



**EUROPEAN SOCIAL FUND
COMMUNITY INITIATIVE
PROGRAMME
EQUAL**



The Community Initiative

EQUAL

2004 - 2006

MALTA

8 APRIL 2004

1	INTRODUCTION AND BRIEF SUMMARY	3
1.1	AN ACCOUNT OF THE PROCESS OF PROGRAMMING.....	3
	1.1.1 <i>The Consultation Process</i>	3
1.2	PERIOD OF COVERAGE OF THIS PROGRAMME	5
1.3	GEOGRAPHICAL COVERAGE OF THIS PROGRAMME	5
2	THE LABOUR MARKET.....	7
2.1	INTRODUCTION.....	7
2.2	GENERAL	7
	2.2.1 <i>General Economic Context</i>	7
	2.2.2 <i>The Labour Market: Employment, Unemployment, Skills and Performance</i>	8
	2.2.3 <i>Conclusions</i>	11
2.3	LABOUR MARKET ANALYSIS IN TERMS OF DISCRIMINATION AND INEQUALITIES.....	12
3	THE POLICY CONTEXT FOR ACTION UNDER EQUAL	22
3.1	INTRODUCTION.....	22
3.2	THE EUROPEAN POLICY CONTEXT	23
	3.2.1 <i>European Employment Strategy, Joint Assessment Papers and the Joint Inclusion Memoranda</i>	23
	3.2.2 <i>The Policy Frame of Reference</i>	24
4	PRIORITY THEMES	33
4.1	CHOICE OF THEMES.....	33
4.2	EVALUATION OF THE EXPECTED IMPACT.....	34
4.3	INNOVATION FIELDS	36
4.4	FINANCIAL ALLOCATION.....	40
5	SUPPORT FOR DEVELOPMENT PARTNERSHIPS UNDER EQUAL	41
5.1	SINGLE SELECTION PROCEDURE	41
5.2	SETTING UP DEVELOPMENT PARTNERSHIPS, DEVELOPING A JOINT STRATEGY AND ACTION PLAN, AGREEING ON A WORK PLAN FOR TRANSNATIONAL COOPERATION (ACTION 1).....	41
5.3	IMPLEMENTING THE WORK PROGRAMME OF THE DEVELOPMENT PARTNERSHIP (ACTION 2)	42
5.4	THEMATIC NETWORKING, DISSEMINATION OF GOOD PRACTICE AND MAKING AN IMPACT ON NATIONAL POLICY (ACTION 3).....	43
5.5	TECHNICAL ASSISTANCE	44
6	CIP IMPLEMENTATION.....	46
6.1	MANAGING ARRANGEMENTS.....	46
	6.1.1 <i>Managing Authority</i>	46
	6.1.2 <i>National Support Structure</i>	47
6.2	FINANCIAL ARRANGEMENTS	49
	6.2.1 <i>Paying Authority</i>	49
	6.2.2 <i>Financial Flows</i>	51
6.3	CONTROL ARRANGEMENTS	52
6.4	MONITORING ARRANGEMENTS.....	53
	6.4.1 <i>Indicators for Monitoring</i>	54
	6.4.2 <i>Monitoring Committee</i>	54
6.5	TECHNICAL ASSISTANCE	54
	6.5.1 <i>Arrangements for Technical Assistance</i>	54
6.6	DEVELOPMENT PARTNERSHIPS	54
6.7	COMPLEMENTARITY AND COMPATIBILITY WITH COMMUNITY POLICIES.....	55
	6.7.1 <i>Compatibility with Community Policies</i>	55
6.8	COMPLIANCE WITH STATE AID LEGISLATION.....	57
	6.8.1 <i>General framework</i>	57
	6.8.2 <i>Responsibilities</i>	58
	6.8.3 <i>Relevant State Aid rules</i>	59
	6.8.4 <i>State Aid Table</i>	62
6.9	REPORTING	62
6.10	INFORMATION AND PUBLICITY.....	63
6.11	CO-OPERATION WITH THIRD COUNTRIES.....	64

7	FINANCIAL ISSUES	65
7.1	FINANCIAL PLAN	65
7.2	CO-FINANCING.....	65
7.3	ELIGIBILITY OF ACTIVITIES.....	65
8.	SHARING OF MONITORING DATA.....	65
8.1	SHARING OF DATA AT A EUROPEAN LEVEL.....	66
9.	EVALUATION	67
9.1	EX ANTE EVALUATION	67
9.2	THE EVALUATION PROCESS.....	67
9.3	THE FINAL ASSESSMENT, 2008.....	68
ANNEX A: FINANCIAL TABLES FOR OPERATIONAL PROGRAMME		69
ANNEX B: DATA TO BE COLLECTED FOR THE EQUAL COMMON DATABASE (ECDB)		70
ANNEX C: EX ANTE EVALUATION OF THE EQUAL COMMUNITY INITIATIVE PROGRAMME		77
1.	BACKGROUND.....	77
2.	BASIS FOR THE EVALUATION	77
3.	OVERVIEW OF THE PROGRAMME.....	78
4.	ASSESSMENT OF THE SOCIO-ECONOMIC DIAGNOSIS	78
5.	ASSESSMENT OF THE RATIONALE AND CONSISTENCE OF THE STRATEGY	84
6.	CONSISTENCY WITH CROSS-CUTTING PRIORITIES	92
7.	CONCLUSIONS AND RECOMMENDATIONS.....	96
ANNEX D: COMPLIMENTARITY & COMPATIBILITY WITH COMMUNITY POLICIES... ..		103

1 INTRODUCTION AND BRIEF SUMMARY

1.1 An Account of the Process of Programming

The main influences on the design of the strategy for the implementation of EQUAL in Malta has been the Mainstream Single Programming Document (SPD) for Malta's Objective One Structural Funds, defined after taking into account the various sectoral programmes and policies drawn up by the different Ministries and Departments of the Maltese Government, particularly the Joint Assessment Paper on Employment Priorities and the Joint Inclusion Memorandum.

The process through which this Community Initiative Programme (CIP) was designed and drawn up is also the result of participation by various social partners and stakeholders such as the Trade Unions, Employers, as well as Civil Society, including Professional Associations, Constituted Bodies and Non-Governmental Organisations.

1.1.1 *The Consultation Process*

Malta has a well-established system of social dialogue which operates through various mechanisms. The Malta Council for Economic and Social Development (MCESD) provides a forum for broadly based consultation between social partners and, where necessary, with organisations of Civil Society in relation to major national policy issues. The Council is entrusted with the task of advising Government on issues relating to the sustainable economic and social development of Malta.

The Council, appointed by the Prime Minister, has a legal and distinct personality and is composed of the following members:

- Chairperson, appointed after consultation with the representative national employers' and workers' organisations constituted bodies nominated within the Council;
- Deputy Chairperson, appointed by the Prime Minister from amongst members of the Public Service;
- Nine persons nominated by representative national employers' and workers' organisations constituted bodies, which organisations and constituted bodies are listed in GN/65/01 published in the Government Gazette:
 - Federation of Industry, one member;
 - Chamber of Commerce, one member;
 - Malta Employers' Association, one member;
 - General Retailers and Traders Union, one member;
 - General Workers Union, two members;
 - Union Haddiema Magħqudin, one member;
 - Confederation of Malta Trade Unions, one member;
 - Hotels and Restaurants Association, one member

- Four representatives of the Government, representing the Ministries responsible for Finance, Economic Services, Social Policy, and Foreign Affairs;
- Governor, Central Bank of Malta, *ex-officio*;
- Executive Secretary.

The Chairman of the Inter-Ministerial Committee on Regional Policy (IMC) is also the Deputy Chairman of the MCESD.

As required by ACT No. XV of 2001, the MCESD has appointed a standing Civil Society Committee which includes *ex-officio* as its permanent members, the chairpersons of the following organisations:

- The Local Councils Association;
- The National Youth Council;
- The National Council for the Elderly;
- The Consumers' Association;
- The National Commission Persons with Disability; and
- The Commission for the Advancement of Women¹

The economic and social partners are represented in various public bodies and corporations including the Malta Environment and Planning Authority (MEPA); the Malta Tourism Authority (MTA); and Malta Enterprise (ME).

As regards co-operation with non-governmental agencies, it is customary for Government and Ministries to involve such agencies and/or organisations in the policy-making and implementation processes. Such involvement is normally backed by public funds committed specifically for this purpose.

The EQUAL CIP was gender proofed by the then Department of Women in Society within the then Ministry for Social Policy². The Department of Women in Society has now also been absorbed by the newly established National Commission for the Promotion of Equality for Men and Women.

MEPA is the authority entrusted with environment protection and land use planning. In the formulation of the Malta Structure Plan, Local Plans, Subject Plans, as well as Policy Guidance, the MEPA aims to integrate land use requirements of the public and private sector on the basis of the principles of sustainable development. In its development control function, the MEPA is legally obliged to consult with a number of entities prior to granting or refusing planning consent.

Within the general context of programming, sectoral working groups were set up which also included the Socio-Economic Partners and also members of the Civil Society.

The national sectoral strategies, such as the Rural Development Plan and the Joint Assessment of Employment Priorities, were all drafted in consultation with the relevant partners.

The outline of the EQUAL CIP was presented to the relevant actors, who included potential promoters and social partners at a workshop on the EQUAL CIP held on the 29th and the 30th

¹ On January 2004 this Commission has been replaced by the National Commission for the Promotion of Equality for Men and Women

² The Ministry for Social Policy has been replaced by the Ministry for the Family and the Social Security

May 2003, which was presented with the assistance of 2 Spanish Short Term Experts, as part of the Malta-Spanish Twinning Programme for Regional Policy.

The Draft EQUAL CIP has been sent to the MCESD and the relevant members of the Civil Society and formal consultations have been held. An additional ESF and EQUAL workshop has also been held during November 2003 at the premises of the Malta Chamber of Commerce, to which some sectors of the social partners and the private sector, as well as other relevant actors, have been invited. The general public has also be invited to send comments to the Planning and Priorities Co-ordination Directorate's website, together with that of the then Ministry for Social Policy, during the last quarter of 2003. The Government's stand at the Malta International Trade Fair, which is held every year for two weeks during July, was this year devoted to regional policy and Malta's Structural Funds. A consultative liaison structure exists between the Inter-Ministerial Committee (IMC) and the Malta Council for Economic and Social Development (MCESD).

The Local Councils Act (Cap. 363) provides the legal framework for the sixty-eight local councils in the Maltese Islands (fifty-four in Malta and fourteen in Gozo). Their responsibilities include the general upkeep and maintenance of local streets and gardens, traffic and parking, public cleaning and refuse collection and information services relating to consumer matters, transport, tourist facilities, and social security. They have a consultative role in a number of areas including education, health, care for the elderly, transport and land-use. This Act is in line with the European Charter of Local Self-Government (1985) of the Council of Europe.

The Local Councils are involved in issues pertaining to Structural Funds through the Local Councils Association, which has also been invited to participate in all EQUAL workshops and to actively contribute within Malta's EQUAL CIP. The Local Councils Department of the Ministry for Justice and Home Affairs is responsible for the liaison between central Government and the Local Councils.

Malta's ESF administration has harnessed pre-accession support for the EQUAL Community Initiative, where a Twinning Light [TL] project is expected to commence during the month of February and will last until April 2004. The partner selected for this TL project is Spain.

During this three month Project, the team of Spanish experts will review the EQUAL specific labour market analysis, the EQUAL Community Initiative Programme, and will provide Malta's EQUAL administration and potential promoters with detailed expertise regarding all aspects of the EQUAL Community Initiative, including the Communications Action Plan, Manual of Procedures, and the Management Information System.

The Ex-Ante Evaluation exercise undertaken for Malta's CIP has also been very helpful in assisting the local authorities in the finalisation of this document.

1.2 Period of Coverage of this Programme

The starting date for eligibility of expenditure is the 1st January 2004 and the end date for eligibility of expenditure is the 31st December 2008.

1.3 Geographical Coverage of this Programme

As EQUAL is a national rather than a regional programme, the entire territory of the Maltese Islands is eligible for co-financing through the EQUAL Programme.

Part I: Programming EQUAL

Sections 2 to 6 of the CIP provide the Theoretical underpinning to the EQUAL Programme. **Section 2** describes the Labour Market background in Malta, with particular emphasis on the problems that EQUAL could be used to resolve.

Section 3 describes the National and European Policy Context for Activities under EQUAL.

Section 4 proposes a selection of Themes for the Programme, based upon the need identified in section 2 and the Policy Objectives set out in Section 3.

Section 5 describes the Actions through which EQUAL operates.

2 THE LABOUR MARKET

2.1 Introduction

This section is made up of three parts. The first part attempts to give a snapshot of the current economic situation in Malta, in particular those elements likely to have an impact on the labour market. The second part provides a detailed analysis of the labour market in Malta, with data broken down by gender, age, and sector, while the third part draws conclusions through an analysis of the major labour market trends.

2.2 General

2.2.1 General Economic Context

The main thrusts of Malta's human capital investment strategies relate to increasing the number of people in employment and to raising the skills levels of persons both in and out of work. Malta's strategies aim to strengthen the proportion of active labour market measures to passive measures thereby sustaining investment in promoting employability among persons who are inactive, unemployed or at risk of redundancy, while maintaining a gender mainstreaming perspective throughout.

In addition to having supply side measures that increase employability, demand side measures are also necessary to ensure the creation of decent jobs that may be taken up by employable persons by promoting a greater balance between the flexibility required by organisations to respond to changing markets, and the quality of jobs in terms of remuneration and conditions of employment. Of particular significance is the need for across-the-board measures that enable a better work-life balance for male and female employees.

Moreover, a further development is needed of Malta's lifelong learning culture, where both individuals and enterprises recognise the need and assume the responsibility for the continual upgrading of skills across all ages, occupations, and sectors.

Developing further competencies in occupational guidance is an essential part of this task. In parallel, it is also necessary to continue raising the standards of training and to improve the newly created framework allowing for the certification of professional and vocational competences.

Finally, although the rapidly changing markets may make this task more complex, it is also necessary to anticipate, and respond to, the skills requirements for the improvement and innovation of products and services.

2.2.2 The Labour Market: Employment, Unemployment, Skills and Performance

General Overview

According to the Labour Force Survey (LFS) of October 2002 there were 147,482 employed persons, 10,730 unemployed and 157,253 inactive persons.

Full-Time Employment

- According to the same survey, 70.3% of the employed persons (103,730) were male and 29.7% (43,752) were female.
- During the same year, 66% of the totals were working in the services sector, 31.8% in the industrial sector and 2.2% in agriculture.
- According to the LFS of December 2001, 33.3% were working in the public sector and 66.7% in the private sector.
- 13.0% of those employed in the private sector were self-employed (LFS December 2001).

Part-Time Employment

According to the LFS of October 2002, 13,086 persons (8.8% of the total number of employed persons) held a part-time job. Of these, 66% were female.

Hidden Employment

No official estimates have been made, although hidden employment is believed to exist in the construction industry and, to a lesser degree, among home maintenance trades as well as the hospitality and small enterprise sectors (JAP).

Unemployment

According to the LFS of October 2002, there were 10,730 unemployed persons in Malta in June 2001. Of these 3,593 were female and 7,136 were male. In the same month there were 6,529 persons registered as unemployed with the Employment and Training Corporation (ETC), of which 5,598 were male and 931 female.

Other Considerations

- In June 2001, at 54.7% the participation rate (employed persons as a percentage of the age group 15-64 years) was very low in Malta, against 63.8% in the EU 15 (LFS October 2002 and EUROSTAT). The impact of low female participation rate in the labour force should be noted.
- The unemployment rate, in the same year, was also comparatively low (6.8% in Malta against the average rate of 7.2% in the EU 15).
- Malta has a low level of people with higher education (university or equivalent). While in the EU Member States 21.6% of persons between 15 and 64 years possess higher education qualifications (*Source: Eurostat*), in Malta, the equivalent number was only 20,164, representing 7.5% of the working age population of 267,264 (persons aged between 15 and 64 – *Source: LFS 2001*).
- The pensionable age in Malta is 61 for men and 60 for women.

- 8% of persons between 15-64 years have a long-standing health problem or disability (National Statistics Office).

Recent Developments of the Labour Market

Table 2.1: Annual Changes in GDP, Productivity and Wages

	1998	1999	2000	2001
Real GDP growth %	3.40	4.10	6.10	-0.80
Employed Population	133,276	134,032	136,828	137,496
<i>Employed Population: change %</i>		0.7	1.9	0.9
Productivity (Lm) (GDP divided by gainfully occupied)	9,692.7	10,008.8	10,425.5	10,291.2
Productivity change %		3.3	4.2	-1.3

Source: National Statistics Office and Employment & Training Corporation

Since 1998, the number of employed persons has grown by an average of 0.9 per cent per annum. During the same period, real GDP increased between 1998 and 2000 but decreased during 2001. However, during the first nine months of 2002, real GDP recovered, reaching a growth rate of 2.5 per cent. The productivity rate grew by an average 2 per cent per annum over the 1998-2001 period.

With respect to the participation rate, the scenario can be summarised as follows:

- The employment rate increased from 54.9% in May 2000, to 55% in June 2002.
- Looking at the issue of gender, the female employment rate has increased (from 33.1% in 2000 to 34.3% in 2002), whereas that for male has decreased from 75.8% to 75.6% over the same period (LFS May and December 2000 for 2000 figures, and LFS October 2002 for years 2001 and 2002)

During the period 1995-2000, the number of workers in the public sector diminished by 4.8% (2,323), whereas the private sector increased its number of workers by almost 8.1% (7,201). (ETC)

Since 2000 there has been an increase in persons working part-time as their primary source of employment, from 6.7% to 8.8% (2002).

According to the JAP, the level of hidden employment is believed to have fallen since the introduction of VAT legislation in January 1995. In fact during 1995 full-time employment increased.

Table 2.2: Unemployment

Year	Male	Female	Total	% Male	% Female	Total
2000 (May)	7,037	3,421	10,458	6.6	7.3	6.8
2001 (June)	7,136	3,594	10,730	6.4	7.6	6.8
2002 (June)	6,872	4,177	11,049	6.3	8.3	6.9

Source: own elaboration with data from LFS 2000 and 2002

The following table shows the level of education of the registered unemployed for the period 1998-2000.

Table 2.3: Education of Registered Unemployed

	1998 %		1999 %		2000 %	
	M	F	M	F	M	F
Total	100	100	100	100	100	100
Working Knowledge/Operator	61.8	54.7	57.5	40.7	52.7	32.7
Competent/Skilled Operator	28.4	15.7	29.1	17.8	31	22.9
O-level/City & Guilds	7.4	19.0	10.3	26.7	13.3	32.3
Intermediate	0.1	1.1	0.1	0.4	0.1	0.8
A-level/Technician qualification	1.5	7.3	2.1	11.2	2.0	8.6
Diploma	0.4	0.5	0.4	1.1	0.5	1.1
Degree	0.4	1.7	0.5	2.1	0.4	1.6

Source: Employment and Training Corporation, 2000

A high proportion of the registered unemployed have low levels of education and limited skills. Unemployed females have higher qualification profiles than unemployed males. The majority of unemployed persons declared a preference for manual work, particularly in manufacturing and services.

Table 2.4: Job Searching Survey

Duration of Job Search	May 2000	June 2001	June 2002
5 months or less	24.2 %	47.4 %	46.2 %
6-17 months	31.9 %	20.7 %	29.1 %
18+ months	43.9 %	31.9 %	24.7 %

Source: Own elaboration with data from: Labour Force Survey May and December 2000 for year 2000. Labour Force Survey October 2002, for year 2001 and year 2002.

Table 2.4 illustrates the duration of job search for unemployed persons.

The sectoral breakdown of unemployment in 2001 in percentage terms was as follows:

Table 2.5: Unemployment Breakdown by Sector

	Agriculture	Industry	Services
Malta	2.2 %	31.8 %	66.0 %
EU 15 (Average)	4.3 %	26.4 %	69.3 %

Source: EUROSTAT, News Release, 143/2000

The table below shows the percentage employment share by sector in Malta between 1998 and 2001.

Table 2.6: Employment Share by Sector

Year	Agriculture	Industry	Services
1998	1.5 %	28.7 %	69.8 %
1999	1.5 %	28.0 %	70.5 %
2000	1.7 %	33.1 %	65.2 %
2001	2.2 %	31.8 %	66.0 %

Source: Labour Force Surveys December 2000, December 2001, Employment and Training Corporation, 1998-99

There has been a marked shift away from production into services, although per capita value-added in manufacturing has increased significantly. Employment in manufacturing has undergone redistribution from sectors such as footwear and clothing, to others such as electronics, engineering and health-related products.

2.2.3 Conclusions

In Malta, the labour supply over the years has continued to maintain an annual upward trend of approximately 0.7% and according to Malta's October 2002 Labour Force Survey, there were 147,482 persons employed while 10,730 were unemployed.

Of those employed full-time, 69.3% were male and 29.7% female, with 66% of the full-timers working in the services sector, 31.8% in the industrial sector, and 2.2% in agriculture. The private sector accounts for 66.7% of the full-time workforce, 13% of whom are self-employed, while the public sector employs 33.3%.

The male self-employment rate stands at around 12.8% while that for women is 4.8%, suggesting a low trend in self-employment when compared to the 15.8% level of the EU15 for men and 7.9% for women. Indeed, the decrease in the self-employment rate over the past two decades is of high national concern.

The female employment rate has increased from 33.1% in 2000 to 34.3% in 2002, although it is still very low compared to the EU15 average of 54% and European Employment Strategy's target of 60% by 2010.

Registered part-timers account for 7.7% of the total employed persons, of whom 66% are female. Malta's employment rate stands at a low 54.7% compared to the 63.8% EU 15 average. Malta's tertiary education rate is a low 7.5% of the entire working population between the ages of 15-64 amounting to 267,264 persons, compared to the 21.6% average for the EU 15.

Youth employment stands at a rate of around 50%, while youth unemployment has had a tendency to rise, now representing around 50% of the total unemployed.

Of those unemployed, 33.5% are female and 66.5% are male. Malta's unemployment rate has fluctuated over recent years at around 5%, which is lower when compared to the 7.2% average for the EU 15, although Malta's unemployment rate is having a tendency to increase.

A high proportion of the registered unemployed have low levels of education and limited skills. Unemployed females have higher qualification profiles than unemployed males, although it is believed that a number of low-skilled females operate outside the formal economy (this is also true of men as mentioned above when referring to maintenance workers). It is also felt that the labour market in Malta has a low capacity to generate employment and that the active population in Malta does not have sufficient training opportunities.

GDP per capita in Malta has increased by around 3.5% annually, while a high annual 5% increase of productivity is being registered. The pension age in Malta is 61 years for men and 60 years for women.

2.3 Labour Market Analysis in terms of Discrimination and Inequalities

In Malta, there is no official definition of poverty or a poverty line. A Household Budgetary Survey (2000), however, indicates that some 14.9% earn income around the at-risk-of poverty threshold. People in Malta tend to explain poverty as an outcome of laziness and lack of will power, even if they are increasingly concerned with social justice.

State social policy seeks to develop an inclusive society by taking a subsidiary responsibility, although in some instances also direct, alongside families and non-governmental organisations, thereby ensuring equal opportunities for all with specific emphasis on the most vulnerable. Strategic objectives include fighting social exclusion, reforms in social protection systems, combating the abuse of welfare benefits, developing welfare support services, the implementation of family-friendly measures to facilitate an increase of women's participation in the labour market, research for grounded policy, improving standards and information about social services.

Social Security provides for retirement pensions, children's allowances, unemployment benefits, invalidity pensions, injury and sickness benefits, widows' and survivors' pensions, orphans' allowance, disability pension and gratuity, marriage grants, and maternity benefits. Non-material needs are met by a multiplicity of social services provided by governmental and non-governmental organisations.

