disadvantages that youth may face at the start of their potential careers. Government believes that such disadvantages can have long term consequences for the person’s development and social welfare, which can eventually have a direct effect on the country’s future employment performance.

Indicative Target groups, beneficiaries and territories targeted

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Youth, youth workers and others working with young people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>Public Administration, Social Partners and Employers</td>
</tr>
<tr>
<td>Territories</td>
<td>Malta and Gozo</td>
</tr>
</tbody>
</table>

Given that the primary focus of this investment priority is to support youth in their integration process towards sustainable employment, the funding will predominantly be directed towards this target group. To complement this, action will also be directed towards youth workers and others working with this target group, for example parents/guardians, to contribute towards a more successful labour market integration and/or retention process.

The Beneficiaries envisaged under this Investment Priority will cover the public administration, local councils, social partners and NGOs working in the field aiming to implement measures contributing towards the sustainable integration of youth in the labour market. Furthermore, given their key role within the labour market, employers will also be considered as partners in the sustainable youth integration process in view of their potential to provide the target group with the necessary labour market exposures.

Types of interventions

In the 2014-2020 programming period, Government aims to address the increasing youth unemployment and NEET rates by supporting the provision of learning tools and support measures which will ensure that young people are equipped with the necessary employability skills which sustain their labour market integration. Government will direct resources through this investment priority to support youth finding and retaining a job which enables them to achieve a better standard of living and fulfil their aspirations. This approach will also contribute towards assisting youth in their transition to adulthood. The successful transition to adulthood provides individuals with a sense of
independence and self-reliance which in turn boosts their confidence. In this context, by investing through appropriate measures, Government aims to ensure that young people are equipped with the necessary resources and skills to thrive.

**List of potential interventions**

- **Youth Guarantees**

Government is committed to support through this investment priority the European Youth Guarantee at a national level where measures will focus on offering youth guarantees for education, training and jobs. The main aim is to address youth unemployment particularly by focusing on reducing the number of youths who are not in Employment, Education or Training (NEET’s). Within this context, the objective is to increase the number of youth furthering their studies beyond compulsory education whilst also increasing their skills through relevant training programmes. Such investment will provide incentives for education and continuous learning with the aim to improve youth skills as well as the country’s competence base. The role of the employers is also considered pivotal for the successful implementation of related and supporting measures. Interventions undertaken under this investment priority will be complemented with actions supporting close co-operation between the different stakeholders involved with the aim of optimising the benefits of youth guarantees.

- **Youth Employability**

Besides the direct employability measures linked with the youth guarantee, Government intends to pursue other interventions that support the sustainable labour market integration of young people. Investment in this area will therefore address temporary, precarious and informal work arrangements to ensure that young people are not left behind. In addition, investment will be targeted towards enabling youth to access and progress within the labour market. Within this context, skills development programmes and competence recognition associated with labour market demands is considered an asset that deserves additional investment. The aim is of supporting actions which empower and support its young citizens towards realising their life projects underpinned by the principles of solidarity and inclusion as outlined in the National Youth Employment Strategy.

The implementation of job exposure schemes (including apprenticeship, traineeship and entrepreneurship schemes) facilitating the transition to employment are also being considered since such schemes provide a skilled labour force that is relevant to labour market demand. The role of employers is considered fundamental for the success of such schemes. Similar schemes linked with compulsory education and specific vocational education courses will also be covered under Thematic Objective 10.

Up-skilling of youth workers and others working with this target group (including parents/guardians) is also essential since these represent the cohort of people that have better access to youth and can have an impact or influence on individual life choices. It is also essential to focus on initiatives that ensure that the right employment related information is provided to youth through the most effective means for it to achieve the most desirable impacts.

Strengthening the link between education and the labour market is also considered crucial in order to obtain a smoother transition from schooling to employment. In this regard, actions supported under this investment priority will be complemented by actions under Thematic Objective 10, which include measures combating early school leaving and increased participation in further and higher education.

**3.1.3 Indicative Financial Allocation**

The indicative total funding for this Priority Axis amounts to € 26 million.
3.2 Priority Axis 2: Towards a more inclusive society

3.2.1 Investment Priority 1: Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability.

Specific Objective

Enhancing active inclusion by creating opportunities for all.

Development Needs

Government is committed to creating a just society where all of its citizens are given the opportunity to succeed. In this respect, active inclusion and the eradication of poverty continues to feature on top of Government’s agenda.

In 2012, it was estimated that 23.1% of the population in Malta was at risk of poverty and 9.2% of the population were severely deprived. Studies reveal that the main target groups which raise particular concerns when it comes to poverty and social exclusion related matters include children, youths, the elderly, women, persons with disability, the working poor and the unemployed amongst others. Government believes that society should be free from any form of discrimination; given that discrimination fuels social exclusion as well as poverty. In this regard, actions empowering individuals and other support measures that combat all forms of discrimination will be addressed.

Women also face particular constraints concerning equal opportunities in the labour market where imbalances are an enduring reality not only in terms of employment levels, but also in terms of decision-making positions and pay. The Database of the Directorate-General for Justice shows that, for Malta, in publicly listed companies the balance towards men by far outweighs that of women with a rate of 9% of women in executive positions as compared to 91% for men, whilst the gender pay gap is estimated at 12.9%. This calls for focused action on addressing existing barriers for women to achieve more in terms of quantum as well as the quality leap required to achieve a truly balanced labour market.

This investment priority will aim to contribute towards the creation of a society which is more homogenous and embraces diversity by promoting active inclusion. Through the initiatives contemplated within this thematic objective equal opportunities will be promoted not as a privilege but as a right which is afforded to everyone and which provides benefits to both the individual and society in general.

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60 Eurostat Online Database: People at risk of poverty or social exclusion by age and sex [Accessed on 28 April 2014]
61 Eurostat Online Database: Severe material deprivation rate by age and sex [Accessed on 28 April 2014]
63 Ibid.
64 The EU rates stand at 11% for women and 89% for men
66 Ibid.
Results

The expected results under this investment priority are:

- Increase active inclusion of vulnerable groups; and
- Improved social service quality.67

The achievement of this result will contribute towards reaching Government’s national 2020 target of lifting around 6,560 people out of risk of poverty and social exclusion.

Actions to be supported under the investment priority

The aim of Government is to create a society which is inclusive and which combats poverty in all its forms. This investment priority will thereby seek to support measures which will enable each individual to realise his/her potential and enable persons facing difficulties arising from vulnerable situations to go beyond what life circumstances have offered them and make a success of their future. Within this context, Government aims to invest in actions directed towards addressing individuals in vulnerable situations at different levels and areas of society through the adoption of appropriate approaches with the aim of creating equal opportunities for all.

Indicative Target groups, beneficiaries and territories targeted

<table>
<thead>
<tr>
<th>Target groups</th>
<th>The poor, persons at risk of poverty, persons facing social exclusion, the materially deprived, persons facing discrimination, general public, employers and employees, stakeholders working with vulnerable groups.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>Public Administration, Local Government, Social Partners, Voluntary Organisations.</td>
</tr>
<tr>
<td>Territories</td>
<td>Malta and Gozo</td>
</tr>
</tbody>
</table>

Interventions under this investment priority will target all those persons who are at risk of poverty and social exclusion as well as those who might suffer from any form of discrimination. These include children, youth, elderly, women, persons with disability, the working poor and the unemployed amongst others. In addition, employees of the relevant stakeholders will also be targeted to achieve a robust support structure.

The promotion of equal opportunities is also an integral part of this investment priority, which calls for actions targeting both men and women in order to achieve a labour market in which gender equality is the norm. The general public will also be targeted to address gender role perceptions which, though slowly changing, are still based on the perception of gender inequality.68

Beneficiaries will include the public administration and NGOs working in the field that can contribute towards combating poverty and discrimination as well as contribute towards addressing gender imbalances in the labour market.

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67 This result contributes towards the PA result of Improved social/health service quality.
Types of Interventions

The actions that will be undertaken under this investment priority will be multi-pronged and will cover different measures to ensure that everyone is provided with the opportunity to sustainably integrate into the labour market. Interventions will target persons experiencing diverse difficulties arising from their vulnerable situations at different stages of their lives through appropriate measures, including through specific actions which help these individuals become socially and economically independent. Achieving a better understanding of how different social and demographic conditions can affect economic inclusivity is an important dynamic that needs to be understood, together with providing appropriate empowerment, information, training and education programmes to ensure that a holistic approach is adopted.

Specific attention will also be directed towards actions that can directly and/or indirectly contribute towards creating and promoting equal labour market opportunities as well as equal pay. In this regard, investment will be directed towards actions that facilitate the participation of women in decision making positions and the role of men in gender equality. Targeted sensitisation measures to further combat gender role perceptions are also considered.

Another important aspect is the need to train and up-skill professionals interacting with persons facing social exclusion. This approach will enable professionals to better respond to the individual needs. This will be complemented with the provision of information to both the general public as well as professionals with a view to understand and better approach the different needs of people facing social exclusion.