Social surveys uncover the persistence of economic and social deprivation. Over six percent declare that they live off their savings only or borrow money, suggesting that they face problems to make ends meet and do without necessities for the family. Twelve percent claim a reduction in their spending on food. Poverty and inequality affect women more than other members of the family.

The norm of the two-parent family co-exists with a diversity of family situations. Over the past five years the number of publicly registered marital separations has almost doubled, and eleven percent of all children are now born outside of marriage. National illiteracy rates have dropped from 33.4% in 1948 to 11.24% in 1995. Men and the 15-19 year olds, however, report higher illiteracy rates than their women and older counterparts. Private school tuition fees may also be interpreted by some to mean the social exclusion or disadvantage for the less resourceful.

Economic poverty adversely hits all persons within a household, particularly, women, the elderly, unmarried couples, and separated people, the long-term unemployed and those dependent on welfare benefits. Lack of financial means is often accompanied by stress, sickness, substance abuse, and mental health problems. Poverty is related to unequal access to work and the living environment. Minorities who do not conform to the predominant culture also risk social exclusion. Activity limitations of older and disabled people, substandard housing, illiteracy and time-poverty constitute other major factors for social exclusion.

The development of social policy has much to gain from comparative research that makes good use of standard European indicators. In their efforts to address the causes of poverty and social exclusion, researchers should have easy access to recent data from national statistical offices. The current shift in social policy from the post-War Welfare State into a Welfare Society involves major changes and new generations are encouraged to give greater importance to sustainable development over certain excessive traditionalist and materialistic concerns.

The decade 1992-2002 saw continued population growth (0.6% a year³). As in other European countries, fertility rates have been on a steady and consistent decline since 1985, the reasons for which include widespread socio-economic changes and the increased secularisation of Maltese families. In recent years, the total fertility rate has fallen well below replacement level and stood at 1.46 children in 2002⁴ (Table 1).

Table 2.7: Main demographic developments in Malta, 1995-2001

	1995	1996	1997	1998	1999	2000	2001	2002
Total population	378404	381405	384176	386397	388759	391415	394641	397296
Age structure in %:								
0-14	21.5	21.4	21.3	20.8	20.4	20.0	19.2	18.7
15-29	21.3	21.4	21.4	21.7	21.9	22.0	22.1	22.1
30-44	22.7	22.0	21.5	21.0	20.8	20.5	20.4	20.1
45-59	18.8	19.3	19.5	19.8	20.1	20.5	21.3	22.0
60+	15.7	15.9	16.3	16.7	16.8	17.0	17.0	17.0
65+	11.2	11.6	11.7	12.1	12.1	12.4	12.6	14.8
Dependency ratio	59.2	59.5	60.3	60.0	59.2	58.7	56.7	55.6
Annual population growth rate (%)	0.8	0.8	0.7	0.5	0.4	0.6	0.8	0.7
Net immigration	514	305	380	228	272	400	399	286
Total fertility rate	2.0	1.9	1.8	1.8	1.8	1.8	1.5	1.5
Life expectancy at birth:								
Men	73.9	74.0	74.1	74.1	74.2	74.3	76.7	75.8
Women	79.5	79.7	79.1	80.0	80.1	80.2	80.9	80.5
Life expectancy at age 65:								
Men	14.3	14.5	14.7	14.8	14.9	15.0	15.4	15.0
Women	17.5	17.7	17.9	18.9	18.2	18.4	18.6	19.0

Source: NSO

Note: Calculated as the 0-14 and 60+ age-groups divided by the number aged 15-59

- 3 Based on the Maltese population data only. However, a shorter reference period (1995-2002) confirms an annual growth rate of 0.7% in the total population.
- 4 Malta's demographic transition started in the fifties and progressed at a higher pace than in any other EU country. Completed fertility levels in Malta have been reduced by 2.1 children, from 4.2 children to women born in 1930 to 2.1 children to women born in 1960. This absolute decline has been unmatched by other countries with similar levels of completed fertility, where the reduction stood at following levels: France (0.54), Greece (0.28), Ireland (1.1), Sweden (0.1) and the UK (0.42).

On the other hand, as a result of the secularisation of Maltese society, reproduction began to revolve around other types of union rather than marriage, which was rarely the case in the past. The share of births out of wedlock rose from 2.2% (of all births) in 1992 to 14.9% in 2002. Births out of wedlock to mothers aged 20 years or less have been continuously increasing from 0.6% of all births in 1992 to 4.2% of all births in 2002. In 2002, 65.7% of all births out of wedlock were to mothers under 25 years of age. Whilst the number of all births out of wedlock increased by 4.5 times in the decade 1992-2002, births out of wedlock to women under 25 increased by a factor of 5.3.

Mortality trends have been contributing to the increase in population size as well as to the increase in longevity. The crude mortality rate⁵ stood at 7.85 per thousand in 2002, which represents a drop from 8.0 per thousand recorded in 1992; infant mortality stood at 6.0 per thousand live births in 2002 as against 10.8 per thousand live births in 1992. The noticeable increase in diseases of the respiratory system from 7.1% in 1992 to 11.6% in 2002 (Table 2) may be an indication of an increase in air pollution and other factors such as smoking during this period. In 2002, male life expectancy was at 75.8 years while that for women was 80.5 years. Over the decade 1992-2002, the increase in male life expectancy was marginally higher than that for women; in 1992 it stood at 73.0 years, whereas female life expectancy was 77.8 years (Table 1).

Table 2.8: Four most common causes of death as a percentage of all deaths (2001)

Cause of death (ICD-10 chapters of causes)	1992	2001			2002		
	Total	Male	Female	Total	Male	Female	Total
Diseases of the circulatory system (9)	1161 (42.9%)	610 (40.8%)	673 (46.8%)	1,283 (43.7%)	655 (40.8%)	682 (47.8%)	1337 (44.1%)
Neoplasm (2)	731 (27.0%)	419 (28.0%)	304 (21.1%)	723 (24.6%)	421 (26.2%)	319 (22.3%)	740 (24.4%)
Diseases of the respiratory system (10)	228 (8.4%)	196 (13.1%)	165 (11.6%)	361 (12.3%)	222 (13.8%)	129 (9.0%)	351 (11.6%)
External causes of morbidity and mortality (20)	95 (3.5%)	84 (5.6%)	48 (3.3%)	132 (4.5%)	73 (4.5%)	52 (3.6%)	125 (4.1%)

Source: Demographic Review, 2001

It is estimated⁶ that by the end of 2005 the total population will be 400 100⁷, which will increase by a further 13 400 by 2010 (Table 3). Malta's population, ageing at a fast rate, is still young by European standards. The 0-14 age group represents 19.2% of the total population, whereas those aged 65 and over make up 12.6%. The scenario of falling fertility rates in the future, coupled with the increased life expectancy of both genders, may have a serious impact on future population size and age structure. It might also affect the supply of labour, and the sustainability of the current pension system as well as health and care services.

5 Based on the Maltese population mortality rate.

6 See Table 5.

7 Projection based on 1995 Census population.

Table 2.9: Maltese year-end population projections, broad age groups (%)

Age	Estimate as at 31 December 2001		Projected population					
	Men	Women	2005		2015		2025	
			Men	Women	Men	Women	Men	Women
0-4	5.8	5.5	5.6	5.1	5.8	5.3	5.2	4.8
5-19	22.0	20.4	20.4	18.9	17.2	16.0	17.5	16.0
60-74	10.7	13.0	12.3	13.9	17.6	18.0	18.2	18.3
75+	4.1	6.2	3.9	6.5	4.0	8.0	6.4	10.6

Source: Demographic Review 2001

Family Composition

In view of the downward trends in fertility, further nuclearisation of Maltese families and an increase in the number of one-person households, the average household size (3.1 persons in 1995) is expected to drop to 2.7 persons in 2020. Consequently, the total number of private households is expected to increase by 1.1% annually. The higher demand for housing might push prices up, thus creating a greater risk of poverty among those who can ill afford current market rents or purchase prices. The demand for institutional care is expected to increase, and the number of persons in institutional care is forecast to grow by 1.85% annually. This latter trend is also made more pronounced by the expected decline in the number of informal carers and the increased presence of women on the labour market.

Long-term demographic changes resulting in smaller cohorts reaching marriageable age, coupled with the trend towards entering into marriage at an older age, have been key factors in declining trends in absolute marriage rates, from 6.5% in 1992 to 5.8% in 2002. Whilst divorce is not legally possible in Malta, separation and annulment of marriage do exist. Marital separations have been on the increase, with a marital separation index of 429.5 in 2002 (1995 = 100); this figure stood at 244.6 in the period 2000-2002, thus indicating a considerable acceleration in the incidence of dissolved marriages. Family ties in Malta are still very strong, resulting in widespread informal care for grandchildren, the frail or elderly and persons with mental and physical disabilities. Neighbourhood ties are also strong at times of greatest need, such as terminal illness or death.

Immigration

As from January 2002, Malta has assumed the full responsibility for the management of asylum-seekers. The level of illegal immigration into Malta was quite high throughout 2002, which saw the unprecedented arrival of some 1608 illegal immigrants; in 2003, some 180 new cases were registered. The number of undocumented immigrants during the past year exceeded the total population increase (natural increase plus registered migration) by almost 30%. Persons who entered Malta without proper documents are currently provided with shelter/housing and some basic needs. However, their upkeep presents a complex issue for the authorities.

Income disparity

Income in Malta is distributed relatively evenly among the population. Indeed, the last measure of this distribution in respect of the year 2000 gave a Gini coefficient of 30.4%. This is only slightly different from the EU15 average of 29% (2000 data). Moreover, the gap between the lowest income earners and the highest income earners (S80/S20) is marginally below that in the EU. The top 20% of earners in Malta were estimated to earn around 4.5 times the income earned by the lowest 20.0% (2000 data); the corresponding EU15 ratio was 4.4 (2000 data). Average earnings for women were 82.02% of men's average earnings in December 2002, and 79.65% in December 2001, indicating that the gender pay-gap in Malta is gradually narrowing. Further improvement was apparent in March 2003 when the figure stood at 83.1%.

Poverty

With social security expenditure absorbing around one sixth of GDP in 2000-2001, and given the wide-ranging system of social protection, poverty has not up to now been a major issue in Malta. In 2000, around 14.9% of the total population (15.1% for women and 14.7% for men as at 2000), was living at risk of poverty, calculated as income below 60% of the national adjusted equivalised income median (EU15: 15% in 2000) (Table 4). The incidence of persons near the poverty line, affecting men and women in equal measure, is being considerably mitigated by the well-developed social-welfare system in Malta. In fact, it is estimated that, excluding all social transfers, the risk-of-poverty rate for Malta in 2000 was 30.2% (EU15: 40% in 2000). The relative risk-of-poverty gap⁸, which measures the distribution of income among the poor, is lower in Malta (17.5% as at 2000) than in the EU15 (21% as at 2000). During 2000, the age groups that were mostly at risk of poverty included children, 0-15 years age group (21%; EU15: 19%) and those aged 65 years and over (20%; EU15: 17%). It is recognised that groups most at risk of poverty in Malta are children (20.6%; EU15: 19%) and persons aged 65 years and over (19.6%; EU15: 17%); similar to the EU average, it is male children (22.2%; EU15: 19%) and female elderly persons (20.5%; EU15; 19%) who are most at risk. Furthermore, the high risk-of-poverty rate among the unemployed (Malta: 50%; EU15: 38%), single parents (Malta: 55%; EU: 40%) and persons in rented housing (Malta: 29%; EU15: 24%) are particularly worrying. Single-parent households with at least one dependent child are most at risk of poverty (Malta: 55.1%; EU15: 40%).

8 The difference between the median of persons below the income threshold and the low income threshold, as a percentage of the low income threshold.

Table 2.10: At-risk-of-poverty rate by gender and socio-economic category

Category	Total	EU15 (1998)	EU15 (2000)	Women	EU15 (1998)	EU15 (1998)	Men
At-risk-of-poverty rate ¹ (total population)	14.9	18.0	15	15.1	19.0	17.0	14.7
Rate before social insurance contributions	30.2	n.a.	40	n.a.	n.a.	n.a.	n.a.
Rate including pensions but excluding all other social insurance contributions	20.8	n.a.	23	n.a.	n.a.	n.a.	n.a.
Relative at-risk-of-poverty gap ² (total population)	17.5	23.0	21	15.5	23.0	21.0	19.8
Gini coefficient	30.4	n.a.	29	n.a.	n.a.	n.a.	n.a.
S80/S20 quintile share ratio	4.5	5.4	4.4	n.a.	n.a.	n.a.	n.a.
Age groups:							
0-15	20.6	24.0	19	18.9	23.0	25.0	22.2
16-24	9.7	23.0	20	9.8	24.0	23.0	9.5
25-49	13.5	14.0	13	13.7	14.0	13.0	13.2
50-64	12.1	14.0	12	13.8	15.0	13.0	10.3
65 +	19.6	20.0	17	20.5	22.0	17.0	18.5
Persons 16 years and over:							
Employed	6.3	7.0	6	2.1	7.0	7.0	8.3
Self-employed	1.2	16.0	16	0.0	13.0	17.0	1.4
Unemployed	50.4	38.0	38	31.5	33.0	44.0	56.7
Retired	18.3	18.0	16	18.4	19.0	17.0	18.3
Other inactive persons	17.6	27.0	24	18.7	27.0	25.0	10.3
Household type:							
One-person household:							
Total	24.5	n.a.	23	28.0	n.a.	n.a.	16.7
Under 30 years	33.8	32.0	33	n.a.	n.a.	n.a.	n.a.
30-64 years	23.1	16.0	15	n.a.	n.a.	n.a.	n.a.
65 years and over	25.3	28.0	26	n.a.	n.a.	n.a.	n.a.
Two adults, no dependent children (at least one person aged over 65)	24.6	16.0	14	n.app.	n.app.	n.app.	n.app.
Two adults no dependent children (both aged under 65)	11.1	9.0	10	n.app.	n.app.	n.app.	n.app.
Other households with no dependent children	4.5	9.0	8	n.app.	n.app.	n.app.	n.app.
Single-parent household with at least one dependent child	55.1	35.0	40	n.a.	n.a.	n.a.	n.a.
Two adults and one dependent child	12.7	11.0	10	n.app.	n.app.	n.app.	n.app.
Two adults and two dependent children	15.9	13.0	13	n.app.	n.app.	n.app.	n.app.
Two adults and three or more dependent children	28.5	41.0	26	n.app.	n.app.	n.app.	n.app.
Other households with dependent children	8.3	22.0	17	n.app.	n.app.	n.app.	n.app.
Type of housing:							
Total	14.9	18.0	15	n.a.	n.a.	n.a.	n.a.
Owner-occupied	11.4	14.0	12	n.a.	n.a.	n.a.	n.a.
Tenancy	29.1	23.0	24	n.a.	n.a.	n.a.	n.a.
Gender pay gap (March 2003 data)				83.1%			

Source: Structural, Poverty and Social Exclusion Indicators (NSO, 2003) EU15: (Eurostat) ECHP, UDB version June 2003

Notes: (1) Percentage of persons whose value-adjusted income is below the at-risk-of-poverty threshold as a percentage of the total population living in such households; (2) Difference between the median of persons below the low-income threshold and the low-income threshold itself, as a percentage of the low-income threshold; (3) n.a. - not available; (4) n.app. - not applicable

In terms of type of household, single parents with at least one dependent child make up the group at greatest of falling below the risk of poverty threshold (55.1%; EU15: 40% in 2000). In Malta, women head 79% of the total number of single-parent households, and 26.9% of those households include children below the age of 18. Single parents also pay the highest average annual rent of all types of household, which is considered to be one of the main factors giving rise to poverty in Malta. The next type of household most at risk consists of two adults and three dependent children; 28.5% of these households are at risk of poverty compared with 26% for the EU15. Only 16.5% of the total number of single-parent households are engaged in gainful employment (14.1% full-time and 2.4% part-time). Whilst 35.6% of single fathers are employed full-time, the figure is only 8.1% for single mothers (1995 Census data). Single parents who are not formally engaged in employment may rely on social benefits, subsistence allowances from their partners, or be involved in the informal economy.

The risk-of-poverty rate for persons under 30 living alone – as yet an uncommon occurrence except in cases of marital breakdown, domestic discord or previous institutional residence – is quite high (33.8% in 2000; EU15: 33%). Those at next greatest risk are large families and single women. The rate for a 2-adult, 3-children household in 2000 was 28.5% (EU15: 26%). Maltese male single-person households are less at risk of poverty (17%) than female ones (28%); these figures are similar to the EU15 averages of 18% for men and 26% for women (Table 4).

It should be mentioned that disabled people are among the groups that are at high risk of poverty, regardless of their socio-economic background. Although the disability pension is a contribution towards the extra costs incurred through a disability, it does not offer sufficient means to live independently. Indeed, it might even encourage dependence on family members. A potential poverty trap also lies in the fact that the disability pension may be topped up by income from employment as long as this does not exceed the minimum wage.

As regards rented housing, 29.1% of tenants are at risk of poverty, and are two and a half times more likely to be poor than owner-occupiers (11.4%); these figures are somewhat more skewed than the EU15 averages of 24% and 12% respectively. This could be the case where low-income tenants, who are possibly also receiving social assistance, live in leased premises (often rented at market prices). This is particularly revealing considering that tenants constitute only 28% of Malta's population. 51.3% of all tenants enjoy an annual rent of less than Lm 51 (the 2003 national minimum weekly wage stands at Lm 53.13) while the other 28.6% of tenants enjoy an annual rent of less than Lm 101. Both groups of tenants include persons who are renting from private landlords as well as from the Government (social housing).

In terms of employment status, it is the unemployed who, at 50.4%, are at greatest risk of poverty, a figure significantly higher than the EU15 average of 38%. This might be explained by the fact that in Malta 60.3% of the unemployed are under 35 years of age and thus enjoy the lowest possible unemployment assistance levels (while factoring in marital status and number of children). The weekly unemployment assistance/social assistance in 2003 stands at Lm 30.97 for one-person households (58.3% of the national minimum wage). This assistance is means-tested. However, unemployment benefit has been fixed at Lm 3.66 daily (Lm 21.96 weekly, i.e. 41.33% of the national minimum wage) for a married person maintaining a spouse and for a single parent who may also be receiving special unemployment benefit (at a fixed daily rate of Lm 6.14 and Lm 4.00), and at Lm 2.38 daily (26.9% of the national minimum wage) for any other person. The poverty risk arising from unemployment appears to be far greater for men (56.7%; EU15: 43%) than for women (31.5%; EU15: 33%), since the latter might also be benefiting from child allowance (in the case of single mothers). The percentage of persons living in jobless households (0-65 years of age) remained quite stable, ranging from 11% in December 2001 to 10.2% in December 2002 (EU15: 12.2% in 2001 and 2002). In March 2003, the relative proportion of such persons was 11.1%. After the unemployed, retired persons have an 18.3% (EU15: 16%, 2000 data) and inactive persons a 17.6% risk of poverty (EU15: 24%, 2000 data). Inactivity⁹ for women carries a greater risk of poverty (18.7%) than for men (10.3%). However, for both genders, inactivity is far less risky in Malta than it would appear to be in the EU, with a rate of 24% in 2000 (affecting men and women in equal measure).

Living Conditions

9 The inactive population comprises those who are not working and not seeking employment.

Generally, the Maltese enjoy high standards of housing accommodation. Property ownership is most common, with 68% of all dwellings being household-owned. However, there is evidence that some strata of the Maltese population live in poorer housing conditions owing to their economic situation and living arrangements. For example, elderly women heading households live in considerably poorer housing than their younger female counterparts. Some 75% of all households headed by women, in dwellings without a bathroom or kitchen, were those of women aged 60 and over (1995 Census data). Similarly, housing tenure discriminates in terms of exposure to the risk of poverty. While the home-owners bear the market cost of housing (capital savings and mortgage payments), the tenants residing in privately owned properties could be divided into two different groups: those who are pay low rent (in some cases fixed at 1939 levels) coupled with security of tenure, and others who are paying the market rent under rental arrangements prevailing on the free market. There is a considerable difference between these two groups' risk of poverty; in Malta, the risk of poverty among persons in rented accommodation is much higher than the corresponding risk in the EU15 (29.1% and 24% respectively). The exposure to poverty of those who are paying market prices is even more severe in some groups such as single parents. This makes clear the need to both revitalise the rental housing market and achieve a better balance between the rights of tenants in the two groups in Malta, and to encourage the provision of rented social housing for those in most need.

There are several sections of society which might be more affected by gender differences in the field of housing. In the event of marital breakdown, problems of safe and adequate housing conditions for the female spouse (and her children) often arise; rental tenure becomes more dominant in the event of marital split-up or in the case of unconventional families. Single mothers more often apply to purchase affordable social housing than single fathers, whereas separated women apply more often for rent subsidies for social housing than men. This suggests gender bias in the housing field which, in the case of women, could ultimately lead to a greater risk of poverty.

Regional Disparities

Depopulation and migration away from the Inner Harbour district have resulted in a 1.4% annual population decrease over the period 1985-1995, resulting in a somewhat distorted socio-economic and demographic mix of the resident population in some areas of this district. As regards literacy, the highest incidence of illiteracy has been recorded in the South-Eastern district and Gozo and Comino, with 15.9% and 13% illiterate men and 11.6% and 9% illiterate women, respectively. Unauthorised absences from government primary schools¹⁰ were the highest in the Southern Harbour District and the Northern Harbour District (35.2% and 27.6% of all unauthorised absences, accounted for by 23.5% of all primary public school pupils in each of these two districts) in the period September 2001 to March 2002. Large proportions (more than 65%) of persons aged 16 and over with no qualifications have been observed in the South-Eastern and the Gozo and Comino districts. This is higher than the average share for the Maltese islands (60.2%); the Northern district registered the lowest share, namely 54.8% (data: 1995 Population Census).

10 Private and church schools enrol children irrespective of their place of residence, thus making regional comparisons meaningless.

Although there are pockets of vacant and dilapidated buildings across the country, urban regeneration is particularly necessary in the Inner Harbour district, where 19.5% of all dwellings are vacant, 38.6% are dilapidated and only 3.3% were built between 1991 and 1995. The issue of dwellings standing empty ties in directly with the current situation on the market for rented housing. In terms of regional employment differentials, Malta's regional cohesion index of 27% in 2001 is better than most EU15 countries.

Ethnic Minorities

The European Community legislation prohibits racial discrimination in employment, education, social security, health care, housing and access to goods and services. Discrimination on grounds of religion or belief, age, disability and sexual orientation are also covered in the areas of employment and training¹¹. In the case of Malta, there is a low proportion of non-Maltese (2.4% of the total) and a small number of minorities. Malta's historical ties with other nations explain the assimilation of other nationalities living permanently in the country, such as the British (49.3% of all resident foreigners, 1995 Census data), Australians (7.7%), Italians (5.7%) and Libyans (3.9%), to mention but a few. Other minorities typical of the EU15 and acceding countries, such as the Roma, are not present in Malta in any significant numbers. In any case, the effective implementation of the above Directives should form part of Malta's strategy for promoting the integration of ethnic minorities and other disadvantaged groups.

Informal Sectors

There are no available data on the extent of the informal economy in Malta. However, the structure of the economy, based to a large extent on the building industry and tourism, would suggest that the informal economy might absorb a significant share of the male and female labour force which, as long as it remains outside formal employment structures, enjoys no social protection and also pays no taxes, distorts competition and weakens the funding of social and legal protection, in that it contributes to tax evasion.

No official estimates have been made, although hidden employment is believed to exist in the construction industry and, to a lesser degree, among home maintenance trades as well as the hospitality and small enterprise sectors (Joint Assessment of the Employment Policy Priorities – JAP). However, the issue of hidden employment seems to affect more women than men, since the official level of employment for men is rather high (75.4% in 2000). The female unemployment rate has remained constant between 1994-2000, around 2.5%. Over the same period of time the number of registered unemployed females has fluctuated between 800 and 1,000.

Aspects Specific to Malta

11 Directives 2000/43/EC and 2000/78/EC.

A low female participation rate in the labour market is highly specific to the Maltese economy. It is still not easy for women to combine motherhood and family duties with a job/professional career because of a lack of adequate support services for the family. Also, the perception of males as the main breadwinners, within the concept of stereotyped traditional roles, is still quite common in Maltese society, although signs of a trend towards a dual-earner family are becoming evident.

Despite the fact that primary and secondary education in Malta is free to everyone, some 11.2% of the total population in Malta were recorded as being illiterate in the 1995 Population Census. The number of illiterate persons aged 10-19 years, stood at 4.9% of the total number of illiterate persons. Men have higher illiteracy rates than women (12.6% and 10% respectively).

3 THE POLICY CONTEXT FOR ACTION UNDER EQUAL

3.1 Introduction

The Structural Funds are the financial instruments used in the EU to promote social and economic cohesion. The Structural Funds contribute to the attainment of the three following objectives:

- Promoting the development and structural adjustment of regions whose development is lagging behind (Objective 1).
- Supporting the economic and social conversion of areas facing structural difficulties (Objective 2).
- Supporting the adaptation and modernisation of policies and systems of education, training and employment (Objective 3).

In addition to the above objectives – that are implemented through the ‘Mainstream Operational Programmes’ – 3% of the Structural Funds are earmarked to the Community Initiatives. EQUAL is one of the Community Initiatives and is financed by the European Social Fund (ESF).

Unlike the Mainstream Programmes, EQUAL operates at the national level in all Member States (MSs). Its predecessors were called EMPLOYMENT and ADAPT. Other current Community Initiatives are INTERREG III, URBAN and LEADER +. During the programming period between 2004 and 2006 the new accession countries shall only be eligible for INTERREG III and EQUAL Community Initiatives

The creation of the ESF was foreseen in the Treaty of Rome, the 1957 Treaty that laid the foundation for the European Union (EU).

In 1997, the EU Heads of State agreed to strive for a high level of employment and to co-ordinate their actions at a European level. The European Employment Strategy (EES) was subsequently adopted. Since 1997, the European Council of Labour Ministers provides an annual report on the measures taken to implement the EES.

The ESF is the instrument to support the EES. The strategy sets the political framework for EQUAL, which mirrors the main priorities in the EQUAL themes. Furthermore, EQUAL is a means to support the employment and social policy priorities established in the annual National Action Plans for Employment and Social Inclusion (NAP Employment and NAP Inclusion). Accession countries have joined the EU dialogue on a co-ordinated Employment and Inclusion policy. The Joint Assessment Papers (JAPs) and the Joint Inclusion Memoranda (JIMs) that derive from this dialogue is also an important political framework for the future EQUAL programmes. Unlike other New Member States, Malta has not had any prior experience during Pre-Accession preparations, as Malta was not made eligible for funding under PHARE and CBC programmes.

EQUAL, as a Community Initiative, is governed by the Structural Funds regulations. The main regulation is the general regulation of the European Council (No. 1260/1999). This regulation

lays down all the general provisions of the Structural Funds. In addition the tasks of the ESF are governed by a separate regulation often referred to as the 'ESF regulation' (No. 1784/1999). There are also four implementation regulations that provide more detailed rules for specific areas, namely:

- Reg. 438/2001 amended by Reg. 2355/2002 regarding Management and Control Systems
- Reg. 1159/2000 on Information and Publicity
- Reg. 1685/2000 amended by Reg. 1145/2003 regarding Eligibility of Expenditure
- Reg. 448/2001 giving details about Financial Corrections

Specific rules governing the Community Initiative EQUAL are found in the Communication from the Commission COM 2003/840, including the updated EQUAL Guidelines establishing the Guidelines concerning Transnational Co-operation to promote new means of combating all forms of Discrimination and Inequalities in connection with the Labour Market.

3.2 The European Policy Context

3.2.1 *European Employment Strategy, Joint Assessment Papers and the Joint Inclusion Memoranda.*

In accordance with the provisions of the Accession Partnership, the European Commission and the Government of Malta have carried out an employment policy review to examine the extent to which Malta has made progress in adapting its employment system so as to be able to implement the European Employment Strategy.

The Joint Assessment Paper of the Employment Policy Priorities (JAP) focuses on the fundamental challenges in the employment field by examining whether labour markets reflect the needs of a dynamic market economy as part of a single market, and in particular whether labour is mobile, adaptable and skilled.

Secondly, the JAP also examines the relevant policies and appropriate institutions that support the development of a flexible labour market, including the need to promote a forward-looking approach to industrial restructuring, to adapt to knowledge-based economies and to face the impact of demographic change.

The priorities outlined in the Joint Assessment Paper on the Employment Policy Priorities of Malta (JAP), co-signed by the European Commission and the Government of Malta on the 26th October 2001, remain the same as outlined in the subsequent Progress Reports. The key employment policy priorities for the medium-term in Malta are:

- To pursue the review of interaction between the tax and social benefit systems, in order to remove poverty traps and provide the right incentives for unemployed or inactive people to seek and take up work
- To increase the overall employment rate, with particular emphasis on active promotion of female labour market participation and implementation of measures to address gender gaps, including the enactment and enforcement of comprehensive gender equality and anti-discrimination legislation and the promotion of family-friendly working arrangements
- To strive to reduce the size of the informal sector

- To aim for better matching of labour demand and supply: modernising vocational education and training with greater involvement of the social partners: sustained efforts to raise the skill levels of the workforce, particularly disadvantaged groups; upskilling and/or redeployment of public sector restructuring. The illiteracy rate must be monitored and reduced.
- To further develop active employment measures and co-ordinate labour market policies and to strengthen the capacity of the public employment service to provide individualised services.
- To develop the institutional structure and capacities needed to implement the European Social Fund taking into account the policy priorities in the JAP.

The key challenges of the Joint Inclusion Memorandum (JIM) for Malta are:

- Employment
- Ensuring adequate income and resources
- Education
- Family solidarity and rights of children
- Equal access to quality services
- Delivery of services
- Housing
- Regeneration of areas of multiple deprivation

These key challenges, albeit outlined in a segmented way, could be tackled effectively only by mobilising all interested parties, by adopting a holistic and gender-specific approach to the problem and through the co-ordination of all involved.

3.2.2 The Policy Frame of Reference

This Policy Frame of Reference sets the frame for human resources development across the whole territory of the Maltese Islands, while highlighting the importance of human resources development by providing a link between the human resources strategy for Structural Funds' support and the policy priorities of the European Employment Strategy as translated in Malta Joint Assessment Paper for Employment (JAP) of 2001 and subsequent Progress Reports, Malta's Joint Inclusion Memorandum (JIM).

The following are the main policy options in terms of the five policy fields of the ESF and EQUAL Regulations.

These options derive from the Employment Policy Priorities of Malta's JAP. At the end of each 'Field', an account is given of their relevance in terms of the ten guidelines of the European Employment Strategy's Employment Guidelines 2003, which are:

1. Active and Preventive Measures for the Unemployed and Inactive

2. Job Creation and Entrepreneurship
3. Address Change and promote Adaptability and Mobility in the Labour Market
4. Promote Development of Human Capital and Lifelong Learning
5. Increase Labour Supply and Promote Active Ageing
6. Gender Equality
7. Promote the Integration of and Combat the Discrimination against people at a Disadvantage in the Labour Market
8. Make Work Pay through Incentives to Enhance Work Attractiveness
9. Transform Undeclared Work into Regular Employment
10. Address Regional Employment Disparities

ESF Policy Field 1: Developing and Promoting Active Labour Market Policies

Main Policy Options:

- To review the interaction between the tax and social benefit systems in order to remove poverty traps and to provide the right incentives for unemployed or inactive people to seek and take up work.
- To further develop active employment measures and co-ordinate labour market policies.
- To strengthen the capacity of the public employment service to provide individualised services.

Relevance to Employment Guidelines:

These policy options conform to the Guideline on “Active and Preventive Measures for the Unemployed and Inactive”, to prevent inflow into long-term unemployment and to promote the sustainable integration into employment of unemployed and inactive people.

These policy options also conform to the Guideline to “Address Change and promote Adaptability and Mobility in the Labour Market”, in particular regarding the transparency of employment and training opportunities at national and European level that should be promoted in order to support effective job matching. In particular as, by 2005, job seekers throughout the EU should be able to consult all job vacancies advertised through Member States’ employment services.

These policy options also conform to other Guidelines such as, “Increase Labour Supply and Promote Active Ageing”, which stipulates the promotion of active ageing, notably by fostering working conditions conducive to job retention.

Moreover, the “Gender Equality” Guideline, states that an integrated approach combining gender mainstreaming and specific policy actions, should encourage female labour market participation and achieve a substantial reduction in gender gaps in employment rates.

Furthermore, the gender impact of tax and benefit systems is to be closely studied.

ESF Policy Field 2: Promoting Equal Opportunities for All

Main Policy Options:

- To increase the employment rate.
- To sustain efforts to raise the skill levels of the workforce, particularly disadvantaged groups.
- To monitor and reduce the illiteracy rate

Relevance to Employment Guidelines:

These policy options conform to the Guideline on, “Job Creation and Entrepreneurship”, in particular the guideline on promoting education and training in entrepreneurial and management skills and providing support, including through training to make entrepreneurship a career option for all.

These policy options also conform to the Guideline on “Address Change and promote Adaptability and Mobility in the Labour Market”, in particular the guideline on “diversity of contractual and working arrangements, including arrangements on working time, favouring career progression, a better balance between work and private life and between flexibility and security.

These policy options also conform to the Guideline entitled “Increase Labour Supply and promote Active Ageing”, providing for an increase in labour market participation by using the potential of all groups of the population, through a comprehensive approach covering in particular the availability and attractiveness of jobs, making work pay, raising skills, and providing adequate support measures. Furthermore, this Guideline also provides for the promotion of active ageing, notably by fostering working conditions conducive to job retention - and, where appropriate, give full consideration to the additional labour supply resulting from immigration.

A further Guideline for which these policy options conform is “Promote the Integration of and Combat the Discrimination against People at a Disadvantage in the Labour Market”, by fostering the integration of people facing particular difficulties on the labour market, such as early school leavers, low-skilled workers, people with disabilities, immigrants, and ethnic minorities, by developing their employability, increasing job opportunities and preventing all forms of discrimination against them.

ESF Policy Field 3: Promoting and Improving Training, Education and Counselling

Main Policy Option:

- To modernise vocational education and training with greater involvement of the social partners.

Relevance to Employment Guidelines:

These policy options conform to the Guideline, “Promote Development of Human Capital and Lifelong Learning”, in particular regarding the implementation of lifelong learning strategies, improving the quality of education and training systems in order to equip all individuals with the skills required for a modern workforce in a knowledge-based society, permitting their career development and reducing skills mismatches and bottlenecks in the labour market.

It also conforms to the Guideline on “Job Creation and Entrepreneurship” in terms of the need to renew skill levels within enterprises as a key component of lifelong learning.

These policy options also conform to the Guideline on “Gender Equality”, which stipulates an improvement in the conditions of women’s access to education and training.

ESF Policy Field 4: Promoting Innovation, Adaptability, Entrepreneurship

Main Options:

- To improve the skill base and/or redeploy those affected by public sector restructuring.
- To strive to further reduce the size of the informal sector.

Relevance to Employment Guidelines:

The first option conforms to the Guideline on “Addressing Change and promoting Adaptability and Mobility in the Labour Market” in terms of the need to reform overly restrictive elements in employment legislation that affect labour market dynamics; to undertake appropriate measures to promote diversity of contractual and working arrangements; to anticipate and positively manage economic change and restructuring; and to develop skills and mobility action plans.

These options also conform to the Guidelines on “Job Creation and Entrepreneurship” in that public sector restructuring may allow for job creation in the private sector.

These options also conform to the Guideline “Transform Undeclared Work into Regular Employment” in that the reduction of the informal sector requires further improvement of the business and regulatory environment if new, quality jobs are to continue being created in the formal sector. These options also comply with the Guideline on “Gender Equality” in that strengthening women’s capacity to participate in the regulated labour market should in itself decrease the informal sector.

ESF Policy Field 5: Promoting Women’s Labour Market Access and Participation

Main Policy Options:

- To actively promote female labour market participation.
- To implement measures that address gender gaps, including the enactment and enforcement of comprehensive gender equality and anti-discrimination legislation.
- To promote family-friendly working arrangements.

Relevance to Employment Guidelines:

These options are in line with the Guideline on “Gender Equality” as further measures must be taken to promote female labour market participation on the basis of equal pay for work of equal value. Measures must also be taken to decrease pay gaps and segregation in its vertical and horizontal forms. Lastly but critically, policies and schemes enabling the reconciliation of work and family life in addition to measures that enable carers to eventually return to the labour market have also been identified.

Coherence with specific National Strategies

These options are coherent with the following specific national features of Malta:

ESF Policy Field 1: Need for Active Labour Market Measures

Malta has a low employment rate, particularly that of women. In June 2002, the overall employment rate stood at 55% - 8.9% lower than the European Average¹². This is largely due to the very low female employment rate of 34.3%, which includes women working part-time as their main occupation. This figure stands 20.6% below the EU average (or 12% below the southern European average for Greece, Spain, Italy, and Portugal). Persons below 25, too have a low employment rate of 51.1% in June 2002.

One key issue is the very narrow gap between social benefits and the minimum wage. While benefits cannot be lowered, finding ways of making work pay is generally felt to be necessary if the unemployed and inactive are to have incentives to seek and take up work.

ESF Policy Field 2: Promoting Equal Opportunities for All

The increase in youth unemployment is of concern; young people have an unemployment rate of 15.3% and they constitute half the unemployed population. Also an issue is the growing

¹² European data refers to December 2001 as stated in *Employment in Europe 2002*

share of unemployment of the over-forties and the long-term unemployed, which suggest it has become harder for the unemployed to re-enter the labour market, particularly older workers.

As is the case with gender, there is a strong need to *mainstream* persons with disability. This requires a review of the way labour market data is gathered and interpreted; in the way training courses are offered; and in the way benefits are targeted and administered. As is the case with disadvantaged areas, multidisciplinary and interagency efforts are required to address these issues holistically.

Despite the small size of the islands, two particular '*regions*' have a cluster of issues. The Inner Harbour area has high unemployment and illiteracy rates and low qualifications. Although efforts are being made to revitalise the area, these are still in their infancy. Regarding Gozo, the island is 'doubly insular', with problems of economies of scale and transport. Moreover, this island is more dependent on agriculture, the public sector, and seasonal tourism than is Malta.

ESF Policy Field 3: Improving Training, Education and Counselling

The Maltese workforce has *low skill levels* as a workforce. Around one third of our workforce does not possess secondary certification, as secondary schooling only became compulsory in 1974. The percentage of the workforce having attained tertiary level qualifications is still relatively low. The 1995 Census raised a number of issues of concern; for instance, 9% of the working age population was found to be illiterate, and around a quarter of young people had not attained secondary certification. This situation is likely to inhibit Malta's capacity to increase productivity; its capacity to ensure that productivity stays ahead of wage growth; and its ability to attract foreign direct investment.

Low levels of continuing vocational training among the workforce are also of concern. According to the first Continuing Vocational Training Survey of 2001, around one fifth of the working population participate in CVT – however this does not cover micro-enterprises that constitute a large part of Maltese business.

Skills shortages are likely to inhibit productivity and job creation. Under-investment in vocational education and training in recent decades has compounded this problem as shortages are particularly felt in areas traditionally tackled in the vocational stream. While Malta is one of the highest spenders in Europe on education in general, the opposite is true for spending on vocational education and training. Skills shortages are said to be pressing in the IT, construction, financial services and hospitality sectors, and in technical and middle management capacities.

Many persons possess valuable skills but no *certification* to prove it, which hinders both mobility as well as the development of a clear picture of the skills profile in Malta. The Malta Professional and Vocational Qualifications Awards Council were recently set up to establish and accredit national standards of occupational competence, and should help in this regard.

ESF Policy Field 4: Innovation, Adaptability, Entrepreneurship

Although at 14.5% it is close to the European average, *the share of self-employment* has decreased over the past fifteen years. This is of concern, as entrepreneurship is believed to make an important contribution to the economy in terms of innovation and job creation.

The *services sector* in Malta has grown in the nineties, although at 63.6% of employment it still accounts for a smaller share of total employment than in Europe (69.4%). More knowledge is needed on the nature of these new services and their implications for training and support.

There has been a slight shift from the public to the private sector in recent years, and private sector employment now accounts for 66.7% of employment. Whether or not *the public sector* is overstaffed remains a controversial issue, although a plan is underway for the better deployment of public servants.

Restructuring of various public entities may make some 1,500 skilled workers available through early retirement schemes. This raises issues of their possible retraining and redeployment. It also requires retraining if the work of the remaining employees is to be diversified and/or rationalised in some way.

The *hidden economy* is believed to be widespread. This narrows the tax base, distorts competition, and prevents participants from joining the social and employment protection systems.

The demands made upon the *social partners* in terms of inputs to the policy process have grown significantly. These demands call for certain capacities that may not have formed part of the core functions of a number of these social partners to date. Government is committed to the strengthening of the consultation process with Malta's the social partners.

ESF Policy Field 5: Promoting Women's Labour Market Access and Participation

At 34.3%, the female employment rate in Malta is very low, with all this implies for unused potential, social integration and entitlement to social protection.

Horizontal and vertical segregation persist. 4.6% of female workers are employed in senior positions compared to 10% of male workers. Two thirds of all female workers are concentrated in manufacturing; education; sales; health and social work. Women tend to earn four fifths of male earnings across similar occupational bands.

Part-time work has increased to stand at 8.8% of all employment. It has particularly increased among women, and two thirds of those working part time as a main occupation are women. It is a moot point whether most women choose to work part-time or are constrained to do so given a lack of supportive infrastructure; however, employment conditions and access to social protection tend to be less favourable for part-timers.

Entrepreneurship is two and a half times more common among men than among women, and male entrepreneurs are far more likely to employ staff while most female entrepreneurs are sole operators.

Sweeping measures are necessary for Malta to fulfil the employment rate targets as set out in the European Employment Strategy, of 71% for men and 60% for women by 2010. It is foreseen that a growth of some 30,000 female workers is required over the figures for June 2002, which would largely have to consist of women taking up jobs in the private sector for the employment priorities to be met. Quality jobs coupled with public policies and work practices that are family-friendly are of critical importance.

4 PRIORITY THEMES

4.1 Choice of Themes

This section derives from the preceding sections on Labour Market Analysis and the Policy Context, proposing a selection of thematic fields in which Malta wants to co-operate and share experience with other member states.

The EES, launched at the Luxembourg Summit in 1997, offers a practical framework for a European labour market strategy. Broad priorities for the EES are established annually in the form of the European Employment Guidelines, on which EQUAL's Policy Themes are largely based.

The Guidelines are then incorporated into the National Action Plans for Employment (NAPs) that set out each country's proposed activities to create more and better quality jobs during the year in question.

The EQUAL Initiative adopts a thematic approach linked to the original four pillars of the EES, with additional provision for the integration of asylum seekers. These are the nine priority themes in which groups of Member States consider that transactional co-operation in the EQUAL Initiative could assist them to improve delivery of their national policies.

These nine themes are:

- a) Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all, and
- b) Combating racism and xenophobia in relation to the labour market.
- c) Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas, and to
- d) Strengthen the social economy (the third sector), in particular the services of interest to the community, with a focus on improving the quality of jobs.
- e) Promoting lifelong learning and inclusive work practices which encourage the recruitment and retention of those suffering discrimination and inequality in connection with the labour market, and
- f) Supporting the adaptability of firms and employees to structural change and the use of information technology and other new technologies.
- g) Reconciling family and professional life, as well as the reintegration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services, and
- h) Reducing gender gaps and supporting job desegregation.
- i) Where eligible, helping asylum seekers to gain access to labour markets.

Within the parameters of the budgetary allocation provided, the chosen Priority Themes for Malta have been limited to the following three areas:

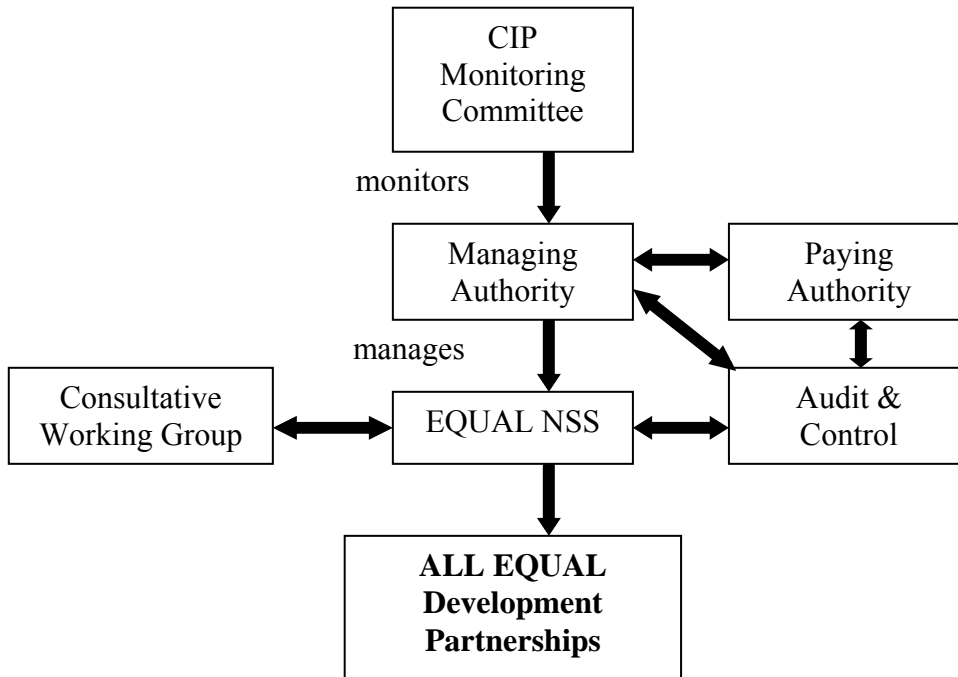
- a. Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all;
- c. Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas; and
- g. Reconciling family and professional life, as well as the reintegration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services.
- i. An additional level of action shall be aimed at asylum seekers, in line with the dimensions of this problem in Malta.

4.2 Evaluation of the Expected Impact

The ESF Unit, falling under the direct responsibility of the European Union Affairs Directorate within the Ministry for the Family and Social Solidarity, as the designated National Support Structure for EQUAL will evaluate the expected impact as indicated in the EQUAL CIP Implementation Structure .

A Consultative Working Group backed up by the ESF Unit and the EQUAL NSS will be set up to assist in the provision of the ESF's overall strategic direction and implementation. The Consultative Working Group will assist in the setting up of the Programme's strategic thrust and review the EQUAL's progress in this regard, making any recommendations to the EQUAL NSS wherever necessary. The Terms of Reference of the Consultative Working Group will be annexed to the Programme Complement.

EQUAL IMPLEMENTATION STRUCTURE



4.3 Innovation fields

Each Development Partnership will pursue any one or more of the following general innovation issues, listed below under each Theme. These issues were identified as relevant during the consultation process, for which new solutions should be developed, tested and validated. The list is not exclusive, but the relevance of other issues needs to be demonstrated by the DP proposers. Specific attention is to be paid to the expected impact on the situation in terms of equality between men and women by ensuring that all EQUAL DPs promote equality between women and men. The EQUAL NSS, through its set-up within the overall mainstream ESF Intermediate Body, will ensure that no EQUAL Development Partnerships will overlap with any of the mainstream activities.