- Education, training and support measures

Individuals who are economically active have the possibility to improve their standard of living whilst also contributing to the nation’s economic growth. In this respect, Government believes that it has a social responsibility to empower its citizens to seize opportunities that will improve their life chances and help them achieve a better quality of life. In this regard, Government will support actions aimed to ensure that persons who are facing social exclusion are empowered, through appropriate skills and knowledge, to help them combat vulnerability traps. Emphasis will therefore be placed on the elimination of barriers to training, education and other support measures which socially excluded persons and vulnerable groups might face. The provision of specific services will also be supported, to ensure that whilst people are given the necessary assistance to overcome barriers; people are also provided with the right services with the aim to smoothen the transition towards sustainable labour market integration. Specific attention will be paid to the development of teaching tools, personalised action plans, and tailor made programmes specifically designed to enable active participation and improve employability. Research measures identifying means to improve the life chances of different categories of vulnerable persons are also essential.

Government strongly believes that individuals facing different social exclusion situations require appropriate and specific interventions that address their needs directly. In this regard, this investment priority will fund the implementation of diverse measures taking into account the myriad of needs that different individuals face, so as to ensure that the different needs of these individuals are responded to appropriately.

- Improving the life chances for disadvantaged children

One of the objectives of Government is to tackle social exclusion and poverty through a holistic approach by tackling the problem from its roots as far as possible. In this regard, it is the intention of Government to invest in children with a view to eventually enabling them to become positive citizens
through active participation within the labour market. Government believes that efforts directed towards increased labour market participation would render the desired outputs if Government also focuses on limiting, as much as possible, the impact of negative social inheritance in children. This can be achieved by interrupting the negative life-cycle these children very often find themselves in so as to enable them to go beyond what life circumstances have offered them and provide them with real life chances that will help them make a success of their future.

- **Family Resource Centres**

Government aims to establish Social Development Centres (SDCs) within the different districts located across Malta to promote socio-economic development of the territory by fostering the social cohesion of the area and the quality of life and social justice for those living in the territory. Within the Social Development Centres, Government will also set up Family Resource Centres (FRCs) which will act as catalysts for sustainable and healthy community development through a collaborative, participatory, holistic and empowering approach which covers initiatives at different levels. The aim is to emphasise the need to strengthen the family, in its functional role as a social unit, so as to improve social cohesion and quality of life.

The FRCs will adopt a bottom up approach and will offer holistic and integrated assistance (including profiling, self-assessment and individual action plans) to the individuals and families in the area based on the collaboration of all relevant stakeholders that will be involved in tackling the individual problems. Within this context, stimulating partnerships together with sharing of information, research, knowledge and expertise between the different stakeholders is of utmost importance.

Through the FRC concept, Government aims to provide professional information, advice, assistance, support and education especially to individuals coming from disadvantaged groups whilst also developing a concept of lifelong learning. Focus will also be directed towards stimulating the development of parenting skills and competencies so as to foster the stability of the families whilst also empowering the different target groups to prevent dependency and promote/facilitate independent living as much as possible. Government believes that such a holistic approach will provide a preventive approach to mitigate the rise in poverty levels.

- **Equal opportunities and anti-discrimination measures**

Equal and fair treatment is a right that should be enjoyed by all. Through this investment priority, Government will direct investment towards the fight against discrimination in line with the EU's philosophy of promoting diversity and creating an environment which safeguards each individual’s dignity. Discrimination is multi faceted and can manifest itself in different ways and hence it is sometimes difficult to detect. In this respect, studies and research activities will be carried out to better understand the implications and consequences of discrimination. It is equally essential for people in general to understand the concept and its many guises and how this can affect people in their everyday lives; thereby emphasising the importance to accept and view persons who are different as equal. Another important aspect is the need to empower individuals with different needs to respect themselves through an understanding of the culture of rights that surrounds them so as to acquire the necessary advocacy to militate for their rights in this regard.

Measures will also be directed towards schools where Government will be providing awareness training in schools in particular training to school administrators, educators, parents and supporting staff. Other complementary measures include reviews of school syllabi and textbooks which will be conducted together with the provision of appropriate toolkits for teachers to use as guidance on how to promote an inclusive and tolerant society whilst also addressing discrimination matters.
Complementary to the above, specific attention will also be directed towards addressing equal opportunities through a gender perspective. In this regard, targeted sensitisation measures to further combat gender role perceptions are also considered with the aim of addressing the challenge that the Maltese economy still faces in reconciling the need for increased female participation in the labour market with women’s role in the family formation. To address the notion of gender equality holistically, the role of men in gender equality will also be given prominence. With men occupying most of the top positions in the labour market, Government believes that without their active involvement in the creation of a society which promotes equal rights, it is not possible for Malta to achieve its gender equality objectives. In addition, this investment priority will also support relevant policy action to address the ‘sticky floor’ phenomenon to help increase the number of women in managerial grades and decision making positions. Government believes that including women at management and senior levels is considered as best practice for success in any organisation and therefore should be implemented and communicated to all employees especially at higher echelons.

Like most other EU Countries, Malta is no exception to ageing trends and the nation’s transformation into an ageing society cannot be ignored. Older workers tend to experience several barriers when it comes to re-enter the paid labour market and retain labour market participation. The Active Ageing Policy shows that one of the main obstacles older workers face is ageism and age discrimination mainly since employers tend to favour younger workers for various reasons and in view of this, older workers are constantly at a disadvantage. In this regard, measures aimed at combating ageism and age discrimination will also be supported.

Employers have also an important role to play in achieving an equal and just society. They must also be made aware of the different types of discrimination which can occur at the workplace or in the recruitment process. This calls for specific interventions (including training as well as information sessions) targeted towards employers so that they too can help eradicate discrimination and promote an equal and inclusive society. On the other hand, it is also pertinent to provide employees with the necessary information to know and understand their rights.

- Measures supporting social enterprises

With the aim to promote the development of social and professional competencies necessary for a process of integration and inclusion of individuals and families of vulnerable groups, this investment priority will target funds towards the creation of social enterprises. Individuals will be supported through measures helping them identify their own potential and support them in the development of their talents in order to attain different sources of income. Actions will cover training, mentoring, coaching and other learning schemes addressing the upgrade of the skills, knowledge and competencies of the persons concerned to ensure their social and professional integration. Social Enterprises are considered as an important tool through which new income streams for the individuals and the community may be provided.

- Capacity building measures

Discrimination and maltreatment of vulnerable groups can have negative affects and repercussions both on the persons suffering the abuse as well as on society in general. It is therefore important that these individuals receive the necessary assistance and guidance. Government understands that persons who work with vulnerable groups (including educational psychologists, counsellors, social

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69 The ‘sticky floor’ phenomenon refers to the situation where females are stuck in jobs with no opportunities for promotion


and youth workers, etc) need proper training, skills and competencies to be able to give the proper assistance and advice. In this respect, training and development programmes will be supported. Parents also play an important role in helping to create an environment which is conducive to accept and view persons who are different in an inclusive manner. Parents/guardians have strong influences on their children and it is important that they understand their role, also as ‘educators’, through adequate information and training. These measures will complement actions undertaken in tandem with the authorities, and will contribute towards the creation of a more inclusive and tolerant society.

In addition, Government recognises that efforts made to promote the social inclusion of persons who find themselves at risk of poverty are reinforced with the active participation and work of Voluntary Organisations and social partners. Voluntary Organisations are very active in the area of active inclusion where their role is considered to be very important within the economy since NGOs work at grass root level and can act as a channel for socially excluded persons to enter the labour market. In this regard, Government is willing to support Voluntary Organisations in their endeavour to reach out to vulnerable groups.

3.2.2 Investment Priority 2: Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest

Specific Objective

Reducing health inequalities and addressing health needs with the aim of ensuring a healthy and productive workforce.

Development Needs

Maintaining a healthy population is considered essential for the attainment of a productive workforce which in turn has a positive impact on the country’s economic development. On this front, Government is facing considerable challenges. Besides facing an ageing population like the rest of the EU, Government is also confronted with higher mortality rates resulting from circulatory diseases when compared to the EU 15. Mortality due to diseases of the circulatory system is the leading causes of death, accounting for 38% of all deaths in 2010. Despite health gains, many risk factors associated with non-communicable diseases in Malta are on the rise; with two of the main chronic conditions affecting the population are associated with obesity, and unhealthy lifestyles.

Obesity is becoming a public health enemy and the need to maintain a healthy weight across the Maltese population is proving to be a challenge. Statistics reveal alarming results where an increase in obesity has been recorded across all age groups, with Maltese children and adults being amongst the heaviest in the world. This is even more accentuated in deprived areas. This is a cause for concern when one considers the increased medical costs incurred to treat any related disease and the related inactivity of the person concerned. Within this context, Government believes that it has an obligation to ensure that the public is made aware of the negative impacts that an unhealthy lifestyle can have on the individual and the quality of life.

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73 Ibid.
74 A Healthy Weight for Life: A National Strategy for Malta, 2012-2020
76 Estimated cost of 20 million Euros per year in state medical expenses alone.
77 A Healthy Weight for Life: A National Strategy for Malta, 2012-2020
In this regard, Government will be focusing on preventive health services which contribute towards the attainment of a productive and healthy labour force. This will be done by instilling a culture change where from a very young age, right through adolescence and adulthood, individuals choose to adopt a healthy lifestyle as the norm and at the centre of their life choices. Complementary to this investment, efforts will also be directed towards improving health and safety at work as well as upgrading health care service delivery through institutional capacity measures to ensure that service delivery is improved.