Priority Theme A – Employability

A partner for this priority shall preferably be the Government entity responsible for the national public employment and training services, which shall lead and manage the Development Partnership to implement Malta's EQUAL Project in order to achieve the following overall and specific objectives:

Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all

EQUAL Development Partnerships could develop and test new ways:

- To ensure permanent integration of the most excluded groups;
- To improve quality and effectiveness of support aimed at improving the employability of those facing greatest difficulty in the labour market, with special attention to people with disabilities through adapted life long learning opportunities;
- To deliver local employment strategies which enable a better match between job seeker and the jobs available;
- To improve the labour market opportunities of immigrants, refugees and their descendants;
- To facilitate entry and re-entry to the labour market for those in greatest difficulty;
- To improve the effectiveness of labour market integration of the most disadvantaged groups, by better use of ICT in the development of systems and/or direct support for individuals with tools and methods adapted to their special needs;
- To promote access or return to the labour market by removing barriers within sectors and/or improving ICT;
- To develop and implement a new approach to supporting the unemployed;
- To promote the active participation of employers and professional organisations in job creation programmes;

- To develop and promote innovative labour market and educational interventions to facilitate the integration and/or re-integration of marginalised groups into the labour market;
- To create the conditions to enable the most disadvantaged to enter the labour market;
- To facilitate access to the labour market for those who are excluded such as drug-addicts, homeless, delinquents, etc. by developing in-depth guidance and support, including monitoring and support once the individuals have left the institution;
- To develop integrated provisions to meet the needs of the most disadvantaged such as long-term unemployed, returnees to the labour market, ex-prisoners and those following a programme of drug rehabilitation treatment;
- To combat discrimination on the grounds of sex, religion, beliefs, age, sexual orientation or disability;
- To increase the understanding of policy makers and practitioners to the barriers faced by those who are disadvantaged in the labour market;
- To improve the effectiveness of integrated employment services and their ability to develop effective personalised pathways to work by testing new approaches and combining different technologies;
- To ensure adequate opportunities for the provision of training in basic skills for those who are seeking entry into the labour market and for those who wish to upgrade their skills.
- To increase women's participation in the labour market

Priority Theme C – Entrepreneurship

The Managing Development Partner for this Pillar shall preferably be the Government entity responsible for national entrepreneurship policies, which shall lead and manage the Development Partnership to implement Malta's EQUAL Project in order to achieve the following overall and specific objectives:

Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas

EQUAL Development Partnerships could develop and test new ways:

- To stimulate business start-ups by those who are disadvantaged or discriminated against in the labour market;
- To create new jobs and develop quality sustainable businesses;
- To encourage a collective approach to business creation and development;

- To develop business support services which encourage those who are excluded or discriminated against to set up their own business;
- To improve existing support for business start-ups to make it easier to start a business;
- To promote entrepreneurship as an option for disadvantaged groups to develop integrated support for the creation of new firms;
- To develop and promote innovative and inclusive business creation skills and opportunities for marginalised groups in both urban and rural areas;
- To stimulate entrepreneurship for ethnic minorities and people with occupational disabilities;
- To stimulate entrepreneurship for women;
- To develop integrated strategies which meet the needs of local development and job creation;
- To stimulate local job creation, improve use of new technologies, and ensure that the necessary support is available to women;
- To encourage self-employment as a route out of exclusion, and a means to create employment in under-performing regions;
- To ensure that mainstream business support is developed to meet the needs of excluded groups;
- To find new ways to address the hidden employment problem.

Priority Theme G – Reconcile Family and Professional Life

The Managing Development Partner for this Pillar shall preferably be the Government entity responsible for national equal opportunities policies, which shall lead and manage the Development Partnership to implement Malta's EQUAL Project in order to achieve the following overall and specific objectives:

Reconciling family and professional life, as well as the reintegration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services

EQUAL Development Partnerships could develop and test new ways:

- To develop new work structures for a better work/life balance;
- To provide incentives to employers to introduce family-friendly working arrangements (e.g. parental leave, reduced hours, tele-working, job-sharing and other innovative working arrangements) to enable employees to create a better work-life balance;

- To provide incentives to employers to improve existing family-friendly working arrangements through flexibility in their take-up to enable employees to create a better work-life balance;
- To develop and promote “keep-in-touch” policies and practices and training opportunities for employees on parental leave, reduced hours or in other forms of working arrangements, so that employees may reconcile their family life and individual advancement;
- To increase equal opportunities by upgrading the skills of women who have left work because of family commitments thus increasing their access to the labour market;
- To increase childcare and eldercare provision, improve the quality of services and promote the benefits of formal childcare/eldercare provision;
- To improve accessibility to family support structures (childcare and eldercare) particularly for single parents, people with occupational disabilities and low-income groups;
- To raise awareness of the differential gender impact and resulting concerns of gender segregation at the workplace and to develop tools to deal with it;
- To promote measures providing job quality and security for atypical workers, including part-timers, to encourage take-up of such jobs as a means to reach a work-life balance;
- To promote new measures providing assistance to women to improve their accessibility to self-employment opportunities.

Asylum Seekers

The Managing Development Partner for this theme shall preferably be the Government entity responsible for national refugee policies, which shall lead and manage the Development Partnership to implement Malta’s EQUAL Project in order to achieve the following overall and specific objectives:

Where eligible, helping asylum seekers to gain access to labour markets

EQUAL Development Partnerships could develop and test new ways:

- To improve the personal situation and labour market prospects of asylum seekers – in the context of domestic legislation;
- To improve the quality of the reception (in line with Council Directive 2003/9/EC) and develop training to enable asylum seekers to access mainstream support for employment and training;
- Prepare asylum seekers for social and vocational integration;
- To develop support for asylum seekers to improve labour market integration in Malta;

- To support asylum seekers to play a role in society and manage their own lives;
- To improve community relations by educating people about the needs of asylum seekers;
- To maintain, restore or increase asylum seekers' employability within the parameters of domestic legislation;
- Improve the living conditions of asylum seekers in reception centres;
- To promote and develop a non racist and intercultural approach as a major principle in informing integration policy involving statutory and non-statutory agencies at local and national levels;
- To improve access to education and employment within the scope of domestic policy;
- To develop an employment strategy which is appropriate to the needs of asylum seekers and those allowed to live and work in Malta.

Through the objectives established above, Malta's EQUAL CIP will focus with the labour market integration of those Asylum Seekers that are given status to qualify for such purposes. On the other hand the European Refugee Fund will focus on activities relating to reception, accommodation and repatriation of refugees.

4.4 Financial Allocation

The proposed distribution of the available funding across the Themes chosen is €413,721 per Theme, while that of Asylum Seekers shall be at €248,233.

5 SUPPORT FOR DEVELOPMENT PARTNERSHIPS UNDER EQUAL

EQUAL will fund activities implemented by strategic alliances called Development Partnerships. The objective of partnership in EQUAL is to bring together actors who cooperate on the basis of a common strategy to develop an integrated approach to multi dimensional problems of discrimination. Thus, Development partnerships will be pooling their efforts and resources in pursuit of innovative solutions to jointly defined problems and common goals.

This necessitates the involvement of a wide range of actors; and it will be ensured that those involved in the implementation of activities will also take part in decision making; on the basis of a commonly agreed (and written) work programme; which includes partners from other Member States.

EQUAL partnerships bring together very disparate groups, many of whom have not previously collaborated, combining skills and resources among a multiplicity of actors within society.

EQUAL will fund three types of activity of the Development Partnerships:

- setting up of Development Partnerships, developing a joint strategy and action plan, agreeing on a work plan for transnational co-operation (so called Action 1);
- implementing the work programmes of the Development Partnerships (so called Action 2):
- thematic networking, dissemination of good practice and making an impact on national policy (so called Action 3)

5.1 Single Selection Procedure

There will be a single selection procedure for funding under EQUAL. It will be based upon an application submitted jointly by a number of organisations (Development Partnership initiators). The application should identify:

- the partners to be involved in the Development Partnership at the outset; the arrangements for ensuring that all relevant stakeholders can become involved during the life of the partnership including, in particular, appropriate small organisations; and the arrangements for handling the administrative and financial responsibilities;
- an outline of the rationale for the partnership, a diagnosis of the problem to be addressed, and an outline of the objectives of the partnership;
- an assessment of the relevance of the problem addressed and of the solution to be tested, an explanation of how discrimination and inequality will be tackled, and an outline of how the results could be disseminated and transferred to policy and practice;
- the expectations from transnational co-operation;
- an outline of the activities foreseen for developing and testing the innovative approach for the entire period, including an indicative budget (estimate);
- a detailed work plan, methodology and management tools for developing and finalising the Development Partnership Agreement, including budget.

5.2 Setting up Development Partnerships, developing a joint strategy and action plan, agreeing on a work plan for transnational cooperation (Action 1)

Action 1 is a new concept in European Community Initiatives that builds on the lessons of previous programmes. The new structure of EQUAL intends to enable all Development

Partnerships (DPs) across the EU to develop their work programmes and national partnerships in line with a common time table.

Action 1 is the first stage of activity for DPs. It is a developmental stage to help DPs:

- Consolidate their partnership;
- Refine their strategy and work programme; and
- Develop the transnational aspect of their activities.

The work completed in Action 1 is expected to inform the preparation of two key documents by DPs:

- A Development Partnership Agreement (DPA): a formal contract between all partners in the DP, including a Transnational Co-operation Agreement (TCA): a formal contract between DPs in two or more Member States (transnational partners).

Each DP must submit these documents to the Managing Authority at the end of Action 1. The Managing Authority is then responsible for assessing the content of each DPA and TCA to confirm a DP's participation into Action 2.

The Managing Authority is responsible for deciding the length and amount of funding for Action 1. In Malta, Action 1 shall last for six months, beginning in January 2005 together with the DPs in all EU countries and ending in June 2005 and will represent 10% of the total funds available for EQUAL in Malta, around €165,488.

5.3 Implementing the work programme of the Development Partnership (Action 2)

Development Partnerships (DPs) receive confirmation of their selection for Action 2 at the end of Action 1, after an assessment of their Development Partnership Agreement including a Transnational Co-operation Agreement.

These documents set out in detail the DPs' plans for Action 2 with respect to their national and transnational work programmes.

Action 2 is the key stage of implementation and delivery for DPs, lasting for a period of two to three years, including activities, carried out by the partners, aiming at:

- Conducting studies and analysis of labour market discrimination and inequality;
- Raising awareness about the causes and effects of discrimination;
- Preparing information and publicity;
- Designing and developing materials, courses, training and other employment aids;
- Offering work placements;
- Delivering guidance, counselling and training;
- Creating and sustaining jobs; and
- Improving employment services.

The Managing Authority and National Support Structure are responsible for co-ordinating and monitoring activity in Action 2, and managing links with Action 3. The Managing Authority is

also responsible for deciding the amount of funding for Action 2, which in Malta's case will amount to 65% of the total funds available for EQUAL, or €1,072,825.

As the launch of Action 2 is co-ordinated across the EU, all transnational partnerships for round 2 will start on the same date, which should be in July 2005.

5.4 Thematic networking, dissemination of good practice and making an impact on national policy (Action 3)

Action 3 is a significant part of the EQUAL Community Initiative Programme (CIP). It aims to inform, influence and change labour market and employment policy and practice. This impact is achieved through networking, dissemination and mainstreaming.

The Managing Authority is responsible for co-ordinating Action 3 activities to make sure that they provide a substantial contribution to the development of local, regional, national and European policy. This requires the active involvement of a wide range of organisations in order to be effective, and will include: policy makers; public employment services; non-governmental organisations; the community and voluntary sector; and the social partners. Networking is an essential part of Action 3 in order to bring people together to meet and exchange ideas, information and knowledge. It involves DPs and other organisations concerned with the development and delivery of employment and labour market policy but not involved in EQUAL (non-programme players).

Two types of network form the backbone of Action 3: National Thematic Groups (NTGs) and European Thematic Groups (ETGs). These aim to co-ordinate Action 3 activity at the national and European level respectively to make sure that DPs' results and experiences influence policy making at the highest level.

Dissemination is the spreading of information to individuals and organisations, aiming to provide knowledge about the context, design, development, delivery and impact of activities so that others can learn about, and build on, the experience gained through EQUAL.

The Managing Authority, National Support Structure and DPs are the main groups responsible for dissemination under EQUAL. Their efforts will be planned to be effective when dissemination is targeted at a specific audience for a clear reason and is provided in an accessible format.

Mainstreaming is a complex process that will aim to use the experiences and results of DPs to inform, influence and change wider policy and practice, and may occur in two different ways - either horizontally or vertically or both.

Horizontal mainstreaming occurs between similar types of organisations - 'peers' working on a shared problem; while vertical mainstreaming happens when a DP transfers their results and experiences to policy or decision-makers.

A concerted strategy will link DP activity with policy developments to achieve vertical mainstreaming. The formal mainstreaming mechanism of National Thematic Groups (NTGs) will become an effective way to bring DPs and policy makers together at the very start of EQUAL. Such a mechanism will ensure that there is a clear link between policy needs and the planned activities, while helping to build relationships to assist policy makers to understand the context in which innovation is developed.

Action 3 will be organised under the responsibility of the Managing Authority, through a Mainstreaming Plan, as outlined under Action 3 above, to be endorsed by the Monitoring Committee, updated on an annual basis, on the basis of the ongoing monitoring and evaluation of the DPs and of their networks.

The Managing Authority is committed to commencing Action 3 at the same time as Action 2 is launched and 15% of Malta's total EQUAL budget, amounting to €247,500, will be allocated Action 3.

5.5 Technical Assistance

Technical Assistance will be used to support the implementation of the EQUAL CIP, through the provision of professional services both to the Managing Authority and the DPs, and is crucial for the success of Malta's CIP, in view of the complex and innovative approach resulting from the EQUAL principles of partnership, empowerment, and mainstreaming. The Managing Authority has assigned the functions of TA to the European Social Fund Unit within the Ministry for the Family and Social Solidarity's EU Affairs Directorate, which Unit will perform the functions of Malta's EQUAL National Support Structure.

Technical Assistance will be used to support the implementation of EQUAL and may provide support before the commencement of Development Partnerships activities. Technical assistance will be provided under two measures:

- a. Technical assistance according to rule 11.2 of the Regulation 1685/2000 amended by Reg. 1145/2003 regarding eligibility of expenditure, is available to support:
 - expenditure relating to the preparation, selection, appraisal and monitoring of the assistance and of operations (but excluding expenditure on the acquisition and installation of computerised systems for management, monitoring and evaluation);
 - expenditure relating to advice and support of individual DPs in technical, methodological and thematic matters;
 - expenditure on meetings of monitoring committees and sub-committees relating to the implementation of assistance. This expenditure may also include the costs of experts and other participants in these committees, including third-country participants, where the chairperson of such committees considers their presence essential to the effective implementation of the assistance;
 - expenditure relating to audits and on-the-spot checks of operations.
- b. Technical assistance can also be made available according to rule 11.3 of the Regulation 1685/2000 amended by Reg. 1145/2003 regarding eligibility of expenditure for other actions, notably:
 - studies, seminars, information actions, the collection, editing and dissemination of the experience and results;
 - support to thematic networking, dissemination activities and the setting up of mechanisms for policy impact;
 - co-operation in European networking and ensuring the sharing of all relevant information with other Member States and the Commission
 - evaluation,
 - the acquisition and installation of computerised systems for management, monitoring and evaluation.

Civil servants or other public officials will not be charged with the second category of technical assistance services. All technical assistance services will be in place when the first call for proposals is published.

The ESF rate of contribution in respect of the technical assistance priority will be subject to the ceilings in Article 29 (3) of Regulation (EC) No 1260/1999.

The Managing Authority is committed to commence Technical Assistance activities prior to the launching of Action 1. This will consist of part of the 10% of Malta's total EQUAL budget, amounting to €165,488, that will be allocated to Technical Assistance.

Part II: Implementing EQUAL

Sections 6 to 9 of the CIP describe the Implementation Systems for the EQUAL Programme. **Section 6** describes the roles of the various actors at National Level, including Management, Payment and Control structures, and Technical Assistance. It also describes the concept of the Development Partnership in the specific context of this Programme, and provides detailed information on the manner of their selection.

Section 7 deals with the Financial Elements of the Programme.

Section 8 describes the Monitoring Requirements, including the Data that must be collected for Monitoring and Evaluation purposes.

Section 9 describes the requirement for Evaluating the Programme.

6 CIP IMPLEMENTATION

6.1 Managing Arrangements

6.1.1 *Managing Authority*

The Planning and Priorities Co-ordination Directorate (PPCD) within the Office of the Prime Minister was established in 2001. This Directorate provides the necessary advice and direction for the co-ordination of structural instruments and also services the Inter-Ministerial Co-ordinating Committee on Regional Policy.

The PPCD is responsible for inter-agency co-operation at all stages of programme development including programming, monitoring, evaluation and reporting. The PPCD will act as the overall Managing Authority in line with Article 9 (n) of Regulation (EC) 1260/99 (general provisions on the Structural Funds) and will have the overall responsibility for programming, implementation, evaluation and monitoring of Malta's mainstream Single Programming Document (SPD), together with Malta's EQUAL CIP.

The principal responsibilities of the Managing Authority will be to:

- Prepare the Community Initiative Programme;
- Participate in the Project selection for EQUAL;
- Draft and adjust the Programming Complement in accordance with Article 34 (b) of Regulation (EC) 1260/99;
- Submits for approval to the Monitoring Committee (IMC) the Annual Implementation Report;
- Submit the approved Annual Implementation Report to the Commission;
- Ensure follow-up by the relevant bodies to the Commission's comments/recommendations concerning the Annual Report;
- Ensure follow-up by the relevant bodies in line with information received from auditors;
- Organise, in cooperation with the Commission, an on-going evaluation at national level, [which will be conducted by an independent evaluator] and assist the Commission in organisation of the ex-post evaluation referred to in Article 43 of the Regulation;
- Draw up 'Covenants' outlining the tasks of the NSS that will carry out certain tasks and functions on its behalf;
- Ensure that the Paying Authority and all other relevant bodies have all the necessary information on the Structural Funds including legislation and administrative procedures;
- Inform the National Support Structure on the relevant Regulations concerning EQUAL;

- Ensure that those bodies participating in the management and the implementation of the assistance maintain either a separate accounting system or an adequate accounting code for all transactions relating to the assistance
- Ensure that the DPs and projects financed under this EQUAL CIP Fund comply with the Community Policies as outlined in Article 12 of the Regulation (EC) 1260/99;
- Establish a central information system to gather financial and statistical information on the status of implementation of the programmes and DPs and ensures that the relevant data is forwarded to the Commission in line with the requirements of relevant Regulations;
- Ensure the correctness of operations financed under the assistance by keeping with the principles of sound financial management and acting in response to any observations or requests for corrective measures in line with Article 34 (l) (f) of Regulation (EC) 1260/99;
- Co-ordinate with the Paying Authority and the Internal Audit and Investigations Directorate on issues pertaining to financial management and control systems;
- Co-operate with the Paying Authority on preparation of annual payment forecasts;
- Submit the description of the management and control systems in place for EQUAL according to Art. 5 of Regulation 438/2001
- Ensure that on-the-spot checks on projects are carried out.

The Managing Authority in Malta is:

Planning and Priorities Co-ordination Directorate
Office of the Prime Minister
Contact: Ms. Marlene Bonnici, Director
Auberge de Castille
Valletta, CMR 02
Tel: (+356) 21 255 027
Fax: (+356) 21 255 028
Email: info.ppcd@gov.mt

6.1.2 National Support Structure

The Managing Authority, in the context of EQUAL, will delegate certain functions to the day-to-day management of EQUAL to the Ministry for the Family and Social Solidarity, which has been designated as the EQUAL National Support Structure. In the context of the mainstream Structural Funds, the Ministry for the Family and Social Solidarity has also been designated as the Intermediate Body with respect to the European Social Fund. The tasks and obligations of

the National Support Structure are defined in a Covenant with the Managing Authority. The key tasks and functions to be delegated to the NSS will include:

- Follow the instructions and conditions as laid down in the Covenants linking the Managing Authority to the Ministry for the Family and Social Solidarity as the Intermediate Body for the European Social Fund and National Support Structure for EQUAL;
- Propose a first draft of the CIP to the MA;
- Propose actions/projects for funding, with the relevant partners where applicable, in line with the programming documents and legislation;
- To ensure that all organisations involved in the implementation of EQUAL maintain a proper accounting system and an adequate accounting code for all transactions relating to the assistance;
- To ensure the correctness of operations financed under assistance, particularly by implementing internal controls in keeping with the principles of sound financial management;
- To comply with Community policy in the implementation of EQUAL;
- Ensure that schemes are accompanied by an audit trail as well as indicators and quantified objectives and benchmarks;
- Ensure that projects are implemented following the relevant legislation on public procurement, state aid, environment as well as equal opportunities;
- Ensure that the required publicity measures are carried out in line with the regulations;
- To respect all requirements stipulated in the regulations;
- Monitor the technical implementation of the projects and perform on-the-spot checks;
- Supply the Managing Authority with the relevant monitoring data – particularly data on outputs and results;
- Check requests for payments including eligibility prior to submission to the Managing Authority. Such requests must be in line with the Regulations and administrative procedures;
- Report any irregularities to the Managing Authority and take appropriate measures, as agreed with the Managing Authority;
- Submit to the Managing Authority proposals for adjusting the Programme Complement
- Supply the Managing Authority with the relevant input with regard to the implementation of projects for the Annual Implementation Report;
- Draw up the relevant application form/s and guidelines, where applicable, as well as the eligibility criteria for such schemes for endorsement by the Managing Authority;

- Provide information to potential applicants and DPs;
- Organise and deliver seminars and information events and disseminate information to individuals and organisations under Action 3;
- Organise the Call for Proposals for Action 1;
- Assess and rank project proposals and forward them to the Managing Authority for endorsement;
- Notify applicants of the outcome of selection;
- Assess Development Partnership Agreements and Transnational Co-operation Agreements;
- Co-ordinate and manage the National Thematic Groups; and
- Prepare good practice guides.

The National Support Structure in Malta is:

The European Social Fund Unit
European Union Affairs Directorate
Ministry for the Family and Social Solidarity
Contact: Mr. Edward Grima Baldacchino, Manager
Palazzo Ferreria
310, Republic Street
Valletta, CMR 02
Tel: (+356) 2590 3180
Fax: (+356) 2590 3189
Email: edward.grima-baldacchino@gov.mt

6.2 Financial Arrangements

6.2.1 *Paying Authority*

The Ministry of Finance is responsible for the financial management of EU-sourced funds as well as for ensuring adequate national co-financing for programmes and projects.

The EU Paying Authority [PA] Directorate within the Ministry of Finance will act as the Paying Authority for both the Structural Funds and the Cohesion Fund operations. The EU Paying Authority Directorate is currently fulfilling the function of the National Authorising Officer with regard to the pre-accession funds.

The Paying Authority, within the context of the Structural Funds:

- Secures the financial flow in accordance with Article 32 of Regulation (EC) 1260/99;

- Prepares and submits annual payment forecasts to the Commission including an updated forecast of applications for the current year and the forecast for the following year according to Article 32 (7) of the Regulation 1260/1999;
- Ensures that DPs receive payment of their contribution from the Funds as quickly as possible and in full;
- Submits claim for interim payments for the purpose of reimbursing payments actually made. This claim will be subject to the conditions listed under Article 32 (3) of Regulation 1260/99;
- Ensures that applications for interim payments are presented to the Commission in batches three times a year, the last application being presented by not later than 31st October;
- Accepts interim payments, checks for differences between payment applications and payments received on account and take follow-up action with the Commission concerning any resulting differences;
- Ensures that submission for final payment is timely in line with the provisions of Article 32 (4a) of Regulation (EC) 1260/99;
- Prepares and submits quarterly reports in line with the provisions of Regulation (EC) 1681/94, the last quarterly report of a running year will be supplemented by a report on amounts awaiting recovery in accordance with article 8 of Regulation (EC) 438/01 as amended by Regulation (EC) 2355/2002;
- Maintains the national balance sheets (ensure that all relevant transactions are made with respect to receipts from the European Social Fund);
- Co-ordinates with the Treasury to ensure that an appropriate accounting coding for all transactions relating to the assistance is used within the national accounting system;
- Opens the relevant accounts with the Central Bank of Malta and acts as the guardian of these accounts;
- Takes immediate action (in co-operation with the Managing Authority) in cases where the Commission notifies the Paying Authority of the possibility of decommitment of Funds in line with the provisions of Article 30 of Regulation (EC) 1260/99;
- Monitors the recovery of funds and the interest due for late payments in case of irregular payments in line with the provisions of Article 39 (4) of Regulation (EC) 1260/99;
- Co-ordinates with the Commission on writing off those amounts which are not recoverable;
- Maintains close contact with and assist the accounting officers in the NSS (by drawing up guidelines) to ensure appropriate accounting controls and correct preparation of vouchers for payment to DPs;

- Authorises payments to DPs;
- Ensures that supporting documents, either the originals or certified versions, regarding expenditure and checks on the assistance concerned are kept available for the Commission for at least three years following the payment by the Commission of the final balance in line with the provisions of Article 38 (6) of Regulation (EC) 1260/99;
- Supplies the Managing Authority with the financial input for the Annual Implementation Report which is to be submitted to the MC;
- Informs the Managing Authority on any irregularities;
- Co-ordinates with other departments within the Ministry of Finance, in particular the Budget Office, and the Managing Authority on issues pertaining to co-financing;
- Co-ordinates with the relevant departments within the Ministry of Finance on issues concerning additionally;
- Provide checks in conformity with Article 9 of Regulation (EC) 438/01

The Paying Authority in Malta is:

The EU Paying Authority Directorate
Ministry of Finance
Contact: Mr. Edward Coleiro, Director
Maison des Desmandols
South Street
Valletta, CMR 02
Tel: (+356) 21 248 293
Fax: (+356) 21 251 356
Email: edward.coleiro@gov.mt

6.2.2 Financial Flows

- The Managing Authority will issue a contract (grant letter) to the Development Partnership (DP). This contract (grant letter) will be concluded with one of the DP partners, acting on behalf of itself and on the other DP partners (as a consortium leader);
- All DPs are led by a organisation which will administer the public funds. MA will provide guidance and detailed description of the tasks of such an organisation. This organisation will aggregate all expenditures and verify their eligibility. It will submit statements of expenditure¹³ to the NSS on a regular basis as specified in the grant letter;

¹³ incurred by the DP

- The NSS will receive and verify the statements of expenditure¹⁴ from DPs;
- The Managing Authority will check statements of expenditure from the NSS. The MA will also check and approve the statements of expenditure of the NSS for their own expenses. The MA will submit them to the Paying Authority;
- The Maltese Government will provide the means required for co-financing¹⁵ and will make them available to the Treasury;
- The Paying Authority (PA) will make the conversion from the national currency to euro by applying the Commission Regulation 643/2000. PA will aggregate all verified claims and submit a payment claim to the European Commission¹⁶;
- The European Commission will check payment claim and pay corresponding ESF contribution to the Treasury.

6.3 Control Arrangements

The necessary internal control, checks and procedures for the management of the mainstream Structural Funds are already in place, and the EQUAL CIP shall follow the same procedures where appropriate.

The Internal Audit and Investigations Directorate (IAID) within the Cabinet Secretariat of the Office of the Prime Minister will continue to independently assess, examine and report on the adequacy or otherwise of such systems and procedures and make recommendations to the highest level of management. Moreover, these procedures are also continually monitored by the accounting officers within the Financial Control Units of the relevant Ministries responsible for any aspects of the management of Malta's Structural Funds.

The relevant information concerning the regulatory package (the Charter for the Internal Audit and Investigations Board; the Charter for the Internal Audit and Investigations Directorate; the Internal Audit and Investigations Function Document; and the Internal Audit and Investigations Manual) will be sent to the Commission as part of the description of the management and control systems according to Art. 5 of Regulation 438/2001 as amended by Regulation 2355/2002..

According to Article 4, the **first level of controls**, referred to as verification of expenditure (of the Regulation 438/2001 as amended by the Reg. 2355/2002), is carried out by the Managing Authority which will receive certificates of expenditure from the DPs via the NSS. The Managing Authority carries out checks to verify eligibility and regularity of all interim and final expenditure claims submitted by DPs. All claims have to prove that they relate to expenditure actually paid out, and that they are supported by receipted invoices or accounting documents of equivalent probative value.

¹⁴ DPs may need to provide additional private co-finance to some of their activities (due to State Aid requirements)

¹⁵ The Maltese Government will pre-fund the total cost of the DP upon the issue of the Grant Letter

¹⁶ in terms of Article 9 of EC Regulation 438/2001

The MA shall also ensure investigation of DPs and satisfactory 17 treatment of apparent irregularities reported following national or Community controls.

The **second level** are ex-post controls and audits carried out by IAID functionally independent of the MA.

These expenditure controls (Article 3), the so-called 5% controls, will be carried out:

- on the spot (down to the level of the final recipients);
- by independent controllers;
- for a representative sample of projects or actions, spread over the entire eligibility period, covering different types and sizes projects; taking into account risk factors identified by previous controls;
- for a minimum volume of total eligible expenditure (>5%);

In a third control level, Malta will provide an overall concluding closure statement (Article 15 and 16) as to the validity (= free of material misstatement) of the request for the final payment claim and the legality and regularity of the operations underlying the final declaration of expenditure.

However, the IAID will be solely responsible for the ex-post winding up declaration in terms of article 16 of Regulation (EC) 438/01. The IAID will perform the audit and provide the ex-post winding up declaration in conformity with the requirements of Regulation (EC) 438/01 Chapter V. All the auditors of the IAID including the Compliance and Assurance officers that will exist in the pertinent ministries are certified public accountants and are bound to follow internationally accepted auditing standards and guidelines of the International Federation of Accountants (IFAC) and those of the Federation European des Experts Comptable (FEE).

For clarification purposes the powers of the IAID are specifically provided in the Internal Audit and Investigations Act of 2003 with the Internal Audit and Investigations Board being the policy making body for internal audit and public internal financial control (PIFC) in Malta.

The financial flows will be described in more detail in the document according to Art. 5 of Regulation 438/2001 of 2 March 2001 , and in the Programming Complement.

Further details will be presented in the Programme Complement and in the Art. 5 of the Reg. 438/2001 as amended by the Reg. 2355/2002.

6.4 Monitoring Arrangements

¹⁷ According to the Regulation, '*satisfactory treatment*' shall mean the presentation, by the final beneficiary or the implementing authority to the appropriate person or organisation responsible for control in the Member State, of sufficient evidence that the apparent irregularity does not exist or has been corrected. If an irregularity is of a systemic character, satisfactory treatment shall further mean the adoption of the necessary steps for the correction of the cases, which have not been individually identified by the controls and for the prevention of recurrence.

6.4.1 Indicators for Monitoring

EQUAL specific data required to monitor specified indicators will be obtained from official data sets maintained by the National Statistics Office (NSO), other relevant government departments and relevant statutory bodies. In some cases the information will be derived from data supplied by the DPs or from surveys. In others, notably those involving financial data, databases developed in association with payment systems will be used to collect and aggregate the necessary data. In all cases electronic databases will be used to the maximum possible extent.

6.4.2 Monitoring Committee

The Monitoring Committee is being set up to carry out the relevant functions with respect to Articles 35, 36 and 37 of EC Regulation 1260/99. The MC for the mainstream programme will act as the MC for the CIP.

The Terms of Reference [ToR] of the Monitoring Committee (MC), which also includes its members, will be annexed to the Programme Complement.

6.5 Technical Assistance

6.5.1 Arrangements for Technical Assistance

The ESF Unit within the Ministry for the Family and Social Solidarity's EU Affairs Directorate shall be the appointed EQUAL National Support Structure (NSS) responsible for administering the EQUAL TA.

6.6 Development Partnerships

Malta's EQUAL CIP will co-finance activities implemented by strategic partnerships operating within thematic fields known as Development Partnerships (DPs).

The DPs will bring together, at the earliest stages of strategy design and development, all interested actors to develop an integrated approach to problems, working together to identify causes of problems, pooling efforts and resources, and pursuing innovative solutions to common problems.

The DPs will base their work on a coherent strategy defining the common view on the nature and causes of discrimination and exclusion, the barriers to be overcome, the common visions and goals, the contributions from each of the partners, and the methodology for monitoring and assessment of the activities carried out.

The DPs are to be inclusive, ensuring that all relevant actors, both large and small, are included such as: public authorities, the public employment service, NGOs, the business sector (especially SMEs), and the social partners. Local and/or regional authorities will also be included, as appropriate, to ensure coherence between the planned activities and the development needs of the territory being targeted.

Empowerment will be a key element in the design of DPs, allowing all actors and all participants in its activities to be given the opportunity to contribute to capacity building, to participate in common learning processes, and to take part in the decision-making.

DPs will promote the process of mobilising joint resources, the development of skills to actively shape one's own future, and the involvement and co-operation of all stakeholders from

the early stage of the design of the DP strategy. In this way, the management of DPs will be open and transparent.

The expected size of a DPs overall budget shall be between a minimum of €100,000 and a maximum of €413,721.

6.7 Complimentarity and Compatibility with Community policies

Malta is committed to promoting complementarity between EQUAL and other programmes, including those of the Structural Funds, and the European Refugee Fund. Likely areas of policy overlap in Malta are those as defined in the sectoral programmes and strategies drawn up by the different departments/agencies and organisations of the Maltese administrations.

A clear picture of the complementarity between the EQUAL Themes and the Measures of the mainstream Single Programming Document is presented in Annex D.

This CIP is intended to properly complement other plans underway and has been careful not to identify objectives independently of those already devised for the sustainable development of Malta. All the objectives defined for Malta's EQUAL CIP are served through this document.

6.7.1 Compatibility with Community Policies

Equal Opportunities

The CIP has already highlighted obstacles faced by women in the labour market, particularly in achieving a work/life balance, but also with regard to career advancement and access to decision-making positions and to jobs in higher paid sectors. The analysis also indicates certain labour market disadvantages faced by those with outdated or limited skills. The aim of the CIP is to promote equal access for all to education, training and employment opportunities regardless of gender. This objective also holds for persons with disability. Priority will be given to those groups most excluded from mainstream provision and by enabling them to sustain the benefits from any new access.

Sustained economic advances (and therefore also the strengthening of Malta's competitiveness) can only be achieved if previously excluded groups secure access to a higher level of training and, ultimately, to higher paid jobs. This can partly be achieved by ensuring equal access to business support measures and training, for example flexible approaches to the delivery of education and supportive environment that offers ease of access, safety and childcare. The CIP will give priority to women returnees, single parents and those who have experienced long-term exclusion from the labour market.

The Maltese Government has developed a wide array of legal and administrative instruments aimed at fulfilling the objective of gender equality:

- The Equality for Men and Women Act 2002 bans sexual discrimination and harassment and provides access for women in vocational and educational training programmes.
- The Gender Equality Action Plan 2003-2004 promotes equal access to employment, facilitates retention to employment for women and enables progression of women at work.
- The Employment and Industrial Relations Act 2002 (part IV) addresses the issues of protection against discrimination related to employment, working conditions for women and reconciliation of family life and professional life.

- The Joint Assessment of the Employment Priorities of Malta 2001 (and updates) aims at implementing the European Employment Strategy including the enactment and enforcement of comprehensive gender equality and anti-discrimination legislation and the promotion of family friendly working arrangements.

Gender mainstreaming

Gender mainstreaming is a tool which will be applied in the Maltese EQUAL Programme to achieve equality between women and men which goes beyond promoting equality through the implementation of specific measures to help women, and mobilises all general policies and measures specifically for the purpose of achieving equality by actively and openly taking into account, at the planning stage, their possible effects on the respective situation of men and women (gender perspective). This means systematically examining measures and policies and taking into account such possible effects when defining and implementing them (COM (96) 67 final: Incorporating equal opportunities for women and men into all Community policies and activities).

The Malta EQUAL Programme supports both specific measures to improve women's access to and participation in the labour market, as well as gender impact assessment in order to take into account, within all measures, equal opportunities for women and men as part of the mainstreaming approach.

The Managing Authority will take steps to ensure that gender perspective and promotion of equal opportunities will be taken into consideration when planning, selecting, implementing and evaluating the DPs, as well as when the good practices will be mainstreamed. National expertise on gender mainstreaming will provide guidance for example to DPs, the selection committee, Managing Authority, NSS and evaluators when implementing gender mainstreaming. DPs will be advised to take gender perspective into account in their work plans. In the selection process, DPs contributing to gender equality will be given priority under all themes. Gender balance will be sought in the composition of the Monitoring committee, and other supporting structures to EQUAL. Indicators used to evaluate the impact of the interventions will be split by gender. When mainstreaming the results, special attention will be paid to good practices promoting gender equality.

National machinery has been established to promote both positive action programmes directed towards women and gender mainstreaming both within and outside Government. Key achievements so far have included the collection of sex-disaggregated data through the adoption of international methodologies and classification used by ILO and EUROSTAT, such as ISCO 88 and NACE and capacity building for the implementation of gender mainstreaming using a gender impact assessment methodology. The revised national minimum curriculum (5-16 year olds) is based on principles of gender equality. Work is underway to implement this curriculum effectively in Maltese schools.

The Equality for Men and Women Act (Cap 456) was adopted in February 2003. A working committee set up in January 2001 has finalised work on an action plan recommending measures to promote equality for women in employment and training. This plan entitled "Gender Equality Action Plan 2003-2004 has been published by the Employment and Training Corporation (ETC).

Equal Opportunities will be a cross cutting theme within Malta's EQUAL CIP as will be Information Society.

Information Society

The rapid development of the information society has opened new possibilities for economic development in Malta. Government has established the eMalta Commission and developed an integrated strategy for the achievement of eMalta. A Ministry for Information Technology has been designated following the recent general election of 12th April 2003.

Malta is an isolated island community and therefore highly dependant on telecommunications for its contact with the rest of the world. The Government has invested heavily in the last years in IT related infrastructure in an attempt to integrate technology in a coherent policy to exploit the benefits – economic, social and cultural – of the communication and information revolution. In fact Malta today has an efficient basic telecommunications infrastructure and most people have access to the information society. All school children have access to personal computers and all Local Councils offer training in IT and citizens can apply to have an email address which they can access from their Local Council office if they do not own a PC at home.

Malta will continue to invest in the IT sector using its own budget, Community Programmes and other financial resources. As far as the EQUAL CIP for this programming period is concerned the information society will be addressed, to different extents, in all the priorities, particularly through the innovation related aspects of the Development Partnerships forming part of this CIP.

Public Procurement

Malta has amended its current public procurement regulations in line with relevant Community Directives. The revised Regulations have been published.

Where applicable all tenders for services co-financed by EQUAL will be launched under Public Contract Regulations, 2003.

6.8 Compliance with State Aid Legislation

6.8.1 General framework

Within the EQUAL Initiative, activities are carried out by Development Partnerships (DP) which are consortia, or legal entities consisting of several partners that might also include private undertakings, or by the individual partners of a DP. In the framework of the Structural Funds, the Development Partnerships are final beneficiaries in the meaning of Regulation 1260/1999.

Article 87 of the EC Treaty prohibits any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods. The EC Treaty, however, allows exceptions to the ban on State aid where the proposed aid schemes may have a beneficial impact in overall Union terms.

Therefore, pursuant to Articles 12 and 19(2) of Council Regulation (EC) No 1260/1999, the Managing Authority will hold the overall responsibility for ensuring the compliance of all operations financed under this EQUAL Community Initiative Programme (CIP) with the provisions of the Treaty as regards State aid.

By and large, grants awarded to undertakings under EQUAL do not constitute any State aid within the meaning of Art. 87(1) of the Treaty, because most of them involve only smaller

amounts (and therefore will fall under the *de minimis* rule¹⁸). Where they constitute State aid, as they are intended to facilitate access to work, or reducing risky employment situations for disadvantaged people, they would mostly fall under the block exemption for aid to SMEs¹⁹, Employment aid²⁰ or Training aid²¹.

6.8.2 Responsibilities

Compliance with Community policies will be checked on five levels:

- a All undertakings participating financially in EQUAL keep track of all respective public funding they have received, and of its respective justification. They are therefore aware of checking compliance with the *de minimis* rule, if needed.
- b For each Development Partnership, the body in charge of administering the public funds, will identify if undertakings are intended to receive financial support under EQUAL, collect the relevant information from them, make a first check of compliance with State aid rules (block exemptions) and include a justification for the envisaged grant(s) in any financial proposal made to the Managing Authority.
- c The Managing Authority, as required under Article 34(1)(g) of Council Regulation No. 1260/1999, will ensure that grants to Development Partnerships are only issued if
 - all relevant information needed for a compliance check has been submitted by the Development Partnership as part of its proposals for funding, or for any modification of the grant under EQUAL;
 - the conditions under which the grant is awarded to an undertaking qualify for the block exemptions for employment aid, aid to SMEs, or training aid, or if they comply with the provisions of the *de minimis*-rule, or if the grant has been formally approved under the Interim Mechanism laid down in Annex IV.3 of the Accession Treaty where applicable or by the Commission as laid down in Article 88 of the EC Treaty and Regulation 659/1999, and
 - in case the *de minimis* rule needs to be applied, the individual undertaking has been informed, before issuing the grant letter, that the support is of a *de minimis* nature and, if the firm has verified and confirmed that all other "de minimis" aid received by them will remain within the threshold and where the Managing Authority has checked that this will not raise the total amount of *de minimis* aid received during the relevant period of three years to above the threshold set out in the *de minimis* threshold or where a central register has been set up, it has been verified that the threshold has not been exceeded.
- d The Managing Authority will, as part of its monitoring system, collect all information as regards grants to enterprises for checking compliance with the "de-minimis" rule and the

¹⁸ Commission Regulation (EC) No. 69/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty on *de minimis* aid.

¹⁹ Commission Regulation (EC) No 364/2004 of 25 February 2004 amending Regulation (EC) No 70/2001 as regards the extension of its scope to include aid for research and development

²⁰ Commission Regulation (EC) No. 2204/2002 of 5 December 2002 on the application of Articles 87 and 88 of the EC Treaty to State aid for employment.

²¹ Commission Regulation (EC) No 363/2004 of 25 February 2004 amending Regulation (EC) No 68/2001 on the application of Articles 87 and 88 of the EC Treaty to training aid

block exemptions. In case the latter cannot be applied, i.e. if individual grants represent aid in accordance with Art. 87(1) of the EC Treaty, such funding will need to be notified as State aid and submitted to the European Commission for approval.

- e The Managing Authority will, in addition, establish a formal consultation mechanism with the State Aid Monitoring Board, which is the designated national authority for State aid control, and which has established the adequate mechanisms for control of the cumulation of State aid.

Funding under EQUAL granted to undertakings not covered by an exemption regulation or Commission approval is illegal and subject to the consequences set out in the procedural regulation for State aid, and its part-financing would be treated as an irregularity within the meaning of Articles 38 and 39 of Regulation (EC) No 1260/1999.

Consequently, the Commission will not accept requests for interim and final payments under Article 32 of the Regulation for measures being part-financed with new or altered aid, as defined in the procedural regulation for State aid, granted under aid schemes or in individual cases, until such aid has been notified to and formally approved by the Commission.

6.8.3 Relevant State Aid rules

The following rules are the most relevant rules for checking compliance with State aid legislation.

The table below summarises the main provisions only; details have been specified in the actual legal documents referred to above.

Block exemption	Company characteristics	Scope and EQUAL specific activities exempted	Maximum aid intensity for EQUAL Malta exempted	Maximum amount of aid exempted	Further conditions for exemption
<i>De minimis</i> rule	All companies, but does not apply to the transport sector and the production, processing or marketing of certain agricultural and fisheries products	no restrictions	100%	€ 100,000 over a rolling 3-year period	No need for notification to the Commission. Malta has to set up a register of <i>de minimis</i> aid, or to inform companies of and check whether an additional aid does not raise the total amount above the ceiling.
Training aid	All companies	training activities which favour firms by reducing costs of training of their employees for acquiring new skills. Costs covered: trainers' personnel costs, travel costs or trainers and trainees, other current expense (material, supplies, etc.), depreciation of tools and equipment used exclusively for mentioned training, guidance and counselling and trainees' personnel costs	Specific training: 35% ²² Further increases for: SME : 10% Disadvantaged workers:10% General training: 60% ²³ Further increases for: SME : 20% Disadvantaged workers:10%	€ 1,000,000	Commission needs to be informed within 20 working days
Aid for employment	All companies	Creation of jobs, recruitment of disadvantaged or disabled people, employing disabled people (additional costs only). Disadvantaged people include young persons below 25 or within 2 years from completing full-time education, migrant workers, members of ethnic minorities, long-term unemployed, unskilled and	Job creation: Regional aid ceiling Recruitment of disadvantaged people: 50% Recruitment of disabled people: 60% Aid for additional costs of employing disabled people:	€ 15,000,000 over 3 years for a single enterprise	Commission needs to be informed within 20 working days. Other types of job related support are not exempted (aid for job sharing, aid for other types of disadvantaged workers)

²² 25% + 10% (Art. 87 (3) (a) regional increase)

²³ 50% + 10% (Art. 87 (3) (a) regional increase)

		<p>under-educated, elderly, women absent from working life or ex-prisoners.</p> <p>For conditions include net increase in no of jobs, maximum duration of aid</p>	100%		
The aid for small and medium-sized enterprises	SMEs with less than 250 employees	Tangible (land, buildings, plant/machinery) and intangible investment (expenditure entailed by technology transfer) and soft aid in SMEs. The costs of services provided by outside consultants and the costs of the first participation of an enterprise in a fair or exhibition are also eligible.	<p>Services by outside consultants and participation in fairs: up to 50%</p> <p>Investment: Regional aid ceiling + 15%;</p> <p>Maximum aid intensity: 75%</p>		Commission needs to be informed within 20 working days

6.8.4 State Aid Table

This EQUAL CIP provides public funding for 4 measures. To the extent that undertaking participate in a Development Partnership, the Managing Authority will ensure that any grant to such an undertaking will comply with the rules State in the following table

Measure description	Block exemptions			Other cases	
	Aid for employment	Aid for training	Small and medium -sized enterprises	De minimis rule	Ad hoc notification
a. Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all	Aid for employment	Aid for training	Small and medium -sized enterprises	De minimis rule	Ad hoc notification
c. Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas	Aid for employment	Aid for training	Small and medium -sized enterprises	De minimis rule	Ad hoc notification
g. Reconciling family and professional life, as well as the re-integration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services	Aid for employment	Aid for training	Small and medium -sized enterprises	De minimis rule	Ad hoc notification
i. Supporting the social and vocational integration of asylum seekers.	Aid for employment	Aid for training	Small and medium -sized enterprises	De minimis rule	Ad hoc notification

In conformity with its duties under Article 34(1)(g) of Council Regulation No 1260/1999, the Managing Authority will keep the above State aid table up-to-date and will inform the Commission of any modification of the table.

6.9 Reporting

In line with regulatory requirements, the MA will submit to the European Commission Annual and Final Programme Implementation Reports. The Reports will be examined and approved by the Monitoring Committee before they are sent to the Commission.

As a certain homogeneity in the Annual Reports of the various Member States is desirable for the good monitoring of the overall implementation of the Initiative and to co-ordinate the networking efforts at national and European levels, Malta shall ensure that its Reports conform to all requirements.