Expected Results

The expected result under this investment priority is:

- Improved health service quality\(^{78}\).

The achievement of this result will contribute towards supporting current and future generations to aim for a better quality of life.

Actions to be supported under this Investment Priority

The aim of Government is to ensure a healthy society where everybody is given the opportunity to contribute to the socio-economic welfare of the country. In view of the demographic changes and the ageing population which Malta is facing, it is crucial for Government to ensure that the members of its workforce are healthy and will thus continue to contribute towards the labour market through active employment for as long as possible. In this respect, Government will seek to focus on preventive measures to ensure that individuals are equipped with the necessary knowledge and information to make better life choices. In addition, Government will also target investment towards strengthening health and safety in working environments as well as establishing well-trained health care service workers with the aim of guaranteeing the delivery of high-quality health care services.

Indicative Target groups, beneficiaries and territories targeted

<table>
<thead>
<tr>
<th>Target groups</th>
<th>Schools, employers and employees, general public including older workers, persons at risk of poverty, persons who are socially excluded, the materially deprived, and health care service workers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>Public Administration, Social Partners, and Voluntary Organisations.</td>
</tr>
<tr>
<td>Territories</td>
<td>Malta and Gozo</td>
</tr>
</tbody>
</table>

Interventions under this investment priority will target schools, employers, employees and the general public including older workers, those who are at risk of poverty and those who are socially excluded. Health care service workers will also be targeted under this investment priority through actions aiming at ameliorating service delivery. Beneficiaries will include public administration, social partners, and voluntary organisations.

Types of Interventions

The actions that will be undertaken under this investment priority will contribute towards creating a healthy population whilst also improving health service delivery. This will revolve around the provision of communication and information to the public in general, as well as specific target groups, to help in the process of making healthy life choices. In addition, achieving a healthy population will also be

\(^{78}\) This result contributes towards the PA result of Improved social/health service quality.
made possible through actions ensuring favourable working environments and the carrying out of appropriate studies aimed at establishing the trends and identify the needs of the population with a view to better address this challenge. Various training programmes provided to professionals as well as other health care service providers as part of a holistic approach targeted at improving the quality of health services will also be implemented.

List of potential interventions

- **Actions to promote healthier lifestyles**

Core to Government’s strategy is the prevention of diseases with the aim to improve the wellbeing of individuals as well as minimising the associated costs of health care whilst also maximising productivity. Leading a healthy lifestyle can have positive consequences on the prevention of diseases and significantly improves the quality of life. Within this context, Government is committed towards the provision of a preventive health policy design and its implementation.

Interventions will therefore focus on ensuring that the public is well informed on the health risks that are associated with unhealthy lifestyles, including lack of physical activity, wrong diets and bad habits such as smoking. With high obesity rates amongst children, Government intends to focus amongst others, on awareness raising campaigns within schools with the aim to address these issues as early as possible in children’s lives. Parents will also be included in the equation due to the important role that these have on their children’s life choices especially their dietary habits and aptitude towards physical activity. Information and communication to the general public through appropriate tools is also being considered, focusing especially on the importance of healthy eating, sports and physical activity. Complementary to the above, actions will also include the development of personalised services where necessary focusing on the management of overweight and obesity in adults and children.

Special programmes on health education and promotion will be also developed so as to reach out to those individuals in deprived areas or pertaining to vulnerable groups, where a more tailored approach may be needed. Government believes that since the realities of these groups differ from the majority, a different approach would be needed from mainstream measures, also by implementing actions focusing on for example breaking the intergenerational incidence of overweight and obesity and instil a culture of physical activity and sports.

In addition, programmes will be developed and implemented to educate and inform high level policy makers in all Government departments and local government as well as civil society on the importance of leading a healthy lifestyle. Government recognises that positive results in this regard necessitate a cross-portfolio approach and cross-sector collaboration together with investment to change the current mentality to one that promotes a healthy weight for all including physical activity and sports. 

- **Ensuring sustainable work practises for healthier and longer working lives**

Changes in health statuses together with changes in working conditions and the intensification of work have led to increased work pressures. This has been serving as a key source of stress and health risk, especially for older workers, which has contributed negatively towards the early exit of workers from the labour market. Particularly, changes in working conditions are posing health

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79 A Healthy Weight for Life: A National Strategy for Malta, 2012-2020
80 Ibid.
challenges, especially for older workers which affect the productivity levels and thus, increase chances of absenteeism from work, the possibility of losing job as well as the motivation to leave the employment market as early as possible\textsuperscript{62}. In this respect, it is Government’s aim to ensure that the highest degree of health and safety is promoted across different stakeholders, including employers and health and safety practitioners, with the aim to foster the employability in particular of older and ageing workers, but as importantly other workers with the aim to mitigate against eventual early labour market departures and increase current and future productivity levels. This in turn is expected to have positive consequences on the economic and social wealth of the country whilst at the same time enhancing the individual’s dignity and financial independence.

- A well trained health care service workforce

For Government to provide the best possible health care services, it is important that the skills and competencies of professionals and health care workers in the sector are continuously upgraded and improved to the highest possible standards. On this premise, Government is ready to invest in those individuals who are willing to venture in the health sector as well as upgrade the skills of those already working within the sector. The direction is for the health sector to have a multi-skilled workforce that is multi-tasked to carry out community and primary care that supports the preventive and curative approach that Government envisages to adopt. The capacity building of other professionals and workers that can contribute towards the attainment of these goals will also be supported. Studies are also being envisaged so that the training and up-skilling provided within the health sector is founded on sound evidence and information which capture the realities on the ground.

Cognisant of an ageing population, more demands are being placed on health care workers. Within this context, Government believes that it is important that the right care and support is provided to the elderly so that they can remain healthy and active; thus minimising their chances of becoming socially excluded. In this regard, specific attention will be directed towards the provision of training in the healthcare sector aimed at better addressing the needs of older people so as to achieve better interfacing between prevention, rehabilitation and improved quality of service.

3.2.3 Indicative Financial Allocation

The indicative total funding for this Priority Axis amounts to € 40 million.

3.3 Priority Axis 3: Investing in people through Education, Training and Life-long learning

3.3.1 Investment Priority 1: Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training.

Specific Objective

Reducing early school leaving (ESL) through the enhancement of the educational experience.

Development Needs

Malta recognises that its ability to secure economic and social development is dependent on the quality of its human resource capital. In this regard, it is imperative that Malta ensures that the majority of its students pursue their studies further and that they acquire competences and skills that will open up opportunities for employment.

Over the years, Malta has had a considerably high ESL rate and despite experiencing progress in reducing this rate; it is still far from converging to the EU 27 rate of 12.8% (2012). In 2012, Malta’s ESL rate stood at 22.6%. The issue is further compounded with statistics indicating that young people attaining low levels of education have a higher at-risk-of-poverty than those furthering their education beyond compulsory schooling. The low education achievers registered an at-risk-of-poverty rate of 36.5% whilst those attaining first and second stage of tertiary education (ISCED Levels 5 and 6) registering a rate of 7.2% in 2012. Over the years the correlation between the two figures is becoming wider, with that of the former has doubled over the 2007-2012 reference period and that of the latter has decreased between 2007 and 2012 period.

This trend further emphasises on the importance of education attainment vis-à-vis employment prospects. Government acknowledges that ESL is a symptom of a wider range of issues affecting the lives of children, their families and communities including the structure and content of the school system. In this regard, Government has embarked on an early school leaving strategy to deal with this issue holistically and has set a new ambitious target of reducing the ESL rate to 10% by 2020.

Government believes that addressing ESL will result in direct positive outcomes both for the individual as well as society. Focus will be directed towards enhancing the educational experience of the compulsory education cycle since it can significantly contribute towards increased successful participation rates in higher and further education. This focus is important given the correlation between attendance and school performance and its link with a higher incidence of becoming an ESL. In this regard, the focus of the current draft ESL strategy is to increase participation levels in further and higher education and also to contribute towards reducing social exclusion where economic factors such as wages and non-economic factors (e.g. good health, successful parenting, etc) are highly influenced by education levels.

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83 Eurostat Online Database: Early leavers from education and training by sex and labour status [Accessed on 10 March 2014]
84 Ibid.
85 Eurostat Online Database: People at risk of poverty or social exclusion by education level (population aged 18 and over) [Accessed on 28 April 2014]
86 Ibid.
87 An Early School Leaving Strategy for Malta (Office of the Permanent Secretary, Ministry for Education and Employment, 2012)
Expected Results

The expected results under this investment priority are:

- Reduction in early school leaving; and
- Reduction in illiteracy levels.

The achievement of these results will help Government reach its national goal of reducing the ESL rate to 10% by 2020.

Actions to be supported under this Investment Priority

Through this Investment Priority, Government will aim to decrease the number of early school leavers, noting that this has a negative impact on Malta’s abilities to further enhance its human capital and competitiveness on the world stage. It is the responsibility of Government to ensure that every child, no matter their background and abilities, is given the opportunity to realise his/her potentials and also be given the possibility of re-entering the education system if they reject first chance education.