The quantitative minimum common data concerning implementation, to be transmitted at the time of the Annual Report, will be covered by the transmission to the ECDB (*annex B*). The other relevant indicators of situation, result or impact, as anticipated by this CIP, will also be communicated, by means of the Annual Report.

Insofar as the implementation of EQUAL will be progressive, a common format cannot be determined in advance. Each year, in good time, a common structure for the Annual Reports

will be determined in close co-operation between the Commission and the representatives of the Managing Authority. This common structure by no means prevents the Managing Authority and the Monitoring Committee from adding to it any element that it will judge relevant.

6.10 Information and Publicity

The access of information relative to the interventions of the Funds is essential for the effectiveness of the co-financed operations.

The Managing Authority will guarantee the fulfilment of the obligations derived from (EC) Regulation 1159/2000 on the information and publicity of the interventions co-financed by EQUAL.

The Managing Authority and the NSS will inform the social and economic partners, the civil society and the public at large in each case of the contents and development of the co-financed interventions in line with (EC) Regulation 1159/2000.

The Managing Authority guarantees adequate measures of dissemination of information for the public opinion by using new information and communication technology.

The actions of information and publicity will be implemented in conformity with the relevant Community Regulations:

- Articles 34 and 46 of (EC) Regulation 1260/99.
- (EC) Regulation 1159/2000 relating to the actions of information and publicity that have to be carried out by the Member States on the interventions of EQUAL.

The Programme Complement describes the measures that guarantee the publicity of the intervention in line with article 18 (3) of EC Regulation 1260/99.

The Managing Authority and the NSS and the DPs will guarantee the meeting of obligations derived for these publicity actions, which will increase the awareness of the public at large on the role of EQUAL in Malta. A communications action plan will be put into effect to reach this objective.

The Action Plan will include the following:

- Press Releases and Conferences;
- TV/Newspaper inserts;
- Commemorative Plaques – Commemorative Plaques will be used in line with the Regulation;
- Posters – Posters will be used for all training activities. These will be developed on the premises of the organisations benefiting from the assistance and also on site where the training is held;

- Websites – The Managing Authority has its own website where it already provides information on pre and post-accession assistance. The draft EQUAL CIP is expected to be put on the website in November for the widest consultation possible;
- Newsletters and Leaflets – Many organisations and government departments/agencies issue newsletters. This existing tool could include information on actions and projects of the CIP.

6.11 Co-operation with Third Countries

Co-operation under this Programme may also extend to similar projects supported in a non-Member State eligible for funding under the PHARE, TACIS, MEDA or CARDS Programmes.

7 FINANCIAL ISSUES

7.1 Financial Plan

A summary of the Financial Plan for the Programme is attached as Annex A to the Programme document.

The Commission has agreed, for all EQUAL Programmes, to interpret the terms of Article 19 (3) of the General Regulation in a flexible manner, on condition that the text of the CIP contains a table showing the indicative allocation per Theme, in percentage of the overall budget, or in Euro.

This information is provided in the Financial Plan annexed to the CIP, also providing the budget per priority, per year, as shown in Annex A of this document.

7.2 Co-Financing

The European Commission will provide 75% of Malta's EQUAL allocation during the 2004-2006 programming period. The remaining 25% will be financed through national funds.

7.3 Eligibility of Activities

As for other ESF interventions, eligibility for EQUAL activities will be outlined in the PC and adopted by the MC. The types of activities eligible for ESF funding are given in the ESF Regulation 1784/1999 and the Eligibility Regulation 1685/2000 amended by Reg. 1145/2003.

The programming period covers the years 2004-2006 and the period of eligibility will start on the 1st January 2004 while the last date of eligible expenditure will be stated in the Commission decision adopting the programme and it can be no later than the 31st December 2008.

The Development Partnership (DP) activities eligible for ESF assistance fall into three categories:

- Assistance for persons: education and vocational training, apprenticeships, upgrading of basic skills, measures to promote employability on the labour market, aid for employment, higher education in science and research, new sources of employment.
- Assistance for structures and systems: improving education and training systems, modernising employment services, developing links between the worlds of work and education, training, and research establishments, developing systems to anticipate qualification needs.
- Accompanying measures: raising awareness, provisions of care services, promoting socio-educational development to facilitate the pathway approach to labour market integration.

The aim of EQUAL is to impact on structures and systems. All the different types of activities are eligible to achieve this aim.

8. SHARING OF MONITORING DATA

8.1 Sharing of data at a European level

Malta will share specific monitoring data by participating in the common electronic system of data collection set up by the Commission for the specific management of the EQUAL Initiative called: "EQUAL Common Database" (ECDB). The objective of this database is to facilitate the transnational co-operation of the DPs, to stimulate thematic co-operation between key actors at European level and to indicate results and achievements.

Based on agreements between the Commission and the Member States, specific fields were identified. Set out in Annex B, they constitute the exhaustive²⁴ list of the common quantitative data to be transmitted at the European level. In addition to monitoring data shared at European level, the DPs are required to transmit further monitoring data needed for programme management at the national level. The set of data shared at EQUAL level is summarised in the Annex B.

The Managing Authority will make the necessary provisions in order that the open fields (text fields) are translated into English.

The National Support Structure will collect the physical data from the Development Partnerships on the basis of Maltese methods of data collection. The NSS will transfer the data concerning the Development Partnerships as well as those collected at the level of the programme to the Managing Authority for forward transmission to the ECDB on the basis of the technical protocols defined by the Commission. This data will be updated continuously by the National Support Structure, and forward it to the Managing Authority, who will transfer the data to the Commission regularly.

The Managing Authority will transmit the data relating to the CIP annual report at least once a year and at the latest on 30 June following the reference year.

The Commission, by means of suitable IT system, will make available on the Internet the information²⁵ transmitted by the Member States.

²⁴ Except financial information included in the "Vademecum for the Plans and Programming documents of the Structural Funds" which will be collected by the SFC database.

²⁵ On the basis of decisions taken in a concerted way, access to certain fields could be restricted.

9. EVALUATION

9.1 Ex Ante Evaluation

The ex ante evaluation of this Programme, carried out by an independent team²⁶ in accordance with Article 41 of the Regulation 1260/99, has been attached as an Annex to this CIP.

As a result of the Ex-Ante Evaluation of the EQUAL CIP, the Managing Authority of this Programme is now in a position to carefully consider a number of issues that have been highlighted within this Evaluation, in order to apply the conclusions drawn and the recommendations made for the further enhancement of this CIP's overall quality.

The Managing Authority undertakes to closely liaise with its EQUAL National Support Structure in addressing the recommendations made in the ex-ante evaluation primarily through the EQUAL Twinning Light Project which shall be implemented during the first half of 2004. This Project will be instrumental in order to provide a SWOT Analysis of the Labour Market for Discrimination and Inequalities as well as to elaborate further on the specific situation of the labour and social situation of women in Malta, as is being suggested in the Evaluation. Likewise, the Managing Authority shall also be seeking further advice from its National Support Structure in order to prepare a summary table of the context indicators in Malta and in the EU through the same assistance and expertise being offered within the EQUAL Twinning Light Project.

9.2 The Evaluation Process

The aim of evaluation is to learn from experience. Policy makers and practitioners shall use the lessons learned to make changes to policies, programmes and their implementation.

The entire EQUAL evaluation process will take place at various levels, as described in the table below:

Level	Object of the Evaluation	Responsible Organisation	Carried Out by
Project Level	Development Partnership (DP)	DP	DP itself and external expert
National Level	CIP (and its DPs)	Managing Authority	External Experts
EU Level	EQUAL (and its CIPs and their DPs)	European Commission	External Experts

Each DP must present a mechanism for on-going assessment at the end of Action 1. This must include an explanation of how the data and information on the partnership will be presented, and how the results will be analysed.

Each partnership must also submit details of the ongoing monitoring and evaluation activities to be used for transnational activities, through three levels of self-evaluation, as follows:

- Monitoring of activities and outputs;
- Assessment of the impact of actions; and
- An assessment of the way activities were executed, or the functioning of the partnership itself.

²⁶ Quasar Consultores, S.A.

National evaluations (at DP and national level) will assess the impact of EQUAL in Malta against the aims and targets defined in the CIP. Impact will go beyond output and results and will cover the indirect and longer-term effects of activities, within an Ex-Post Evaluation. Articles 40-43 of Regulation (EC) 1260/1999 set out the requirements for Evaluation.

The evaluation system for EQUAL will ensure that the results from the EQUAL programme will be developed to ensure a continuous feedback to programme implementation and as a vehicle to contribute to the validation experiences and results from the EQUAL DPs, and to their transfer to the relevant stakeholders and decision-makers.

The Managing Authority will also be responsible for collecting of data from DPs for actions 1, 2 and 3, and will make these data available to the evaluators.

9.3 The Final Assessment, 2008

This national evaluation will be a major input for the EU-wide final evaluation, containing on the one hand a synthesis of the national final evaluation, focusing on the thematic priorities and the key principles of EQUAL.

On the other hand, it is expected that the EU wide evaluation will devote specific attention to the transnational co-operation between DPs, the effectiveness of the EU-level networking, dissemination and mainstreaming at EU level, and policy impact of EQUAL on the European Employment Strategy and other Community programmes.

ANNEX A: FINANCIAL TABLES FOR OPERATIONAL PROGRAMME

The Financial Tables are broken down by Priority and by Year.

ALL SUMS ARE IN FULL AND ARE SHOWN IN EURO.

Priority/Year	Total Eligible Cost	Total Public Elig. Cost [3+4]	ESF partic.	National public participation					
				Total	Central	Regional	Local	Other	Private
	1	2	3	4	5	6	7	8	9
Priority 1	413,721	413,721	310,291	103,430	103,430	0	0	0	0
2004	110,408	110,408	82,806	27,602	27,602				
2005	150,154	150,154	112,616	37,538	37,538				
2006	153,159	153,159	114,869	38,290	38,290				
Priority 2	413,721	413,721	310,291	103,430	103,430	0	0	0	0
2004	110,408	110,408	82,806	27,602	27,602				
2005	150,154	150,154	112,616	37,538	37,538				
2006	153,159	153,159	114,869	38,290	38,290				
Priority 3	-	-	-	-	-	0	0	0	0
Priority 4	413,721	413,721	310,291	103,430	103,430	0	0	0	0
2004	110,408	110,408	82,806	27,602	27,602				
2005	150,154	150,154	112,616	37,538	37,538				
2006	153,159	153,159	114,869	38,290	38,290				
Priority 5 [AS]	248,233	248,233	186,174	62,059	62,059	0	0	0	0
2004	66,246	66,246	49,684	16,562	16,562				
2005	90,095	90,095	67,570	22,525	22,525				
2006	91,892	91,892	68,920	22,972	22,972				
Tech. Assist.	165,488	165,488	124,116	41,372	41,372	0	0	0	0
2004	44,162	44,162	33,122	11,040	11,040				
2005	60,063	60,063	45,047	15,016	15,016				
2006	61,263	61,263	45,947	15,316	15,316				
TOTAL	1,654,884	1,654,884	1,241,163	413,721	413,721	0	0	0	0
2004	441,632	441,632	331,224	110,408	110,408				
2005	600,620	600,620	450,465	150,155	150,155				
2006	612,632	612,632	459,474	153,158	153,158	0	0	0	0

ANNEX B: DATA TO BE COLLECTED FOR THE EQUAL COMMON DATABASE (ECDB)

A. General information (ongoing information)

FIELDS *Type of data / Items...*

A1.	Id Codes	European = Country + national ID <i>Each DP receives a unique code at European level. It is made up of a maximum of 4 letters identifying the Member State and x characters as decided by the Member State.</i>
-----	-----------------	--

A2.	Status of the application	<i>Indicate the status of the application in MS</i> Multiple choice <input type="checkbox"/> in selection process <input type="checkbox"/> selected <input type="checkbox"/> transnational cooperation completed <input type="checkbox"/> DP ended
-----	----------------------------------	---

B. Set up of the Development partnership (action 1 - ongoing information)

B1.	Dates	<input type="checkbox"/> Application date : date field <input type="checkbox"/> Selection date : date field
-----	--------------	--

B2.	Title of the DP National language	Text field – max 80 characters
		<i>Simple & short</i>

B3.	Title of the DP International characters	Text field – max 80 characters
		<i>Latin alphabet without accented letters...</i>

B4.	Applicant partners	<i>For each Item, click in the list of the members</i> Concerns DP initiators <input type="checkbox"/> Partner 1 <input type="checkbox"/> Partner 2 <input type="checkbox"/> Partner ...n
-----	---------------------------	---

B5.	DP managing organisation	One choice in the table of the partners
		<i>Concerns the partner who has administrative and financial responsibility within the DP. If the DP has its own legal constitution, that structure will be identified in the list of partners. Click in the list of the members</i>

B6.	Other responsibilities	<i>For each item, click in the list of the members</i> <input type="checkbox"/> Design of the DP strategy and planning <input type="checkbox"/> Co-ordination of experimental activities <input type="checkbox"/> Monitoring, data collection <input type="checkbox"/> Evaluation <input type="checkbox"/> Coordination of Transnational partnership
-----	-------------------------------	---

B7.	EQUAL Theme – Measure	Max 1 choice
		<input type="checkbox"/> Employability - Access to the labour market <input type="checkbox"/> Employability - Combating racism <input type="checkbox"/> Entrepreneurship - Business creation <input type="checkbox"/> Entrepreneurship - Social economy <input type="checkbox"/> Adaptability - Life long learning <input type="checkbox"/> Adaptability - Information technology

		<input type="checkbox"/> Equal opportunities – Reconciling family and professional life <input type="checkbox"/> Equal opportunities - Reducing gender gaps <input type="checkbox"/> Asylum seekers																																																		
B9.	Geographical/sectoral	Max 1 choice <i>Size of the geographical area linked with a Nuts table</i>																																																		
	If geographical	<input type="checkbox"/> Rural area <input type="checkbox"/> Urban area <input type="checkbox"/> Other geographical																																																		
	If sectoral	Max 1 choice <ul style="list-style-type: none"> • Economic sector : <ul style="list-style-type: none"> <input type="checkbox"/> Agriculture <input type="checkbox"/> Industrial <input type="checkbox"/> Services • <input type="checkbox"/> Specific discrimination and inequality problems 																																																		
B10.	DP status	Max 1 choice																																																		
	Legal form	<input type="checkbox"/> Association without legal form <input type="checkbox"/> Non-profit making organisation <input type="checkbox"/> Consortium <input type="checkbox"/>																																																		
B10b	Pre-existing partnership	Max 1 choice																																																		
		<input type="checkbox"/> No <input type="checkbox"/> Yes ≤ 2 years <input type="checkbox"/> Yes > 2 years Text field : explanation of the pre-existing partnership																																																		
B11.	DP linguistic skills	4 Scroll down menus																																																		
		1° Choice : es/cs/da/de/et/el/en/fr/it/lv/lt/hu/mt/nl/pl/pt/sk/sl/fi/sv 2° Choice : es/cs/da/de/et/el/en/fr/it/lv/lt/hu/mt/nl/pl/pt/sk/sl/fi/sv 3° Choice : es/cs/da/de/et/el/en/fr/it/lv/lt/hu/mt/nl/pl/pt/sk/sl/fi/sv 4° Choice : es/cs/da/de/et/el/en/fr/it/lv/lt/hu/mt/nl/pl/pt/sk/sl/fi/sv																																																		
B12.	DP background in CI	Max 1 choice																																																		
		<input type="checkbox"/> One partner involved in ADAPT/EMPLOYMENT/EQUAL 1 st Round <input type="checkbox"/> Two and more partners involved in A/E/E <input type="checkbox"/> Nobody involved in A/E/E																																																		
B13.	Rationale for the DP	Rationale for the partnership, assessment of the relevance of the problem addressed, of the solution to be tested. Text field:.																																																		
		Text field: Translation in English and optionally in other(s) language(s) (provided by DP or Member state).																																																		
B14.	Objectives of the DP	Response to the rationale; objectives of the partnership Text field :																																																		
		Text field: Translation in English and optionally in other(s) language(s) (provided by DP or Member state).																																																		
B15.	Nature of the experimental activities	Multiple choice.																																																		
		<table border="1"> <thead> <tr> <th></th> <th>+</th> <th>++</th> <th>++</th> <th>++</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Assistance to persons</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> <input type="checkbox"/> Guidance and counselling</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> <input type="checkbox"/> Training</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> <input type="checkbox"/> Training on work place</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> <input type="checkbox"/> Work placement</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> <input type="checkbox"/> Job rotation and job sharing</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> <input type="checkbox"/> employment aids (+ for self-employment)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> <input type="checkbox"/> Integrated measures (pathway to integration)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><input type="checkbox"/> Assistance to structure and systems and accompanying measures</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		+	++	++	++	<input type="checkbox"/> Assistance to persons					<input type="checkbox"/> Guidance and counselling					<input type="checkbox"/> Training					<input type="checkbox"/> Training on work place					<input type="checkbox"/> Work placement					<input type="checkbox"/> Job rotation and job sharing					<input type="checkbox"/> employment aids (+ for self-employment)					<input type="checkbox"/> Integrated measures (pathway to integration)					<input type="checkbox"/> Assistance to structure and systems and accompanying measures				
	+	++	++	++																																																
<input type="checkbox"/> Assistance to persons																																																				
<input type="checkbox"/> Guidance and counselling																																																				
<input type="checkbox"/> Training																																																				
<input type="checkbox"/> Training on work place																																																				
<input type="checkbox"/> Work placement																																																				
<input type="checkbox"/> Job rotation and job sharing																																																				
<input type="checkbox"/> employment aids (+ for self-employment)																																																				
<input type="checkbox"/> Integrated measures (pathway to integration)																																																				
<input type="checkbox"/> Assistance to structure and systems and accompanying measures																																																				

	<input type="checkbox"/> Employment creation and support <input type="checkbox"/> Training of teachers, trainers and staff <input type="checkbox"/> Improvement of employment services – Recruitment structures <input type="checkbox"/> Conception for training programmes - certification <input type="checkbox"/> Anticipation of technical changes <input type="checkbox"/> Work organisation, improvement of access to work place <input type="checkbox"/> Guidance and social services <input type="checkbox"/> Awareness raising, information, publicity <input type="checkbox"/> Studies and analysis of discrimination features				
--	--	--	--	--	--

B16.	Innovation	Multiple choice				
			+	++	++	++
		<input type="checkbox"/> Process-oriented <input type="checkbox"/> Goal-oriented <input type="checkbox"/> Context oriented			+	++
		Text field				

B17.	Discriminated groups and fields of discrimination	Multiple choice in each section	<i>In percentage</i>			
		<input type="checkbox"/> Assistance to persons <input type="checkbox"/> Unemployed <input type="checkbox"/> Employed <input type="checkbox"/> Others (without status, social beneficiaries...)	M	F		
					100	
		<input type="checkbox"/> Migrants, ethnic minorities, ... <input type="checkbox"/> Asylum seekers <input type="checkbox"/> Population not migrant and not asylum seeker			100	
		<input type="checkbox"/> Physical Impairment <input type="checkbox"/> Mental Impairment <input type="checkbox"/> Mental Illness <input type="checkbox"/> Population not suffering from a disability			100	
		<input type="checkbox"/> Substance abusers <input type="checkbox"/> Homeless <input type="checkbox"/> (Ex-)prisoners <input type="checkbox"/> Specific discrimination <input type="checkbox"/> Without specific discrimination			100	
		<input type="checkbox"/> < 25 year <input type="checkbox"/> 25 – 50 year <input type="checkbox"/> > 50 year			100	
		<input type="checkbox"/> Assistance to structure and systems and accompanying measures	+	+	+	+
		<input type="checkbox"/> Age <input type="checkbox"/> Asylum <input type="checkbox"/> Disabilities <input type="checkbox"/> Gender discrimination <input type="checkbox"/> Low qualification <input type="checkbox"/> Racial discrimination <input type="checkbox"/> Religion <input type="checkbox"/> Sexual orientation <input type="checkbox"/> Support to entrepreneurship <input type="checkbox"/> Unemployment				

B18.	Empowerment	
	1° National partners	Text field: Text field: optionally, translation in English
	2° Participants - Stakeholders	Multiple choice
		<input type="checkbox"/> Promoting individual empowerment <input type="checkbox"/> Developing collective responsibility and capacity for action <input type="checkbox"/> Participation in the DP design <input type="checkbox"/> Participation in running and evaluating activities <input type="checkbox"/> Changing attitudes and behaviour of key actors
		Text field: Text field: optionally, translation in English

B19.	ESF budget	Max. one choice
		Total budget for the duration of the DP (ESF + national) <input type="checkbox"/> < 250 000 € <input type="checkbox"/> 250 000 – 500 000 € <input type="checkbox"/> 500 000 – 1 000 000 € <input type="checkbox"/> 1 000 000 – 1 500 000 € <input type="checkbox"/> 1 500 000 – 2 000 000 € <input type="checkbox"/> 2 000 000 – 5 000 000 € <input type="checkbox"/> > 5 000 000 €
		% of total budget for transnational activities

B21.	Transnational co-operation intended or searched	Multiple choice	+	+	+	+
				+	+	+
					+	+
					+	+
						+
		- Exchange of information and experiences - Parallel development of innovative approaches - Import, export or adoption of new approaches - Joint development - Exchange of trainees/trainers/staff				
		Text field				
		Text field: Translation in English and optionally in other(s) language(s) (provided by DP or Member state).				

B22.	Transnational co-operation – Preferences	Multiple choice
		<input type="checkbox"/> BEfr <input type="checkbox"/> BEnl <input type="checkbox"/> CZ <input type="checkbox"/> DK <input type="checkbox"/> DE <input type="checkbox"/> EE <input type="checkbox"/> EL <input type="checkbox"/> ES <input type="checkbox"/> FR <input type="checkbox"/> IE <input type="checkbox"/> IT <input type="checkbox"/> CY <input type="checkbox"/> LV <input type="checkbox"/> LT <input type="checkbox"/> LU <input type="checkbox"/> HU <input type="checkbox"/> MT <input type="checkbox"/> NL <input type="checkbox"/> AT <input type="checkbox"/> PL <input type="checkbox"/> PT <input type="checkbox"/> SI <input type="checkbox"/> SK <input type="checkbox"/> FI <input type="checkbox"/> SE <input type="checkbox"/> UKgb <input type="checkbox"/> UKni <input type="checkbox"/> no preferences
B23.	Last update	<input type="checkbox"/> Date field

C. Members of the DP (ongoing information)

C1.	Name	Text field
C2.	Acronym	(not compulsory) Text field
C3.	Address	Text field <i>link with postcode (nuts) and country</i>
C4.	Tel	Text field
C5.	Fax	Text field
C6.	Email	Text field
C7.	Web site	Text field
C8.	Type of organisation	Max one choice
		<input type="checkbox"/> Public authority (national, regional, local) <input type="checkbox"/> Enterprise <input type="checkbox"/> Employers' organisation <input type="checkbox"/> Trade Union <input type="checkbox"/> Financial institution <input type="checkbox"/> Chamber of commerce/industry/crafts <input type="checkbox"/> Organisation providing support and guidance for disadvantaged groups <input type="checkbox"/> Employment services

		<input type="checkbox"/> Social economy enterprise <input type="checkbox"/> Social services <input type="checkbox"/> Education / training organisation <input type="checkbox"/> University / Research organisation <input type="checkbox"/> Consortium created for managing the DP <input type="checkbox"/> Other
--	--	--

C8b	Type of organisation	Description who the national partners are, what they do, their clients, the aim of the partner organisations, methodologies used etc... (not compulsory)
		Text field
		Text field: Translation in English and optionally in other(s) language(s) (provided by DP or Member state).

C9.	Legal status	Max one choice
		<input type="checkbox"/> Public organisation <input type="checkbox"/> Non-profit private organisation (including NGO...) <input type="checkbox"/> Semi-public organisation <input type="checkbox"/> Union, Confederation... <input type="checkbox"/> Co-operative <input type="checkbox"/> Private <input type="checkbox"/> Without legal status

C10.	Contact person	Responsibility	Name	Email	Tel

C11.	Size of the organisation	Max one choice	<i>Permanent staff</i>
		<input type="checkbox"/> staff < 10 <input type="checkbox"/> staff 10 – 50 <input type="checkbox"/> staff 50 – 250 <input type="checkbox"/> > 250	

C12.	Date of joining DP	Date field
C13.	Date of leaving DP	Date field

C14.	Last update on the DP's member	Date field
------	---------------------------------------	------------

D. Implementation of the work programme (transnational cooperation completed) (action2 - ongoing information)

D1.	Dates	<input type="checkbox"/> Date of transnational cooperation completed
D2.	Title of the DP	
D3.	Title of the DP (international)	
D4.	Partners involved	<i>For each Item, click in the list of the members</i>
		DP members <input type="checkbox"/> Partner 1 <input type="checkbox"/> Partner 2 <input type="checkbox"/> Partner ...n
D5.	DP managing organisation	
D6.	Other responsibilities	See B
D7.	EQUAL Theme – Measure	See B
D8.	Sub-themes	See B
D9.	Geographical/sectoral	See B
D10.	DP status	See B

D11.	DP linguistic skills	See B
D12.	DP's background in CI	See B
D13.	Rationale for the DP	See B
D14.	Objectives of the DP	See B
D15.	Nature of the experimental activities to be implemented	See B
D16.	Innovation	See B
D17.	Discriminated groups and fields of discrimination	See B
D18.	Empowerment	See B
D19.	Budget	See B

D25.	DP Agreement	Text field : Summary of the DP agreement and, optionally, DP agreement in annexe.
------	---------------------	---

D25 A	Transnational partners	Multiple choice
		<i>Click in the list of the Development partnerships (cf. Id Code)</i>
		<input type="checkbox"/> Transnational partner 1 <input type="checkbox"/> Transnational partner 2 <input type="checkbox"/> Transnational partner ...n

G. Other information for monitoring at DP level (annually consolidated information)

G1.	Discriminated groups and fields of discrimination	Total number of beneficiaries during the year in "person * year" equivalent (1 day=7 hours, 1 week = 5 days, 1 month = 4 weeks, 1 year = 12 month)			
		Multiple choice in each section			
		<i>In percentage</i>			
		<input type="checkbox"/> Assistance to persons	M	F	
		<input type="checkbox"/> Unemployed <input type="checkbox"/> Employed <input type="checkbox"/> Others (without status, social beneficiaries...)			100
		<input type="checkbox"/> Migrants, ethnic minorities, ... <input type="checkbox"/> Asylum seekers <input type="checkbox"/> Population not migrant and not asylum seeker			100
		<input type="checkbox"/> Physical Impairment <input type="checkbox"/> Mental Impairment <input type="checkbox"/> Mental Illness <input type="checkbox"/> Population not suffering from a disability			100
		<input type="checkbox"/> Substance abusers <input type="checkbox"/> Homeless <input type="checkbox"/> (Ex-)prisoners <input type="checkbox"/> Other discriminated (religion, sexual orientation) <input type="checkbox"/> Without such specific discriminations			100
<input type="checkbox"/> < 25 year <input type="checkbox"/> 25 – 50 year <input type="checkbox"/> > 50 year			100		
<input type="checkbox"/> Assistance to structure and systems and accompanying measures	+	+	+	+	
		+	+	+	
			+	+	
				+	

		<input type="checkbox"/> Age <input type="checkbox"/> Asylum <input type="checkbox"/> Disabilities <input type="checkbox"/> Gender discrimination <input type="checkbox"/> Low qualification <input type="checkbox"/> Racial discrimination <input type="checkbox"/> Religion <input type="checkbox"/> Sexual orientation <input type="checkbox"/> Support to entrepreneurship <input type="checkbox"/> Unemployment					
--	--	---	--	--	--	--	--

G2.	Expenditures	Evaluation by the DP of the total amount (ESF and national) spent during the year (rounded 1 000 €):
		Alphanumeric field

G3.	Breakdown of expenditures by experimental activities	<i>Percentage</i>	
		I. National activities	
		<input type="checkbox"/> Assistance to persons <ul style="list-style-type: none"> <input type="checkbox"/> Guidance and counselling <input type="checkbox"/> Training <input type="checkbox"/> Training on work place <input type="checkbox"/> Work placement <input type="checkbox"/> Job rotation and job sharing <input type="checkbox"/> employment aids (+ for self-employment) <input type="checkbox"/> Integrated measures (pathway to integration) <input type="checkbox"/> Assistance to structure and systems and accompanying measures <ul style="list-style-type: none"> <input type="checkbox"/> Employment creation and support <input type="checkbox"/> Training of teachers, trainers and staff <input type="checkbox"/> Improvement of employment services – Recruitment structures <input type="checkbox"/> Conception for training programmes - certification <input type="checkbox"/> Anticipation of technical changes <input type="checkbox"/> Work organisation, improvement of access to work place <input type="checkbox"/> Guidance and social services <input type="checkbox"/> Awareness raising, information, publicity <input type="checkbox"/> Studies and analysis of discrimination features 	
		II. Transnational activities	
		<input type="checkbox"/> Exchange of information and experiences <input type="checkbox"/> Parallel development of innovative approaches <input type="checkbox"/> Import, export or adoption of new approaches <input type="checkbox"/> Joint development <input type="checkbox"/> Exchange of trainees/trainers/staff	
Total		100 %	

G5.	National and transnational work	Text field
-----	--	------------

G6.	National and European level networking	Text field
-----	---	------------

ANNEX C: EX ANTE EVALUATION OF THE EQUAL COMMUNITY INITIATIVE PROGRAMME

1. BACKGROUND

The ex ante evaluation of the Community Initiative Programme (CIP) EQUAL 2004-2006 for Malta, has been carried out by an independent team of evaluators at the request of the Planning and Priorities Co-ordination Directorate, designated for the Government of Malta as a Managing Authority in line with Article 9(n) of EC Regulation 1260/99.

The present exercise of evaluation abides by the Article 41 of European Commission Regulation 1260/99 and by the guidelines set out in Working Paper 2 issued by the Directorate General XVI Regional Policy and Cohesion of the European Commission, "The Ex-Ante Evaluation of the Structural Funds Interventions".

The objective of the Ex-Ante Evaluation is to improve and strengthen the final quality of the EQUAL Programme Document under preparation.

2. BASIS FOR THE EVALUATION

The exercise of the Ex-Ante Evaluation has been based upon an examination of government rulings, planning documents, statistics and specific studies on relevant issues for the programming process. The following documents have been reviewed:

- "Joint Assessment of the Employment Policy Priorities of Malta" (JAP). Government of Malta and European Commission Directorate General for Employment and Social Affairs. 2001.
- "Joint Inclusion Memoranda for Malta". Government of Malta and European Commission Directorate General for Employment and Social Affairs. 2001.
- "The Single Programme Document for Malta", 2004-2006.
- Progress Report 2002 for Malta of the JAP. Government of Malta and European Commission Directorate General for Employment and Social Affairs.
- Progress Report 2002 for Malta of the JAP. Government of Malta and European Commission Directorate General for Employment and Social Affairs.
- "The National Development Plan for Economic and Social Cohesion 2003-2006". Ministry for Economic Services. 2002.
- "Statistical Yearbook 2002". National Institute of Statistics. 2003.
- "Gender Equality Action Plan 2003-2004". Employment and Training Corporation. 2002.
- "Equality for Men and Women Act. 2002

Besides this, a series of interviews and meetings have been held with the following key actors:

- Director of the Planning and Priorities Co-ordination Directorate, within the Office of the Prime Minister. Managing Authority for the Structural Funds in Malta.

- Director of Review of the Ministry for Social Policy, Intermediary Body for the ESF. Manager for the ESF in Malta.
- Senior offices of the Managing Authority and of the Ministry of Social Policy.
- Responsible of the potential Development Partners: Housing Authority of Malta, Malta Enterprise, Ministry of Justice and Home Affairs.

3. OVERVIEW OF THE PROGRAMME

The CIP has been elaborated in close co-operation with the Planning and Priorities Co-ordination Directorate, within the Office of the Prime Minister [which is the Managing Authority for Structural Funds in Malta], and with the EU Affairs Directorate within the Ministry for Social Policy [which is the Intermediate Body for the European Social Fund and the designated EQUAL National Support Structure (NSS)].

In the process of elaboration of the Programme is also the result of the participation several various social partners and stakeholders in Malta, such as the Trade Unions, Employers, as well as Civil Society, including Professional Associations, Constituted Bodies and Non-Governmental Organisations. Also the EQUAL NSS has carried out informal consultations with the potential EQUAL CIP Development Partners.

The Programme is divided into two main parts: Programming EQUAL and Implementing EQUAL:

- The first section consists of a description the Labour Market in Malta. Secondly, the National and European Policy Context for activities under EQUAL are described. Following that, it's proposed a selection Themes for the Programme, based on the identified needs and the policy objectives. Finally, a description of the Actions through which EQUAL operates in Malta is made in the last section.
- The second part consists of, firstly, a description of the implementation systems for the EQUAL Programme. Secondly, a description of the key actors for the implementation of the Programme is done, including the Development Partnership concept. Following that, all financial aspects of the programme are developed. The monitoring requirements are described in the following sector. The Evaluation of the Programme will be the last section of the document.

The period for the eligibility of expenditures starts on the 1st January 2004, and the end date is the 31st December 2008. The eligible territory for the actions under EQUAL is all the Maltese Islands.

The European Commission will provide 75% of Malta's EQUAL allocation. The total eligible cost for the period 2004-2006 rise to 1,654,884 Euros. The remaining 25% will be financed through national funds.

4. ASSESSMENT OF THE SOCIO-ECONOMIC DIAGNOSIS

The Programme contains a thorough description of the Labour Market in Malta, with data broken down by gender, age, and sector. It also contains an analysis in terms of Discrimination and Inequalities. The socio-economic analysis has made proper use of all relevant statistical information on Malta from national and European sources: the description follows the same

methodology that the used in the Joint Assessment of the Employment Policy Priorities of Malta, and all statistical information has been updated beyond 2000. Regional data from Malta has also been used. A final part includes conclusions of the major labour market trends for Malta.

4.1 Situation of the Labour Market and Discrimination and Inequalities in Malta

From the point of view of the evaluator, it would be preferable to include a summary table including the Labour Market situation and the situation of Discrimination and Inequalities, as suggest:

Figure 1. Labour Market: Employment, Unemployment, Skills and Performance. Major labour market trends

Area of analysis	Actual situation	Trend
Economic situation	<ul style="list-style-type: none"> ▪ Real GDP grow significantly in Malta since 1998 by an average 3 per cent per annum. The GDP per capita has increased around 3.5% annually. ▪ Productivity grew by an average 2 per cent since 1998. 	<ul style="list-style-type: none"> ▪ Estimation made and last data available reach a growth rate similar to last years.
General Overview	<ul style="list-style-type: none"> ▪ The employment rate in Malta is very low (54.7%) in comparison to the EU (63.8%). 	<ul style="list-style-type: none"> ▪ The labour supply maintains an annual upward trend of approximately 0.7%. The employment rate has a slightly increasing per annum. ▪ The labour market in Malta has a low capacity to generate employment (in comparison with the GDP increase of the country)
Full-Time Employment	<ul style="list-style-type: none"> ▪ The employed persons in Malta are concentrated in the services sector (66%), followed by the employed in the secondary sector (31.8%) and agriculture (2.2%). ▪ 1/3 part of employed persons is working in the public sector. ▪ 13.0% of employed in the private sector, are self-employed, which is very low compared to the EU average. 	<ul style="list-style-type: none"> ▪ Last decades, the employed people in the service sector are increasing, against the decrease in the agriculture sector. ▪ Since 1995, the number of employed in the public sector, is diminished. ▪ There's decrease of the self-employment for last 20 years in the country.
Part-Time Employment	<ul style="list-style-type: none"> ▪ 8.8% of employed, held a part-time job 	<ul style="list-style-type: none"> ▪ Since 2000, employed people in a part-time job are increasing.
Hidden Employment	<ul style="list-style-type: none"> ▪ The informal economy is believed to absorb a significant share of labour force. Informal economy is concentrated in the sectors of the building industry, tourism, hospitality and small enterprises. 	<ul style="list-style-type: none"> ▪ Since the introduction of VAT (1995), the level of hidden economy is believe to have fallen.
Unemployment	<ul style="list-style-type: none"> ▪ The unemployment rate (6.8%) is comparatively low against the average rate of the EU (7.2%) ▪ Youth employment stands at around of 50%. ▪ A high proportion of the registered unemployed have low levels of education and limited skills. 	<ul style="list-style-type: none"> ▪ Malta's unemployment rate is having a tendency to increase. ▪ Youth unemployment has had a tendency to increase, now representing 50% of total unemployed.
Skills of the labour force	<ul style="list-style-type: none"> ▪ Malta has a low level of people with higher education (7.5%) in comparison with the EU (21.6%) 	<ul style="list-style-type: none"> ▪ The active population does not have sufficient training opportunities.

Source: Evaluation team

Figure 2. Labour Market Analysis: Discrimination and Inequalities

Area of analysis	Actual situation	Trend
Population in Malta	<ul style="list-style-type: none"> Malta has a continued population growth of 0.6% a year. Malta's population is still young by European standards. 	<ul style="list-style-type: none"> In the future, the increased expectancy life and falling fertility rates, may have serious impact on population size and age structure.
Family Composition	<ul style="list-style-type: none"> Family and neighbourhood ties in Malta are still very strong: the result is a widespread informal care for grandchildren, frail, elderly, mental or physical disabilities, and terminal illnesses. The average household size (3.1) is expected to drop thanks to the downwards in fertility, nuclearisation and the increase of one-person households. 	<ul style="list-style-type: none"> The demand for institutional care is expected to increase, and the number of persons in institutional care is forecast to grow by 1.85% annually. This latter trend is also made more pronounced by the expected decline in the number of informal carers and the increased presence of women on the labour market. The higher demand for housing might push prices up, thus creating a greater risk of poverty
Immigration	<ul style="list-style-type: none"> Number of undocumented immigrants during the past year exceeded the total population increase (natural increase plus registered migration) by almost 30% 	
Income disparity	<ul style="list-style-type: none"> The Gini coefficient of Malta is only slightly different from the EU average. Average earnings for women are only 82.02% of men's average earnings in December 2002 	<ul style="list-style-type: none"> Last years, average earnings for women are increasing significantly.
Poverty	<ul style="list-style-type: none"> 14.9% of population live in Malta at risk of poverty, very similar to the EU average. The high risks of poverty rate are among: unemployed, single parents, and persons in rented house. The risk of this sectors is significantly higher than in the EU. Similar to the EU risk of poverty are: children and persons aged over 65. 	
Living Conditions	<ul style="list-style-type: none"> In Malta property ownership is most common (68% of all dwellings being household-owned). However, there is evidence that some strata of the Maltese population live in poorer housing conditions owing to their economic situation and living arrangements. Concerning persons in rented accommodation, it's considered that the risk of is much higher than the EU average. 	
Regional Disparities	<ul style="list-style-type: none"> In the Inner Harbour district exist a annual population decrease of 1.4%. Large proportions of persons with no qualifications have been recorded in South-Eastern District and in Gozo. Urban regeneration is particularly necessary in the Inner Harbour District. 	
Ethnic Minorities	<ul style="list-style-type: none"> There's low proportion of non-Maltese (2.4% of the total) and small number of minorities. 	
Informal Sectors	<ul style="list-style-type: none"> Labour force which remains outside the structures, enjoys no social protection and also pays no taxes, distorts competition and weakens the funding of social and legal protection. 	

Source: Evaluation team

4.2 Equality of Treatment in Malta

Finally, having the difficult for the equality treatment in Malta, a more summary analysis on the situation of the labour situation and social status of women in Malta is suggested:

Figure 3. Summary analysis on the situation of the labour situation of women

Area of analysis	Actual situation	Trend
General Overview	<ul style="list-style-type: none"> The employment rate for women is very low: only 34.3% of women, against 54.7% rate in the EU 	<ul style="list-style-type: none"> Number of employed women and employment rate are increasing significantly more than employed males and employment men rate. It's still not easy for women to combine motherhood and family duties with a professional career.
Full-Time Employment	<ul style="list-style-type: none"> The female participation in public and private sector remains similar to the men: 2 out of 3 employed women work in the private sector and the rest, work in the public sector. The self-employment rate for women stands low in Malta (4.8%) against EU figures (7.9%) 	
Part-Time Employment	<ul style="list-style-type: none"> 66% of all Part-Timers in Malta are women. 	
Hidden Employment	<ul style="list-style-type: none"> It is believed that a number of low-skilled females operate outside the formal economy. 	
Unemployment	<ul style="list-style-type: none"> Unemployed women have higher education profiles than unemployed males. 	
Skills of the labour force	<ul style="list-style-type: none"> The education level of females is lower than men, in terms of secondary and tertiary levels. But women have lower illiteracy rates than men. 	

Source: Evaluation team

4.3 Summary of weakness and trends

4.3.1 Actual and potential weakness of the Labour Market and Discrimination and Inequalities

Summing up the above tables, analysing contained information in the EQUAL Programme, and adopting and strategic approach, the internal analysis shows the following main actual weakness and the potential ones.

Weakness has been divided into two classifications: First Level Weaknesses, which refers to the main weaknesses identified and addressed in the JAP, and Second Level Weakness, which are more a priority in the framework of the JIM.

4.3.2 First Level Weaknesses

Figure 4. Summary Table of the main weakness, trend and dynamics of the labour market.

W	Weakness	Trend	Dynamics
W.1.	<ul style="list-style-type: none"> ▪ The employment rate is low in Malta. ▪ Unemployment rate is persistent. 	<ul style="list-style-type: none"> ▪ Maltese labour market has a low capacity to generate employment. ▪ Unemployment rate (especially youth unemployment) is having a tendency to increase. 	↑↑
W.2.	<ul style="list-style-type: none"> ▪ Employment female rate is very low. 	<ul style="list-style-type: none"> ▪ Employed women and employment rate are increasing. 	↓
W.3.	<ul style="list-style-type: none"> ▪ Rate of self-employed is very low. ▪ Self-employed female rate is low 	<ul style="list-style-type: none"> ▪ There's decrease of the self-employment for last 20 years in the country 	↑↑
W.4.	<ul style="list-style-type: none"> ▪ Informal economy absorb a significant share of the labour market 	<ul style="list-style-type: none"> ▪ Since introduction of VAT, the level of hidden economy is believe to have fallen. 	↓
W.5.	<ul style="list-style-type: none"> ▪ There's low education level in the labour force: very low level at tertiary level, important rate of illiteracy, and high proportion of unemployed people with low level of education and limited skills. 	<ul style="list-style-type: none"> ▪ The active population does not have sufficient training opportunities. 	=

Note: It is marked with ↓↓ / ↑↑ when the intensity of the weakness has decreased / increased considerable, with ↓ / ↑ when then the weakness has decreased/increased slightly, and with =, the weakness has maintained regular from the initial situation.

Source: Own elaboration from data of the diagnosis.

4.3.3 Second Level Weaknesses.

Figure 5. Summary Table of the main weakness, trend and dynamics of Discrimination and Inequalities.

W	Weakness	Trend	Dynamics
W.6.	<ul style="list-style-type: none"> ▪ Informal care is still very strong. 	<ul style="list-style-type: none"> ▪ Social and economic changes on population will increase the demand for institutional care. 	↑↑
W.7.	<ul style="list-style-type: none"> ▪ Average earning for women are lower than men 	<ul style="list-style-type: none"> ▪ Average earning for women is increasing. 	↓
W.8.	<ul style="list-style-type: none"> ▪ A significant share of the population lives at risk of poverty: the risk of poverty concerning persons in rented accommodation is very high. 	<ul style="list-style-type: none"> ▪ It's foreseen a higher demand for housing and consequently, on prices. 	↑↑
W.9.	<ul style="list-style-type: none"> ▪ South-Eastern District in Malta registers the main regional disparity with the rest of the country: concentrates large proportion of persons with no qualification and urban regeneration is necessary. 	<ul style="list-style-type: none"> ▪ This District suffers an annual population decrease. 	↑

Source: Evaluation Team

5. ASSESSMENT OF THE RATIONALE AND CONSISTENCE OF THE STRATEGY

5.1 Insertion of the Malta's and the EES

The European Employment Strategy (EES) is the consequence of the agreement of the EU Heads of State to strive for a high level of employment and to co-ordinate their actions at a European level. Accession countries have joined the EU dialogue on a co-ordinated Employment and Inclusion policy. The Joint Assessment Papers (JAPs) and the Joint Inclusion Memoranda (JIMs) derive from this dialogue.

The following table shows the insertion and how the Employment Policy Priorities of Malta's JAP fits with the ten guidelines of the European Employment Strategy for 2003.

Figure 6. Policy options from the Employment Policy Priorities (Malta's JAP) in terms of ESF Policy Fields.

European Employment Strategy Guidelines	Policy options from the Employment Policy Priorities (Malta's JAP) in terms of ESF Policy Fields.				
	Promoting Innovation, Adaptability, Entrepreneurship	Developing and Promoting Active Labour Market Policies	Promoting Equal Opportunities for All	Promoting and Improving Training, Education and Counselling	Promoting Women's Labour Market Access and Participation
Active and Preventive Measures for the Unemployed and Inactive	✓				
Job Creation and Entrepreneurship	✓	✓	✓	✓	
Address Change and promote Adaptability and Mobility in the Labour Market		✓		✓	
Promote Development of Human Capital and Lifelong Learning			✓		
Increase Labour Supply and Promote Active Ageing	✓	✓			
Gender Equality	✓		✓	✓	✓
Promote the Integration of and Combat the Discrimination against people at a Disadvantage in the Labour Market		✓			
Make Work Pay through Incentives to Enhance Work Attractiveness					
Transform Undeclared Work into Regular Employment				✓	
Address Regional Employment Disparities					

Source: Evaluation Team

The following table shows to what extent the ESE Guidelines are addressed by the JAP Policy Fields. The valuation is as follows:

- nule impact of the JAP policies on the ESE Guidelines (0)
- suitable impact of the JAP policies on the ESE Guidelines (+)
- high impact of the JAP policies on the ESE Guidelines (++)
- very best impact of the JAP policies on the ESE Guidelines (+++)

Figure 7. The Employment Policy Priorities of Malta's JAP consistency with the European Employment Strategy.

ESE Guidelines	Employment Policy Priorities of Malta's JAP
Active and Preventive Measures for the Unemployed and Inactive	+
Job Creation and Entrepreneurship	+++
Address Change and promote Adaptability and Mobility in the Labour Market	++
Promote Development of Human Capital and Lifelong Learning	+
Increase Labour Supply and Promote Active Ageing	++
Gender Equality	+++
Promote the Integration of and Combat the Discrimination against people at a Disadvantage in the Labour Market	+
Make Work Pay through Incentives to Enhance Work Attractiveness	0
Transform Undeclared Work into Regular Employment	+
Address Regional Employment Disparities	0

Source: Evaluation Team

5.2 Justification of the strategy and priorities

According to the aforementioned “Working Paper 2”, Ex-Ante Evaluation should help understand to what degree priorities correspond to the ranking of disparities and needs, and must justify the priorities according to the global objectives of economic and social cohesion. Ex-Ante Evaluation has also to provide an appraisal of the internal consistency between, on one hand, the strategic objectives as defined in the EQUAL Programme and, on the other hand, the operational and specific objectives as defined at priority level. As for external consistency of the Plan, interventions should be compatible with national macroeconomic and budgetary policies, as well as Community policies and rules. The evaluation of the rationale and overall consistency of the strategy are among the fundamental elements in the justification of the policy mix, and the share and weight each priority and strategic axis has been assigned. The Ex-Ante Evaluation should provide an appraisal as to the consistency between the strategic, specific and operational objectives.