Indicative Target groups, beneficiaries and territories targeted

<table>
<thead>
<tr>
<th>Target groups</th>
<th>Children, Young people; Educators; Professionals; Youth workers Administrators; Parents/Guardians.</th>
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Interventions under this priority will target children and young people, including those facing specific difficulties within the education process as well as the wider pupil population. Capacity building measures are also envisaged to target educators and professionals as well as other workers in the education system that contributes towards the enhancement of the education experience. Parents will also be targeted to curtail as much as possible the inheritance of negative life chances across generations.

The Beneficiaries under this investment priority include the different stakeholders responsible for education within the Public Administration.

Types of interventions

The actions that will be supported under this investment priority will support the implementation of an Early School Leaving Strategy for Malta. The measures envisaged are aimed to combat early school leaving in a holistic manner so as to ensure that each individual will be granted the opportunity to prosper both through the educational cycle but also eventually in the labour market. This investment priority will focus on implementing measures directed towards monitoring and preventing ESL (including through particular actions focusing specific target groups); enhancing the educational experience and capacity building measures aimed at strengthening the structures to meet the challenges of ESL.

List of potential interventions

- Measures to monitor and prevent early school leaving

The draft ESL strategy places considerable importance on the identification, monitoring and co-ordination measures necessary to tackle ESL as efficiently and as effectively as possible.
Government has set up an Early School Leaving Monitoring Unit to tackle ESL related issues in a comprehensive manner. In this context, the plan is to direct resources towards understanding this phenomenon through the conduction of studies and research activities together with the setting up of a statistical framework in order to tackle the issues and steer strategy and policy design appropriately.

Focus will also be directed towards the establishment of early detection measures in compulsory education so as to minimise and address disengagements from the education system as early as possible. Complimentary to this, Government intends to identify measures that will remove systematic obstacles whilst also providing specific targeted interventions to individuals in need to be re-engaged in the process. In this context, Government aims to intervene at different levels such as for example through measures tackling absenteeism, improved student support services, specialised counselling services, one to one tuition, and the provision of alternate study / training programmes. Providing the necessary support to colleges, schools and educational institutions to assist them in determining the needs of children and young people at risk of disengaging or already disengaged from the education system, and to help them develop preventive and intervention measures which is also considered essential.

Special attention will be paid to individuals facing particular difficulties, including persons with disability, gifted students and other students from minority groups. In addition, focus will be directed towards addressing the presence of violence, anti social behaviour, bullying and other forms of social, emotional and behavioural difficulties (SEBD) in schools where this can be a potential cause of ESL both with regard to the student suffering from SEBD or students that are affected by the behaviour of a student who has an SEBD condition. In this regard, it is important that monitoring, prevention and intervention measures addressing these target groups are appropriately designed to ensure that they meet the needs of these students.

- *Enhancing the Education experience*

Enhancing the education experience is an important objective that Government aims to achieve in order to reduce and prevent ESLs. The aim is to better engage students in the learning experience which is considered as an essential means for pupils to move along the educational ladder. In this context, Government intends to intervene through specific actions addressing all pupils with the aim to contribute towards this objective.

One approach that will be adopted towards enhancing the educational experience will involve the use of digital technologies and IT applications. The aim is to integrate digital technologies as part of the national curriculum, including through the provision of appropriate information technology equipment and methods of learning together with relevant e-content both to individual students and schools with the aim of achieving a coherent and user friendly education system. This will provide students with personalised learning opportunities in a differentiated context contributing towards the attainment of self directed life-long learners.

Investment aimed at enhancing the education experience is also targeted towards the integration of a wide array of vocational subjects in secondary education. The aim is to expose students to the different strands of educational paths that pupils could be pursuing later on in life. This approach will provide students with a practical-based learning pedagogy which encourages the development of vocational skills and competences with the aim to support completion of compulsory education. It will also provide a clear progression route to further and higher vocational education.

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88 Draft Early School Leaving Strategy for Malta (Office of the Permanent Secretary, Ministry for Education and Employment, 2012)
Complementary to the above, Government strongly believes that good quality education can provide students with the necessary skills and knowledge which enables them to progress through the educational ladder and successfully enter and prosper in the labour market. This necessitates an effective institutional rapport between education and industry in order to ensure that investments in education yield positive results in terms of labour market demands and economic growth. In this regard, the objective of Government is that compulsory schooling levels guarantee the minimum levels of skills required to ensure that students are equipped with the relevant skills, knowledge and competencies for a smooth transition from the educational sphere to the labour market. Such an approach will also contribute towards addressing skills mismatch and will complement actions under Thematic Objective 8.

In this framework, given the drive towards research and innovation, investment will also be targeted towards an education system which adequately shapes future human capital in R&I by addressing the existing shortfall of human capital in science, technology, engineering and mathematics as well as fostering an entrepreneurial culture from the earliest stages. This approach calls for specific measures which include, inter alia, support towards embedding a culture which is supportive of science, research and innovation and the conduction of studies to understand these issues with the aim to develop appropriate strategies and policies.

- **Addressing illiteracy**

Government aims to steer ESF funds towards the fight against illiteracy since there is a high correlation between illiteracy and early school leaving mainly resulting from the fact that illiterate people find it difficult, if not impossible, to engage in the educational experience. Furthermore, improved literacy increases chances of achieving higher earnings and better education and employment prospects.

In this context, Government has launched a National Literacy Strategy for All in May 2013. The Strategy focuses on an integrated approach towards literacy whereby literacy programmes form an integral part of, or complements, the education programmes in schools. Government will strengthen the literacy structures (including through the setting up a National Literacy Unit to reach out to all children in pre-school and compulsory education) as well as implementing a number of initiatives to fight this cause. These include measures attracting young people to reading habits, and activities for parents and guardians to make reading a national culture across all ages and levels of society. Emphasis will also be placed on aspects of intergenerational education as espoused by UNESCO given the strong relationship which exists between the levels of literacy of children and of those who care for them.

- **Capacity building of educators and parents**

Combating early school leaving calls for specific intervention which focuses on strengthening the capacity of the education structures at all levels within the compulsory education cycle. Capacity building of the different workers within the education sector is seen as an essential tool for Government to achieve its ESL targets. In this process educators have a key role to play given their direct day to day contact with pupils. In this regard, it is important for educators to be trained to meet students’ aspirations in the teaching methodologies to ensure that students are continuously engaged in the education experience. Equally important is for educators to be able to identify and report any behaviour which might require action through different approaches with the aim to help the student.

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and address their needs appropriately. Government recognises that teachers have a pivotal role to play and it is important that they are equipped with the necessary skills and competencies which help them understand and assist students facing difficulties.

Continuous training and education programmes for educators and other workers within the education sector is necessary to ensure that they have the necessary understanding, skills and tools to contribute towards achieving the ESL targets as well as to successfully deliver the new curriculum framework which has a clear focus on improving the quality of education and raising student achievement levels. The new curriculum framework calls for readiness to depart from the traditional curriculum structures and practices that may restrict learning and therefore places considerable focus on education leaders to embrace these changes and bring them to the classroom level. This requires that different stakeholders, including the Faculty of Education within the University of Malta, ensure that adequate continuous professional development of all educators is pursued\textsuperscript{91}.

The role of youth workers will also be given prominence, since youth workers very often have a direct contact with youth experiencing difficulties in engaging themselves in the education experience. In this regard, Government will strengthen the capacity of youth workers by investing further in their skills and competencies, including by investing in the tools and capabilities they need to strengthen the relationship between the college and school as well as parents and the local community. This will complement actions envisaged under Thematic Objective 8.

Recognizing the important role of parents in ESL, appropriate communication, information and training will be provided to parents on educational and career paths in order for them to be able to support and guide their children in their educational journey. Parents will also be provided with training in parenting skills that would enable them to better support children whose educational attainment is low.

**3.3.2 Investment Priority 2: Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups**

**Specific Objective**

Increasing participation rates in tertiary education levels by facilitating access and improve quality.

**Development Needs**

Tertiary education in Malta, which is offered predominantly by the University of Malta, is free for all students irrespective of their social background. The University already offers circa 700 diploma and degree programmes in a variety of disciplines both through full-time, part-time as well as on-line courses. This serves as a good opportunity to further attract students to pursue their studies further and achieve higher qualifications. Notwithstanding, statistics reveal that whilst the participation rate of 17 year olds in further and higher education has shown a steady increase during the period of 2008-2012 from 59% to 83%, this is not mirrored with respect to the cohort of 19 year olds where the participation rate only reached 56% in 2012.\textsuperscript{92} This challenge is further compounded by the rate of the population aged 30-34 years old having completed tertiary education; which rate has been hovering around 21% and 22% for six consecutive years and is considered as one of the lowest


attainment in the EU\textsuperscript{93}. This is also posing serious challenges for Malta to reach its EU 2020 NRP target of 33\% for this cohort.

This therefore calls for more targeted efforts in order to raise the participation rate of individuals into tertiary education so as to enable Malta to become a centre of excellence in education and research. Furthermore, Government acknowledges that there is the need to attract more students in areas relevant to the local industry in particular science and technology related areas.\textsuperscript{94} In this context, efforts targeting an increase in participation of tertiary education will be complemented by programmes aimed at increasing the participation rate in areas that are needed most for further economic growth.

Government also recognizes the importance of capacity building of tertiary education institutions (and equivalent) especially given that the quality of teaching of today will determine the standards of quality in all the economy for the coming decades. In this regard, it is important to ensure that the tertiary education system is in tune with the evolving requirements of industry and society at large.

**Expected Results**

The expected result under this investment priority is:

- Increasing participation in tertiary level of education.

The achievement of this result will contribute towards the national goal of reaching Malta's NRP target of having at least 33\% of the 30-34 year olds completing tertiary or equivalent education.

**Actions to be supported under this Investment Priority**

Increased participation in good quality tertiary education has become an essential route for Malta to ensure that the labour market is supplied with the right individuals so as to ensure that it is in a better position to compete on an international arena. In addition, Government believes that further efforts are required to enhance the efficiency and labour market relevance of tertiary education as well as the development of an education quality culture\textsuperscript{95} in order to aid Malta to become a centre of excellence in both education and research.

**Indicative Target groups, beneficiaries and territories targeted**

<table>
<thead>
<tr>
<th>Target groups</th>
<th>Individuals having an interest in pursuing their studies further, educators, professionals, administrators.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>Public Administration</td>
</tr>
<tr>
<td>Territories</td>
<td>Malta and Gozo</td>
</tr>
</tbody>
</table>

This investment priority will target individuals who have an interest in pursuing their studies further at tertiary (or equivalent) level. Individuals who are currently engaged in tertiary education can also be targeted through this investment priority. Capacity building measures are envisaged to target educators and professionals as well as other workers who contribute towards the enhancement of the education experience.


\textsuperscript{95}Ibid.
The main Beneficiary under this investment priority is the Public Administration, which brings together a number of entities (including tertiary education institutions and commissions as well as Government departments) that could contribute towards supporting Malta to achieve its ambitious tertiary education target of at least attaining 33% of 30-34 years old completing tertiary or equivalent education.

Types of Interventions

Interventions under this Investment Priority will aim to attract students and adults into tertiary education particularly in those areas which are relevant to the local economy. In addition, investment will support the amelioration of the quality of services provided by tertiary education institutions so as to offer students an educational experience which inspires them and develops their capabilities to their highest potential. As a result, this will also promote Malta as a destination for further and higher education in the world in various fields of study and research.  

List of Potential Interventions

- **Increasing participation in tertiary education**

For Malta to be able to compete and meet the challenges posed by the high-value added and knowledge-intensive markets of the global economy it requires the availability of a highly skilled and flexible workforce. This type of workforce, is only achievable if students pursue their studies at tertiary levels (or equivalent) acquiring, in the process the necessary knowledge and skills which will allow them to become an asset to the country. Thus, in order to encourage further uptake in tertiary education and beyond in different areas of study, Government aims to pursue further investment targeted towards scholarships for graduate and postgraduate studies (including at Masters levels and PhDs). Concerted efforts will also be directed towards attracting more students into areas which lead to career opportunities that respond to future economic, cultural and social needs. This will contribute towards increasing the availability as well as the employment of high-level graduates in the priority sectors of the knowledge-based economy in Malta.

With the aim of securing a fair and equitable access to all those willing to pursue studies at a tertiary level, attention will also be directed towards persons that are already in employment and consider at a later stage in their life to participate in tertiary level education programmes. This approach will widen the opportunities for the adult population to acquire new knowledge which can support them in moving forward in their career choices.

- **Enhancing the quality of tertiary education**

In line with the Further and Higher Education Strategy 2020, Government will invest in its tertiary education framework to contribute towards meeting the challenge of developing a ‘quality culture’ within the educational systems. This calls for the introduction of the necessary systems and practices which will ensure that education institutions are on a continuum of improvement, also embracing innovative methods and approaches. In this regard, investment will be targeted towards making Malta a centre of excellence in education and research by assuring quality provision across tertiary education institutions and their programmes, including through quality assurance and evaluation.

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97 Ibid.

98 Ibid.

99 Ibid.
related support\textsuperscript{100}. In an increasingly dynamic and global environment, investment will also be directed towards longer term planning and strategy formulation for tertiary (or equivalent) education. Government recognises that decisions taken today will impact the future and that planned actions must be based on sound evidence and with clear foresight in order to yield the best possible results both for the country as well as the individual.

Strengthening the current tertiary education system also calls for investment to attract students to pursue education programmes that provide them with the necessary labour market skills. Therefore, investment will be targeted towards capacity building measures aiming to improve current programmes to ensure their labour market relevance as well as developing new ones that address new specialisations required by various industries\textsuperscript{101}. Investment will also be targeting academics, together with the administration and other support structures with the aim of supporting Government in its mission to increase the participation rates in tertiary education in critical areas for the current and future development needs of the country.

\textbf{3.3.3 Investment Priority 3: Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting learning pathways including through career guidance and validation of acquired competences.}

\textbf{Specific Objective}

Increasing participation in lifelong learning with the aim of adapting and upgrading the skills of the workforce.

\textbf{Development Needs}

The structure of the Maltese economy is undergoing a rapid transformation, which has resulted in the need to invest in the adaptability and employability of the workforce to ensure that it is in a position to meet the changes and developments within the labour market. Through lifelong learning, individuals are provided with the opportunity to adapt and upgrade their skills so as to become or remain employable whilst enterprises are provided with the opportunity to remain competitive and survive within an ever changing economic environment.

It has been estimated that whilst Malta performs above the EU 27 rate of participation in LLL for those acquiring upper secondary level or more, it fares below the EU average for those attaining pre-primary, primary and lower secondary level education\textsuperscript{102}. This highlights the need to invest further in the upgrading of skills, where as the economy continues to upscale to more value added manufacturing and services, of low skilled workers are more at risk of losing their job and becoming socially excluded.

Moreover, considering the challenges resulting from demographic change, including those related to an ageing population, the working age population in Malta will decline in the coming years. This will in turn result in increased pressure on the younger generations to reach higher levels of productivity which will create the need for more education and skills. The demographic trends will also impact


\textsuperscript{101} Ibid.

\textsuperscript{102} Eurostat Online Database: Participation rate in education and training (last 4 weeks) by sex and educational attainment level [Accessed on 28 April2014]
education with more adults needing further and higher education and training to remain employable and competitive, as well as to hold a strong positive relationship with active participation in the labour market as they grow older. In this regard, Government believes that lifelong learning is a fundamental principle underpinning the entire framework of learning in Malta including formal, non-formal and informal learning at the various level of the education cycle.

**Expected Results**

The expected results under this investment priority are:

- Increasing participation in Lifelong Learning (LLL); and
- Increase uptake in post doctoral research studies.

The achievement of these results will ensure that Government has a skilled and flexible labour force and will contribute towards decreasing the number of persons at risk of social exclusion due to obsolescence of skills.

**Actions to be supported under the investment priority**

In an ever changing economic environment, it is of utmost importance for Government to ensure that its workforce is provided with the necessary means through which it can learn to adapt accordingly to the changes being imposed upon it. In this regard, Government will be providing labour market relevant education and training programmes with the aim of ensuring that adults are equipped with the necessary skills to maintain their employability and also providing for their mobility prospects. These programmes will also seek to address the complex challenge of skills mismatch.

<table>
<thead>
<tr>
<th>Target groups</th>
<th>Employees, Unemployed, Inactive, Educators, Professionals, Administrators.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>Public Administration, Local Government, Employers, Social Partners; Voluntary Organisations.</td>
</tr>
<tr>
<td>Territories</td>
<td>Malta and Gozo</td>
</tr>
</tbody>
</table>

The target groups that will be supported under this investment priority are those individuals who need more education, knowledge, skills and competencies to actively participate in the labour market as well as those persons seeking to remain labour market competitive or improve their employment prospects. These include employed, unemployed and inactive persons. Educators, professionals and administrators are also an integral part of the target groups to be supported under this investment priority with the aim to improve the capacity of the individuals delivering these programmes and the structures that support them.

The beneficiaries envisaged include the Public Administration, which brings together a number of actors (including Departments, entities and schools) that could implement actions supporting Government’s lifelong learning objectives. With the aim to strengthen the competitiveness of enterprises, employers are also envisaged as potential beneficiaries that could implement lifelong learning programmes for its employees. Local Government, Social Partners and Voluntary Organisations contributing towards Malta’s lifelong learning objectives can also be considered as possible beneficiaries under this investment priority.

**Types of interventions**

Government aims to increase the participation in LLL to ensure that the country is equipped with a competitive and flexible workforce which will allow it to compete on the world stage. Interventions will therefore be directed towards different audiences who would like to pursue further with their studies.
whether through formal, non-formal or informal learning. Envisaged interventions will be implemented at different levels within the education cycle and will range from opportunities tapping into second chance paths in education to post-doctoral research studies. This will be complemented with interventions to strengthen the career guidance framework so that it is ensured that students always have access to the right educational path and career orientation.

**List of Potential Interventions**

- **Investing in skills and competencies**

Continuous education and training are enshrined within Government’s objective of achieving a highly skilled and competitive workforce. Lifelong learning is seen as an opportunity for individuals to improve and upgrade their skills and move along the education ladder, their career path as well as provide for better mobility prospects across the labour market. In this regard, measures supporting lifelong learning will be implemented through this investment priority to cover the delivery of a myriad of training and education programmes which support the workforce to adapt and upgrade their skills to meet labour market challenges. Government will seek to address skills mismatches through the development and delivery of training and education programmes that fit within labour market demands. This also encompasses the training interventions aimed at complementing projects supported under OPI, for example in relation to the ICT, environment and construction sectors. The assessment of current programmes and their revisiting where opportune will also be invested upon. This will be complemented by actions supporting the validation of acquired competences to motivate individuals as well as improve their aspirations to progress further both academically, vocationally or within the labour market.

LLL is also considered as another channel through which the issue of Early School Leavers may be addressed as this offers “second chance” alternative paths in education and learning to those who have no qualifications. In this context, strengthening of basic skills, retraining related to up-skilling and re-skilling and also multi-skilling relating to different economic sectors will constitute key measures in support for this approach. Through this investment priority, measures will also target the development of formal, non-formal and informal learning pathways together with the recognition of skills and competencies gained as a stimulus to engage ESLs to access formal learning and further non formal learning. Given that some compensatory measures are already in place, Government believes that it is also important to undertake a process of review of current programmes and strengthen them and extend them where appropriate.

Complementary action will also be directed towards the inactive so as to enable them to acquire the necessary skills and competencies that will help them integrate sustainably in the labour market. Lifelong learning in the community is also being envisaged as an approach to reach out to appropriate target groups with the aim to provide them with different learning pathways at the adequate level.

Education and training for older workers will also be given prominence. As the Active Ageing Policy denotes, there is a strong correlation between acquiring skills and qualifications with active participation in the labour market. In this regard, actions will be directed towards providing older people with opportunities to update and extend their skills and qualifications. New skills and expertise will also encourage older workers to continue working. Lifelong learning actions targeting older learners require an understanding of their needs, characteristics and goals in order to ensure the

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103 Draft Early School Leaving Strategy for Malta (Office of the Permanent Secretary, Ministry for Education and Employment, 2012)
successful implementation of measures supporting the goals of active ageing. Within this context, related measures will also be supported taking into account the diverse needs of older workers\textsuperscript{104}.

- **Investing in the private sector**

Government recognises that continuous education and training is essential to guarantee the employability of workers and the survival of the firms. Investment in skills will lead to the accumulation of human capital which in return will boost workers' productivity. In view of this, Government will provide opportunities to employers to invest in their workforce with a view to be well equipped to meet the challenges brought about by market competition forces. This includes training measures focusing on important skills to help undertakings to effectively compete on the market and secure survival within the complex global economic scenario in which enterprises are operating. In addition, investing in undertakings and their employees through training opportunities is considered as an important measure to help them thrive and seize new opportunities. In this context, training is envisaged to support different undertakings operating within the various economic sectors, ranging from direct production to the market services sector.

- **Post-doctoral research fellowship programmes**

As identified in the National Research and Innovation Strategy 2020, Malta ranks among the moderate innovators within the EU Innovation Scoreboard 2013 largely due to shortfalls on the supply side in relation to human capital and R&I Investment\textsuperscript{105}. Through this investment priority, Malta aims to tap ESF resources to improve the supply side through investment in human capital focusing on increasing the supply of human resources in this field; this will be complemented by ERDF resources targeting R&I investment under Priority Axis 1.

Human capital investment will therefore be directed towards post-doctoral fellowships to support the drive towards increasing the number of post-doctoral graduates so as to create a stronger knowledge base to better compete internationally. This investment is concentrated to further strengthen the building of research communities in Malta with the aim to reap economic benefits derived through the effects of human resource development, R&I and knowledge diffusion on technological innovation. In view of the recent shifts in employment levels in different sectors including in the art, entertainment and recreation activities\textsuperscript{106}, interventions in the fields of knowledge and research that have a social and cultural significance will also be supported. Attention will also be directed towards collaboration within the academic disciplines and between different disciplines as well as with the private sector in order to achieve the critical mass needed to be successful in the international arena\textsuperscript{107}.

- **Capacity-building measures**

Government acknowledges that the realization of its lifelong learning targets depends on the continuous education and training system becoming more attractive and more relevant to the needs of the individuals and also to the needs of the market. Therefore, to enhance the lifelong learning experience and to ascertain that all those engaged in further education and training receives professional training services, Government will invest in capacity building measures to support educators in developing their skills and in delivering training and education programmes.

Efforts will also be directed towards strengthening the lifelong learning structures through the provision of capacity building measures to other workers in the field as well as consolidating the


\textsuperscript{105} Ibid.

\textsuperscript{106} Ibid.

\textsuperscript{107} Ibid.
current lifelong learning structure. These include the referencing of the courses offered for better mapping of the available resources and labour market demands; the development of professional and occupational standards; and the design and development of a skills bank.

Government’s objective is not merely to increase the number of persons participating in continuous education and training but to increase them in significant areas in line with labour market needs. This calls for interventions that strengthen the career guidance framework (including student support services) that brings together schools, higher education institutions, employers and other government and non-government stakeholders, so that it is ensured that students always have access to the right educational path and career orientation in the areas most relevant to the labour market.

3.3.4 Investment Priority 4: Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems including dual learning systems and apprenticeship schemes

Specific Objective

Strengthening vocational education and training systems with the aim of increasing participation in further and higher education whilst reducing labour market mismatches.

Development Needs

For Malta to be able to compete in knowledge intensive markets, a highly skilled and adaptable workforce is required. Throughout the years, Government invested considerably in vocational education and training (VET) as an alternative route to academic education which provides individuals with relevant labour market skills.

Since the establishment of MCAST in 2001, participation in vocational education has increased substantially. In fact, between 1999 and 2012, an increase of more than 200% was registered for 17 year olds participating in further vocational education. The highest rate was registered in 2011 at 31% which eventually decreased in 2012 to reach 28%. On the other hand, 19 year olds participating in further vocation educational, decreased by 23% from 2001 to 2012. Hence, a major concern which needs to be addressed relates to the dropout rate from the learning pathway within VET institutions without the acquisition of formal qualifications.

Government will also invest in vocational education with the aim to create further opportunities that support individuals in obtaining qualifications for better jobs. Government understands that for some individuals vocational education represents the only viable path to achieve skills which can help them access and thrive in the labour market. In this regard, with the aim to build on the investments envisaged to combat early school leaving, Government will ensure that alternative paths of study are made available to ensure that each individual has the opportunity to identify the best learning channel that meets the career aspirations of the individuals concerned. In addition, it is Government’s aim to address labour market mismatches so as to ensure that the country’s most valuable asset, its human capital, is maximised.

109 National Youth Employment Strategy 2015, (Ministry of Education and Employment, nd)
**Expected Results**

The expected result under this investment priority is:

- Increased participation in Vocational Education

The achievement of this result will help in increasing the participation rate in further and higher education and will contribute towards decreasing the early school leaving rate.

**Actions to be supported under the investment priority**

Government is committed towards increasing the number of workers in critical areas to the current and future needs of the labour market in order to yield economic growth. In this regard, through this investment priority, Government will ameliorate vocational education and training (VET) systems so that these will provide students with the relevant skills and knowledge which will enable them to succeed in the labour market. This approach will also aim to ensure that the students embark on a smooth journey towards and into sustained employment.

**Indicative Target groups, beneficiaries and territories targeted**

<table>
<thead>
<tr>
<th>Target groups</th>
<th>Youth, adults, educators, professionals, administrators.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>Public Administration</td>
</tr>
<tr>
<td>Territories</td>
<td>Malta and Gozo</td>
</tr>
</tbody>
</table>

Interventions under this investment priority will target youth and adults. Capacity building measures are envisaged to target educators and professionals as well as other workers who contribute towards the enhancement of the education experience within the VET framework. The Beneficiaries envisaged include the Public Administration, which brings together a number of actors (including Government Departments and Vocational Education Institutions) supporting Government’s vocational education vision.

**Types of Interventions**

Government recognises that labour supply and demand mismatches may hamper the enhancement and growth of specific areas of the economy as well as prolong unemployment. In this context, Government will intervene through measures aiming at bridging the gap between education and the labour market. This will be achieved by improving labour market relevance of VET systems both through improved pedagogical approaches as well as improved capacity of vocational education institutions. Interventions are planned to cover the strengthening of vocational education and training programmes throughout the different levels, covering both the further and higher routes of the vocational education and training ladder. The aim is to limit as much as possible drop-outs at post secondary education levels and beyond as well as ensure that those completing the programmes acquire the relevant skills and competencies that help individuals to meet their career aspirations.

**List of potential interventions**

- Study programmes aimed at providing relevant skills for industry

Having the right individuals for the jobs available in the market is a priority for Government. Therefore, Government is committed to invest in programmes which will provide individuals not only with the necessary knowledge but also with hands on experience and exposure which will endow them with
the aptitude needed for their future careers. Together with facilitating the transition from education to work, it will also aid workers in securing/sustaining their job. Employers also stand to gain; studies reveal that a high staff turnover at entry level is usually due to the fact that certain key skills acquired mostly through ‘on the job training’ are missing in employees\textsuperscript{110}. In this context, VET institutions can also aid in enhancing these skills by fostering in learners/students through various methods which will allow them exposure to real life work situations.

Through vocational and training institutions, Government will offer a wide array of courses that are more suited to the local industrial needs. These courses will cover both full-time and part-time programmes catering for the ever changing economic environment which requires individuals to be flexible and constantly up to date. The programmes will offer the possibility of work placements for participants, including through apprenticeship programmes, where this provides them with the necessary exposure to the labour market which enables them to acquire the necessary skills of the trade as well as bring them closer to the reality of job attainment. In addition to this, focus will be directed towards creating workplace simulation concepts by providing participants with more realistic work-type scenarios in their chosen field. Complementary to the above, investment in VET part-time programmes to upgrade the skills of the current workforce is also considered critical.

- Professional Development of new curricular and capacity building measures

VET is considered as one of the essential pillars of the education and training process as it provides a different method of learning to the students. Consequently, Government is committed to strengthening the quality of VET systems with the aim of ensuring their labour market relevance whilst simultaneously providing the student with a fruitful experience. In this regard, the curricula will be updated accordingly based on thorough research, improved statistics and development of a foresight capacity to identify trends and anticipate change not only to meet today's labour market demands but also tomorrows. This calls for the revisiting of the current programmes, amend them where appropriate while at the same time develop new ones to reflect the needs of the local industry. Deeper analysis of the high drop-out rates from vocational post secondary education will be given prominence. For improvements within the VET systems to occur, Government believes that an effective rapport should exist between the educational institutions and industry with the aim of ensuring an enhanced educational experience for the students on the one hand, as well as yielding positive results in terms of economic growth on the other.

Investing in VET trainers, educators and professionals is also considered pivotal to continuously upgrade their skills and knowledge to deliver VET programmes as well as adopting pedagogical tools that support students to better engage in the learning experience; thereby potentially minimising the drop-out effect. Interventions will also strengthen the administrative and support service structures of the institutions through capacity building measures, so that VET students will always have the necessary access to the right educational path and career orientation in the areas most relevant to the labour market.

3.3.5 Indicative Financial Allocation

The indicative total funding for this Priority Axis amounts to € 47 million.

\textsuperscript{110} Malta Skills Audit Report 2011.
3.4 Priority Axis 4: Building the Institutional Administrative Capacity

3.4.1 Investment Priority 1: Investment in institutional capacity and in the efficiency of public administration and public service at the national, regional and local levels with a view to reforms, better regulation and good governance

Specific Objective

Strengthening the role of the public administration, with a view to improve service delivery.

Development Needs

The efficiency of the public administration including the provision of a cost-effective public service features as a key priority on the agenda of Government. In an ever changing economic environment, it is imperative that the public administration remains abreast of the developments both within local and international fora. Over recent years, major changes were effected with a view to ensure that the Public Administration caters for the needs of an ever changing economic environment. Changes were undertaken both in terms of the regulatory framework such as the enactment of the Public Administration Act as well as from an operational perspective including the increased utilisation of ICT as a means to further improve service accessibility and the revision of the modus operandi of departments, amongst others.

These changes have called for continuous investment in the human resource potential of the public administration particularly through up-skilling and re-skilling of employees. Within this context, Government set up the Centre for Development, Research and Training (CDRT) in 2007 with the aim to identify the development and training needs of public officers and address them through adequate training programmes. This has in turn contributed towards the implementation of the public administration reform aimed at strengthening leadership within the public service as well as improving service delivery.

Given the important role that the public administration plays within the local socio-economic fabric, Government is now seeking to channel additional investment in this area to continue with the current reform process, including the reduction of administrative burden in line with the spirit of better regulation as well as the reform within the judiciary sector. Within a changing milieu, these reforms need to be progressive and continuous, coupled with investment in the public sector including its human resources. In this regard, Government’s aim is to pursue its mission to provide an efficient and cost-effective service to its customers as well as strengthening the quality of employment.

Expected Results

The expected result to be achieved through this investment priority is:

- Improved service delivery of the public administration, including within the judiciary sector.

This result will contribute towards the modernisation of the Maltese public administration which will be conducive to further economic activity within the country.

Actions to be implemented under this investment priority

The objective of Government is to have a public administration which provides an efficient and cost-effective service which continues to evolve and meet the current and future socio-economic demands.
of the country. In order to achieve this objective, further investment is necessary within the Public Administration with a view to strengthen human capital in order to develop a cadre of employees who are in a position to meet these challenges.

Investment within this priority will seek to improve the efficiency of the service and achieve a more customer oriented service thereby requiring investment targeting simplification of processes and procedures and the reduction of red tape. Investing in human capital within the administration will also seek to meet up standard delivery services, including back office services. Specific attention will also be directed towards the judicial reform with the aim to update the administration of justice to meet the current and future needs of the general public and enterprises.

**Indicative Target Groups, Beneficiaries and Territories targeted**

<table>
<thead>
<tr>
<th>Target Groups</th>
<th>Public Administration, Local Government, the Judiciary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>Public Administration; Local Government</td>
</tr>
<tr>
<td>Territories</td>
<td>Malta and Gozo</td>
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</tbody>
</table>

Interventions under this investment priority will target the whole public administration and Local Government both in terms of organisations as well as their employees. The main Beneficiary for this investment priority is the Public Administration in general, including its Ministries, Divisions, Departments, Public Sector Entities and Authorities that provide a public service, including back office operations since this function is considered as an important part of the chain within the service delivery process. Local Government will also be targeted with the aim to improve service delivery at the local level.

**Types of interventions**

Throughout the 2014-2020 programming period, Government will direct investment towards enhancing the public administration both as a service provider and as a regulator. Particular emphasis will be made to implement reforms such as the reform currently being undertaken within the judiciary sector. In addition, Government has also embarked on an ongoing simplification process with a view to reduce administrative burden thus ameliorating service delivery. Within this context, Government will seek to invest in its workforce with a view to ensure that it is equipped with the necessary skills and expertise to deliver its objectives. These interventions will be complemented with the necessary ICT infrastructure as well as e-government facilities (financed under Priority Axis 2 through OPI) which will contribute towards reducing administrative burden thus creating the necessary conditions to increase and strengthen the competitiveness of the Maltese economy.

Measures will also be undertaken to improve the employment conditions of public officers as well as their work and environment in order to have a more socially inclusive public administration which also caters for vulnerable and disadvantaged employees.

**List of potential interventions**

- **Support the implementation of the Reform within the Judiciary Sector**

In line with the Country's Specific Recommendation to focus on the improvement of the overall efficiency of the judiciary system, Government has embarked on a major reform with the aim to improve the efficiency and effectiveness of the judicial system whilst reducing the administrative burden. Within this context, this investment priority will support measures aimed at reforming this sector with a view to improving the administration and delivery of justice.
Interventions will seek to invest in capacity building measures and initiatives that will emerge from the reform process with a view to simplify procedures and enhance the efficiency of the system, including research, studies and appropriate training programmes for the judiciary sector as well as other employees involved within the administration and delivery of justice at different levels and with the aim of achieving a holistic reform.

- **Simplification and Reduction of bureaucracy**

Improved service delivery and moving from a red tape to a red carpet treatment is a core Government objective which will contribute towards achieving an efficient and effective public administration. Administrative simplification features very strongly on the agenda of Government with the aim to provide a public service platform that meets the expectations of its citizens and business community. In this regard, it is the intention of Government to pursue ongoing administrative reforms with a view to contribute towards simplified administrative processes and work towards a seamless government approach so as to obtain increased customer satisfaction.

This approach requires targeted investment aimed at changing internal cultures and structures to support the introduction of innovative solutions for continuous improvement. The need for an integrated approach between Government departments and entities alike to work together through a co-ordinated and collaborative system that is focused on results and the provision of excellent service experience to its clients is of utmost importance. In this regard, the appointment of the Commissioner for Simplification and Reduction of Bureaucracy in 2013 demonstrates the emphasis that is being placed by Government on better regulation and better service provision. Within this context, initiatives aimed at reducing administrative burden as well as red tape for both citizens and the business community will be supported. Such initiatives include amongst others, research, studies, communication strategies and training programmes.

A key contributor towards the reduction of administrative burden is ICT, and its application through e-Government, which acts as an enabler. In fact, ICT is considered as an important tool that contributes towards the simplification of procedures as well as adopting a more customer oriented approach. The experience so far has been positive however this is an area which requires ongoing investment for training to keep up with the development needs in this area. In this regard, Government will ensure that ICT will continue to be leveraged through appropriate capacity building interventions to achieve simplification and reduction in administrative burden. This initiative will be complemented through ERDF mainly through ICT infrastructure and enhanced e-services.

The reduction of administrative burden as well as simplification of processes will also contribute towards the sustainability of public finances. The continuous monitoring of public finances is key to the development and competitive standing of the country. In this regard, interventions aimed at addressing financial discipline through the enhancement of monitoring and implementation systems will also be supported

- **Continuous investment in human capital**

Human resources are Malta’s major asset; and Government will seek to further invest in its human capital potential with a view to contribute towards achieving its mission of an efficient and effective public service. Investment in human capital will contribute towards the improved productivity and the quality of service provided by Government which is a fundamental requirement for an economy that aims to facilitate growth and job creation.

The efficient utilisation of the human resource complement is an important factor to ensure a well functioning public service. In an ever changing economic and social environment, Government firmly
believes in the need to invest in public officers within the administration during the course of the career(s). This approach ensures that the workforce keeps abreast of new developments and is adequately trained to meet the challenges of the administration. Within this context, Government aims to enhance and expand its training programmes for its employees, including internships (both locally and abroad), and specialised academic and professional training programmes.

In addition, Government will also allocate resources to local councils with the aim to strengthen their institutional and administrative capacity. In this context, continuous training programmes addressed towards those providing a local service, including councillors, executives, and supporting staff will be considered.

In its bid for continuous evolution, Government will also direct its efforts towards further enhancing policy design and planning as well as project management. Within this context, further investment is required towards the creation of strong leadership skills that are important to achieve a rapid policy response and to conduct the necessary policy planning. This objective requires considerable strengthening both from a project management perspective as well as from a human resource one.

Furthering the development of the public administration with a view to ensuring the required efficiency and effectiveness in participation within European and International fora will also be supported. The aim is to build and consolidate the structures of the public administration to formulate policies and to participate more effectively (also through language and communication proficiency) in international fora and institutions. The objective of the interventions to be supported will be to garner a more extensive level of expertise across Government building on the experience achieved to date. Opportunities for lifelong learning and gaining firsthand experience on specific thematic dossiers through the provision of internships within the public administrations in other Member States or EU institutions will also be pursued. Interventions in this area will contribute towards the ongoing Public Sector Reform in that it will address the development as well as the further enhancement of the skills required in the areas of policy development as well as decision making at an international level in particular within the European Union.

In addition to the above, Government aims to strengthen the quality of employment and well-being of persons employed within the public administration. Initiatives foreseen will also provide the necessary support structures to vulnerable employees and to the entities within which these employees are engaged. This approach will lead to a more cohesive, socially inclusive and productive public administration.

### 3.4.2 Investment Priority 2: Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels

**Specific Objective**

Strengthening the capacity of stakeholders delivering education (including lifelong learning and training), employment and social policies.

**Development Needs**

The concept of public dialogue within the Maltese socio-economic fabric has undergone a major transformation in recent years. The setting up of the Malta Council for Economic and Social Development (MCESD) and the Malta European Union Steering Committee (MEUSAC) has contributed towards this change, as also the inclusion of public consultation as part of the process of
drafting key policy documents. These initiatives have been critical in the broadening of public consultation in diverse segments of Maltese society.

Throughout the 2007-2013 programming period, measures have been implemented to establish appropriate structures for the relevant social and civil stakeholders with the aim of enhancing their contribution towards social dialogue both locally as well as within EU fora. In recent years, these stakeholders have come to work in a more cohesive manner thus shedding the fragmented approach which had prevailed in the past. This has enhanced participation by the relevant stakeholders in the formulation of policies and reforms making their contribution more meaningful and leading to a stronger economic and social debate.

Government believes that it is essential for social partners and civil society bodies to develop the necessary socio-economic technical expertise and capacity to be in a position to fully participate in the social dialogue process and to actively contribute towards the formulation of policies both at a national and at a European level. With this premise, throughout the 2014-2020 programming period, Government aims to channel assistance via a two pronged approach, firstly by providing assistance to further enhance the capacity of social partners and civil society organisations delivering education, lifelong learning, training, employment, and social policies; and secondly by investing in Government’s own services, including local government, which can contribute towards improved policies in these areas.

**Expected Results**

The expected result to be achieved through this investment priority is:

- Increased technical capacity of stakeholders.

The achievement of this result will contribute towards the enhancement of education, lifelong learning, training and employment and social policies.

**Actions to be implemented under this investment priority**

Government believes in the importance of having all stakeholders involved in the delivery of education, employment, and social policies equipped with the necessary technical capacity to render the desired results. Building the capacity to ensure that these stakeholders have the necessary expertise and knowledge within these stakeholders will enable them to actively participate in the socio-economic dialogue leading to an enhanced and more effective policy-making process. In this regard, this priority will direct investment towards equipping stakeholders with the necessary technical capacity that would further enhance their participation in the development of Government policies within the ESF related areas.

**Indicative Target Groups, Beneficiaries and Territories Targeted**

<table>
<thead>
<tr>
<th>Target Groups</th>
<th>Socio-economic partners and Civil Society organisations and their employees; employees within Public Administration Bodies involved in the delivery of education, lifelong learning, training and employment and social policies.</th>
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</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>Social partners and Civil Society Organisations; Public Administration Bodies involved in the delivery of education, lifelong learning, training and employment and social policies.</td>
</tr>
<tr>
<td>Territories</td>
<td>Malta and Gozo</td>
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</tbody>
</table>
The target groups will be the social and civil partners and the Government bodies relevant for this Investment Priority that operate in Malta and Gozo, together with their members and human resource complement. The Beneficiaries envisaged are organisations involved in the promotion of enhanced capacity building for stakeholders involved in the delivery of education, lifelong learning, training and employment and social policies.

**Types of Interventions**

This investment priority is targeted towards the enhancement of the institutional capacity of the three main socio-economic players with the aim to achieve a superior administration when it comes to delivering education (including training and lifelong learning), employment and social inclusion policies.

**List of potential interventions**

- **Capacity Building Measures for stakeholders delivery ESF related policies**

Interventions will focus on the provision of the necessary capacity building measures including training, research, studies, support for networking and communication initiatives which enhance the development of the human resource complement within stakeholder organisations. Improved technical capacity is expected to enable social and civil partners to reach out to their respective members more efficiently thus generating more interest and active participation on national issues. In this regard, interventions will provide stakeholders with the required information and knowledge they need in order to assist them in formulating an opinion on proposed reforms and policies in a timely manner.

Through this Investment Priority, Government aims to strengthen the key platforms that are available for national consultation, mainly MCESD. MCESD brings together a significant number of local stakeholders on a regular basis thus providing the widest and consultation possible.

- **Capacity building measures for Public Bodies delivering ESF related policies**

Government is responsible for policy formulation and implementation as well as ensuring adequate public consultation in these processes. Such approach contributes towards ensuring that policies are successfully implemented on the ground. For this purpose, Government will invest in the bodies delivering ESF related policies to ensure that employment, education and social policy related targets set for Malta are achieved. In this regard, Government will seek to enhance the policy formulation and the implementation of ESF related policy structures (including local government), also within the wider context of collaborative partnership processes and multi-level governance.

To support the achievement of sustained growth and enhanced competitiveness Government will also seek to improve its own services with the aim of improving coordination and collaboration with the social and civil stakeholders so as to strengthen policy formulation nation-wide. Within this context, the Malta-EU Steering and Action Committee (MEUSAC) which manages consultation processes and provides support to civil society and ordinary citizens on EU related decision making processes will continue to be strengthened. This is considered as an essential step in order to enhance civil and social dialogue in Malta in terms of the ESF relevant policy areas (including education, lifelong learning, training and employment and social policies).

**3.4.3 Indicative Financial Allocation**

The indicative total funding for this Priority Axis amounts to € 11 million.
3.5 Flexibility Facility

In line with Article 98 (2) of the Council Regulation (EU) No 1303/2013, Government has decided to avail of the possibility to finance in a complementary manner and subject to the limit of 10 per cent of European funds for the Programme, actions falling within the scope of assistance from the ERDF, provided that they are considered necessary for the satisfactory implementation of the operation and are directly linked to it. The flexibility facility will not necessarily reach the full 10 per cent. The use of the facility will be monitored through the Structural Funds Database.
CHAPTER 4 – THE NEXT STEPS – YOUR VIEWS ARE WELCOME

This Operational Programme has been drafted as part of the programming process of the 2014-2020 EU Funding which has been allocated to Malta. Based on the Partnership Agreement of Malta 2014-2020; this Operational Programme sets out the investment plan that Government will undertake in the next programming period with regards to the European Regional Development Fund and the Cohesion Fund. Investments will be directed towards a number of key areas in line with the Europe 2020 targets, the Fund specific missions as well as Malta’s priorities. Interventions are aimed to enhance environmental sustainability, social well-being and a healthy society, whilst fostering competitiveness through economic development and job creation.

As part of the partnership principle and multi-level governance, whereby economic and social partners, civil society including environmental partners, non-governmental organisations and bodies responsible for the promotion of equality and non-discrimination and the general public at large are to be actively involved in the preparation of the Operational Programmes; interested stakeholders are invited to put forward their views, suggestions and comments in reaction to this document by Monday 16 June 2014.

Additional information may be viewed on www.eufunds.gov.mt and written feedback may be submitted through the following channels:

- by email on:
  info.eufunds@gov.mt

- by post at:

  EU2014-2020 Programming Unit
  Ministry for European Affairs & Implementation of the Electoral Manifesto
  House of Catalunya
  Triq Marsamxett
  Valletta.