EQUAL is one of the Community Initiatives and is financed by the European Social Fund. Furthermore, EQUAL is a means to support the employment and social policy priorities established in the annual National Action Plans for Employment and Social Inclusion (NAP Employment and NAP Inclusion).

The EQUAL Initiative adopts a thematic approach linked to the original four pillars of the EES (Employability, Entrepreneurship, Adaptability, Equal Opportunities), with additional provision for the integration of asylum seekers. These are the nine priority themes in which

groups of Member States consider that transnational co-operation in the EQUAL Initiative could assist them to improve delivery of their national policies.

The EQUAL Programme 2004-2006 for Malta has chosen Priority Themes within the parameters of the budgetary allocation provided and the short implementation period. The four Priority Themes are:

- Employability Pillar (1a)
- Enterpreneurship Pilar (2c)
- Reconcile Family and Professional Life Pillar (4g)
- Asylum Seekers (AS)

The overall objectives are the following:

Figure 8. Priority Themes for EQUAL Programme 2004-2006 for Malta and overall objectives:

1a.	Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all
2c.	Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas.
4g.	Reconciling family and professional life, as well as the reintegration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support service
AS	Helping asylum seekers to gain access to labour markets and, in the case of those facing repatriation, helping with education and training, which will be useful to them in their home country

Source: Evaluation Team

Figure 9. Specific Objectives by priority Theme

<u>Priority Theme 1a</u>	
1.	To test new ways to ensure permanent integration of the most excluded groups.
2.	To improve quality and effectiveness of support aimed at improving the employability of those facing greatest difficulty in the labour market.
3.	To deliver local employment strategies which enable a better match between job seeker and the jobs available.
4.	To improve the labour market opportunities of immigrants, asylum seekers and their descendants.

5. To facilitate entry and re-entry to the labour market for those in greatest difficulty.
6. To improve the effectiveness of labour market integration of the most disadvantaged groups, by better use of ICT in the development of systems and/or direct support for individuals.
7. To promote access or return to the labour market by removing barriers within sectors and/or improving ICT.
8. To develop and implement a new approach to supporting the unemployed.
9. To promote the active participation of employers and professional organisations in job creation programmes.
10. To develop and promote innovative labour market and educational interventions to facilitate the integration and/or re-integration of marginalised groups into the labour market.
11. To create the conditions to enable the most disadvantaged to enter the labour market.
12. To facilitate access to the labour market for those who are excluded such as drug-addicts, homeless, delinquents, etc. by developing in-depth guidance and support, including monitoring and support once the individuals have left the institution.
13. To develop integrated provisions to meet the needs of the most disadvantaged such as long-term unemployed, returnees to the labour market, ex-prisoners and those following a programme of drug rehabilitation treatment.
14. To combat discrimination on the grounds of sex, religion, beliefs, age, sexual orientation or disability.
15. To increase the understanding of policy makers and practitioners to the barriers faced by those who are disadvantaged in the labour market.
16. To improve the effectiveness of integrated employment services and their ability to develop effective personalised pathways to work by testing new approaches and combining different technologies.

Priority Theme 2c

17. To stimulate business start-ups by those who are disadvantaged or discriminated against in the labour market.
18. To create new jobs and develop quality sustainable businesses.
19. To encourage a collective approach to business creation and development.
20. To develop business support services which encourage those who are excluded or discriminated against to set up their own business.
21. To improve existing support for business start-ups to make it easier to start a business.
22. To promote entrepreneurship as an option for disadvantaged groups to develop integrated support for the creation of new firms.
23. To develop and promote innovative and inclusive business creation skills and opportunities for marginalised groups in both urban and rural areas.
24. To stimulate entrepreneurship for ethnic minorities and people with occupational disabilities.
25. To stimulate entrepreneurship for women.
26. To develop integrated strategies which meet the needs of local development and job creation.
27. To stimulate local job creation, improve use of new technologies, and ensure that the necessary support is available to women.
28. To encourage self-employment as a route out of exclusion, and a means to create employment in under-performing regions.
29. To test approaches to ensure that mainstream business support is developed to meet the needs of excluded groups.

Priority Theme 4g

30. To research, identify and pilot initiatives to develop new work structures for a better work/life balance
31. To provide incentives to employers to introduce family-friendly working arrangements (e.g. parental leave, reduced hours, tele-working, job-sharing and other innovative working arrangements) to enable employees to create a better work-life balance
32. To provide incentives to employers to improve existing family-friendly working arrangements through flexibility in their take-up to enable employees to create a better work-life balance
33. To develop and promote “keep-in-touch” policies and practices and training opportunities for employees on parental leave, reduced hours or in other forms of working arrangements, so that employees may reconcile their family life and individual advancement
34. To increase equal opportunities by upgrading the skills of women who have left work because of family commitments thus increasing their access to the labour market
35. To increase childcare and eldercare provision, improve the quality of services and promote the benefits of formal childcare/eldercare provision
36. To improve accessibility to family support structures (childcare and eldercare) particularly for single parents, people with occupational disabilities and low-income groups

37. To raise awareness of the differential gender impact and resulting concerns of gender segregation at the workplace and to develop tools to deal with it
38. To promote measures providing job quality and security for atypical workers, including part-timers, to encourage take-up of such jobs as a means to reach a work-life balance

Asylum Seekers

39. To improve the personal situation and labour market prospects of asylum seekers – in the context of domestic legislation.
40. To improve the quality of the reception and develop training to enable asylum seekers to access mainstream support for employment and training.
41. Prepare asylum seekers for social and vocational integration.
42. To develop support for asylum seekers to improve labour market integration in Malta or in their country of origin.
43. To support asylum seekers to play a role in society and manage their own lives.
44. To improve community relations by educating people about the needs of asylum seekers.
45. To maintain, restore or increase asylum seekers' employability within the parameters of domestic legislation.
46. Improve the living conditions of asylum seekers in reception centres.
47. To promote and develop a non racist and intercultural approach as a major principle in informing integration policy involving statutory and non-statutory agencies at local and national levels.
48. To improve access to education and employment within the scope of domestic policy.
49. To develop an employment strategy which is appropriate to the needs of asylum seekers and those allowed to live and work in Malta.

Source: Evaluation Team from data of the JAP.

Outstanding with the diagnosis.

5.3 Existing relation chosen priority themes and weakness.

5.3.1 Coherence between operational objectives and diagnosis.

The following table scores the how the objectives of the chosen priority themes are addressing the different weakness identified (first level weaknesses): 3 points means a very significant influence of the objective in the addressing of the weakness; 1 point means a significant influence of the objective in the addressing of the weakness; 0 points means null or slightly influence of the objective in the addressing of the weakness.

Figure 10. Existing relation chosen priority themes and weakness

Objectives	W. 1	W.2	W.3	W.4	W.5	Average
Priority Theme 1a. Employability Pillar						
1	1	1	1	1	1	1,00
2	3	3	1	1	1	1,80
3	3	1	1	1	0	1,20
4	3	1	1	1	1	1,40
5	3	3	1	1	1	1,80
6	3	3	1	1	1	1,80
7	3	1	1	1	0	1,20
8	1	1	1	1	1	1,00
9	3	1	1	1	0	1,20
10	3	1	1	1	1	1,40
11	3	3	1	1	1	1,80
12	3	1	1	1	1	1,40
13	3	3	1	1	1	1,80
14	3	3	1	1	0	1,60
15	1	1	1	1	1	1,00
16	3	1	1	1	1	1,40
Priority Theme 2c. Entrepreneurship Pillar						
17	3	3	3	1	1	2,20
18	3	1	3	1	0	1,60
19	3	1	3	1	0	1,60
20	3	1	3	1	1	1,80
21	3	1	3	1	0	1,60
22	3	1	3	1	0	1,60
23	3	1	3	1	3	2,20
24	3	1	3	1	1	1,80
25	3	3	3	1	1	2,20
26	3	1	3	1	1	1,80
27	3	3	3	1	1	2,20
28	3	1	3	1	1	1,80
29	3	3	3	1	1	2,20
Priority Theme 4g. Reconcile Family and Professional Life Pillar						
30	1	3	1	1	1	1,40
31	1	3	1	3	1	1,80
32	1	3	1	3	0	1,60
33	1	3	1	3	3	2,20
34	1	3	1	1	3	1,80
35	1	3	1	1	0	1,20
36	1	3	1	3	0	1,60
37	1	3	1	1	0	1,20
38	1	3	1	3	0	1,60
Asylum Seekers (AS)						
39	1	1	1	1	1	1,00
40	1	1	1	1	0	0,80
41	1	1	1	1	3	1,40
42	3	1	1	1	1	1,40
43	1	1	1	1	1	1,00

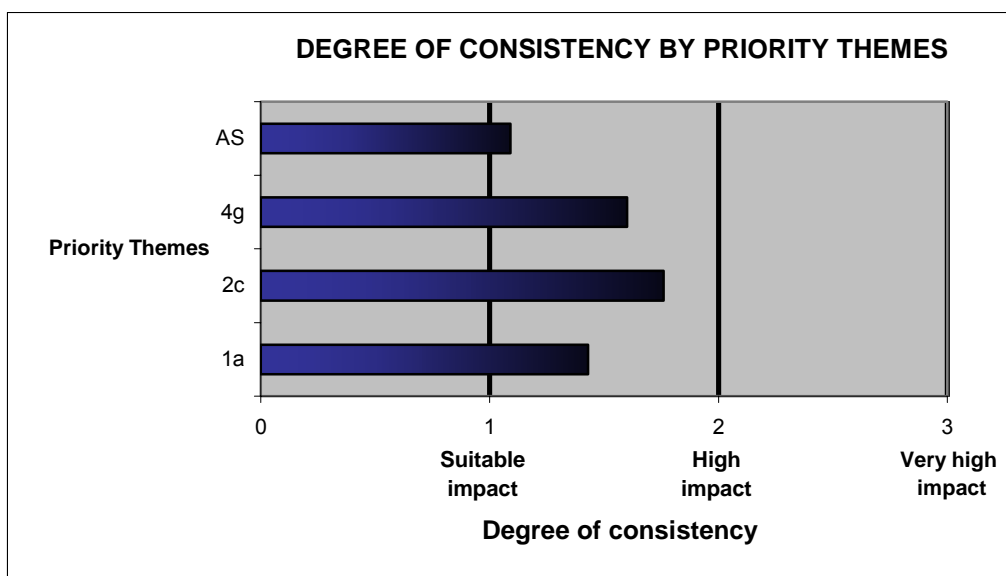
44	0	1	0	1	3	1,00
45	1	1	1	1	1	1,00
46	0	1	0	1	0	0,40
47	1	1	1	1	0	0,80
48	3	1	1	1	3	1,80
49	3	1	1	1	1	1,40

Source: Evaluation Team

Priority Themes addressing the different weaknesses

The following table shows, from the 4 chosen Priority Themes, which is the degree of consistency with addressing the weaknesses identified.

Bar chart 1. Degree of consistency by priority themes



Source: Evaluation Team

The Priority Theme Priority Theme 2c. Entrepreneurship Pillar

The valuation is as follows:

- null impact of the Priority Theme addressing the identified weakness. (0)
- suitable impact of the Priority Theme addressing the identified weakness (+)
- high impact of the Priority Theme addressing the identified weakness (++)
- very best impact of the Priority Theme addressing the identified weakness (+++)

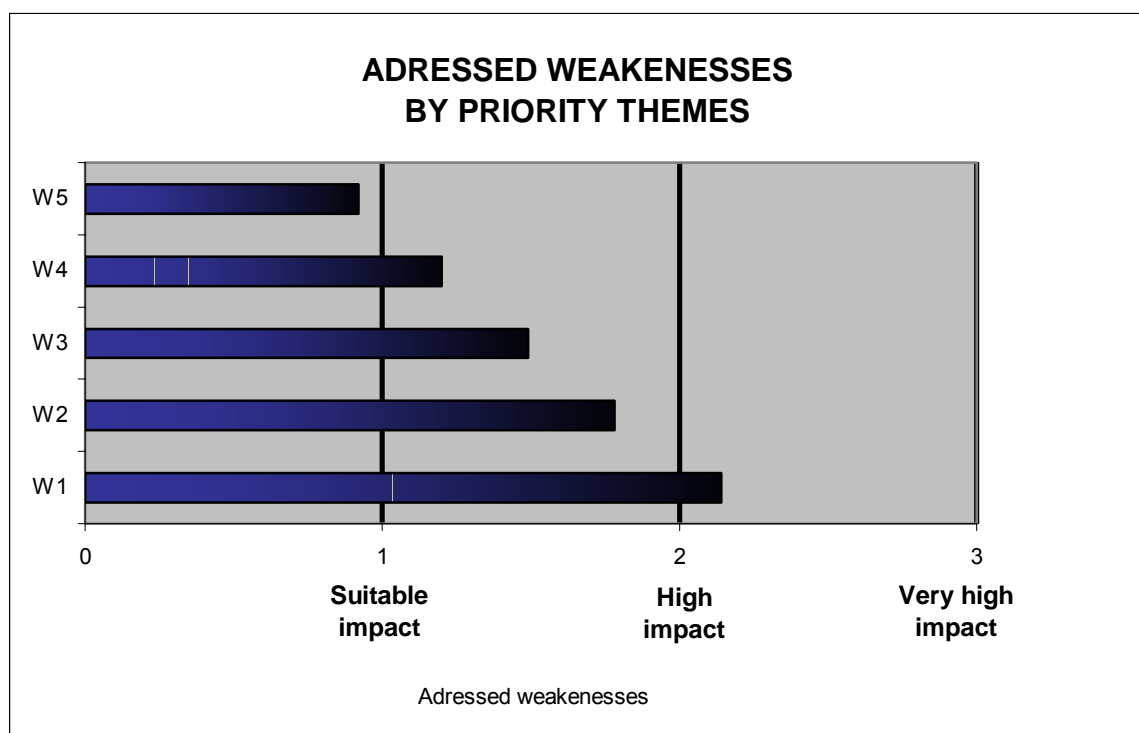
Figure 11. Valuation of priority themes

Priority Theme 1a. Employability Pillar	++
Priority Theme 2c. Entrepreneurship Pillar	++
Priority Theme 4g. Reconcile Family and Professional Life Pillar	++
Asylum Seekers	+

Source: Evaluation Team

The following table, shows how the identified weakness are addressed by the chosen priority Themes

Bar chart 2. Weaknesses addressed by Priority Themes



Source: Evaluation Team

Figure 12. How the identified weakness are addressed by the chosen priority Themes

W.1.	The employment rate is low in Malta. Unemployment rate is persistent.	+++
W.2.	Employment female rate is very low.	++
W.3.	Rate of self-employed is very low. Self-employed female rate is low	++
W.4.	Informal economy absorb a significant share of the labour market	+
W.5.	There's low education level in the labour force: very low level at tertiary level, important rate of illiteracy, and high proportion of unemployed people with low level of education and limited skills.	+

Source: Evaluation Team

Summing up: it has to be stressed that the EQUAL Programme strategy and chosen Priority Themes properly address the main weakness identified. Furthermore, all chosen Priority Themes makes an important contribution to address the weakness.

5.3.2 Analysis of the rejected Priority Theme and consistency with the strategy.

In order to complete the assessment and rationale of the strategy, an exercise to analyse the impact of the rejected Priority Themes has been carried out by the Ex-Ante Evaluation team. After the study of any other relevant documentation (specially the Single Programme Document) and the different meetings with representatives of the Ministry for Social Policy,

the Planning and Priorities Co-ordination Directorate and the different potential DP, the following table express a summary of this analysis.

Figure 13. Analyse the impact of the rejected Priority Themes

Rejected Priority Theme.	Summary of main reasons
1b. Combating racism and xenophobia in relation to the labour market.	Being Malta an homogeneous society, at the time being is not a priority for the country.
2d. Strengthen the social economy (the third sector) in particular the services of interest to the community, with a focus on improving the quality of jobs.	The social sector is very well addressed with national policies. The following Legislation refers: - Co-operatives Societies Act, CAP 442 - Persons with Disability (Employment) Act, CAP 210 - Equal Opportunities (Persons with Disability), CAP 413
3e. Promoting lifelong learning and inclusive work practices which encourage the recruitment and retention of those suffering discrimination, and inequality in connection with the labour market.	Addressed themes in the framework of the Single Programme Document, under the Axe 2 “Developing People” and Axe 4 “Regional Distinctiveness. Gozo Special Needs”. Measures were developed: Measure 2.1. “Employability and Adaptability”. Measure 2.2. “Gender Equality”. Measure 2.3 “Lifelong Learning and Social Inclusion Measure 4.2 “Human Resources”.
3f. Supporting the adaptability of firms and employees to structural change and the use of information technology and other new technologies.	Objectives of the mentioned measures: Axe 2: To support Malta’s main future resource by improving the employability and adaptability of its workforce and create more synergy between labour market demand and supply. To support the inclusion of persons with disability into the labour market. To promote lifelong learning. Axe 4: To support human resources development, particularly addressing demand and supply mismatches of the Gozitan labour market with a view to increase the employment rate in Gozo.
4g. Reducing gender gaps and supporting job desegregation.	Also with an indirect impact on the mentioned Priority Themes: Measure 1.2.2 “Education and Social Infrastructure”, under Axe 1 “Strategic Investments and Strengthening Competitiveness”. (This measure will consist on investment on infrastructure to increase the capacity and the quality of education/social infrastructure, particularly those related to vocational training)

Source: Evaluation Team from data of the J-AP.

6. CONSISTENCY WITH CROSS-CUTTING PRIORITIES

Annex 3 and Annex 4 of Working Paper 2 respectively address the assessment of environmental and gender equality issues.

As for the environment, an appraisal of the environmental situation must be carried out, in terms of strengths and weaknesses of the area and their relation with opportunities and threats for economic development. Besides this, it should be assessed the level of implementation of Community environmental policy and directives. An appraisal of the environmental impact of the strategy and the programme has to be provided, identifying the extent to which the programme is attempting to address environmental issues and actively promote more resource efficient and less resources intensive activities.

Equality of opportunities between men and women will be promoted through a double strategy: gender mainstreaming and specific measures targeted at women. Ex-Ante Evaluation shall also appraise the situation of equality of men and women, and an assessment of the implementation mechanisms and the expected impact of the strategy and assistance, specially on integration of women and men into the labour market, education and training, establishment of women in business, and reconciliation between working and family life. Selection criteria should be set up in order to monitor the integration of the equality principle during project definition, and indicators on how the principle of equal opportunities is taken into account should be established.

6.1 Environment

According to the specific analysis contained in the EQUAL Programme and the interviews held, the environmental situation of Malta is very serious.

An exercise to assess the impact of the EQUAL Programme has been carried out by the Ex-Ante Evaluation team in a meeting with representatives of the Ministry for Social Policy, the Planning and Priorities Co-ordination Directorate and the different potential DP.

Table below shows the positive (+), neutral (0) or negative (-) effects of the different measures defined in the EQUAL Programme on the environment.

Figure 14. Impacts of the EQUAL Programme has been carried out

Priority Theme	
Priority Theme 1a. Employability Pillar	0
Priority Theme 2c. Entrepreneurship Pillar	0
Priority Theme 4g. Reconcile Family and Professional Life Pillar	0
Asylum Seekers	0

Source: Evaluation Team

The net balance is that the impact on environment is neutral. Despite the fact that is difficult that the actions under EQUAL could have some kind of impact on the environment, the ex-ante evaluators team would like to stress the need to make efforts in order to reflect, when is possible, a positive impact on the environment: training courses should include the environment as a subject, or entrepreneurship ventures should encourage good environmental practices. In the case of reconstruction of buildings for example, new apartments could be pilot projects on sustainability: desegregation of waste, etc.

6.2 Equal opportunities for men and women

The EQUAL Programme gives a thorough description of differences between women and men in terms of their participation in the labour market by category of economic activity, including data on horizontal and vertical segregation.

An exercise to assess the impact of the EQUAL Programme on gender equality has been carried out by the Ex-Ante Evaluation team in a meeting with representatives of the Ministry for Social Policy, Planning and Priorities Co-ordination Directorate and the potential DP. The following table shows expected impacts of EQUAL interventions on equal opportunities for men and women. (The valuation is: positive [+], neutral [0] or negative [-] effects of the different measures defined in the EQUAL Programme on the Gender Equality).

Figure 15. Impacts of SPD Measure on Gender Equality

Priority Team	
Priority Theme 1a. Employability Pillar	+
Priority Theme 2c. Entrepreneurship Pillar	+
Priority Theme 4g. Reconcile Family and Professional Life Pillar	+
Asylum Seekers	0

Source: Evaluation Team

The net balance is that the impact on Gender Equality is positive.

Quantification of impacts and financial resources allocation

The following table shows some context indicators of the Maltese actual situation of the main identified weakness in comparison with the EU-15 situation.

Figure 16. Context indicators of the main weakness.

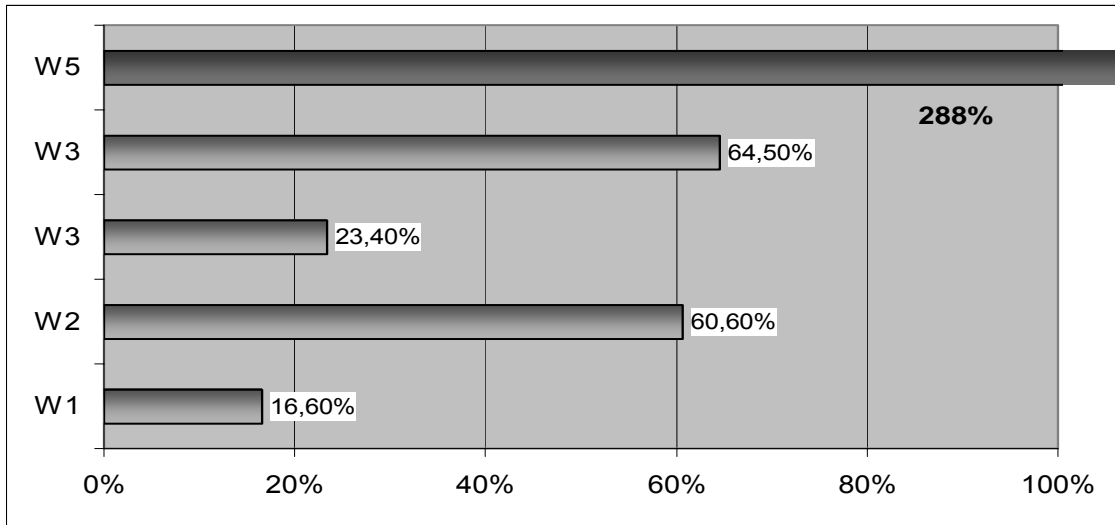
Weakness	Indicator	Malta	EU-15 (2001)
W.1.	Employment rate	54.7%	63.8%
W.2.	Female employment rate	34.3%	55.1% *
W.3.	Male Self-employed rate.	12.8 %	15.8%
	Female Self-employed rate	4.8 %	7.9%
W.4.	No indicator available on informal/hidden economy.		
W.5.	Tertiary education rate of entire working population aged 15-64	7.5%	21.6%

Source: Evaluation Team and data from EUROSTAT and JAP.

*The European Employment Strategy has set out employment rate targets for 2010: 71% for men and 60% for women.

As it shows in the above table, not all the weakness is in the same situation in comparison with EU standards. The following figure clarifies which is the gap to recover to reach the EU levels in the different identified weakness:

Figure 17. Gap to recover to reach the EU levels.



Source

Source: Evaluation Team

Source: Evaluation Team

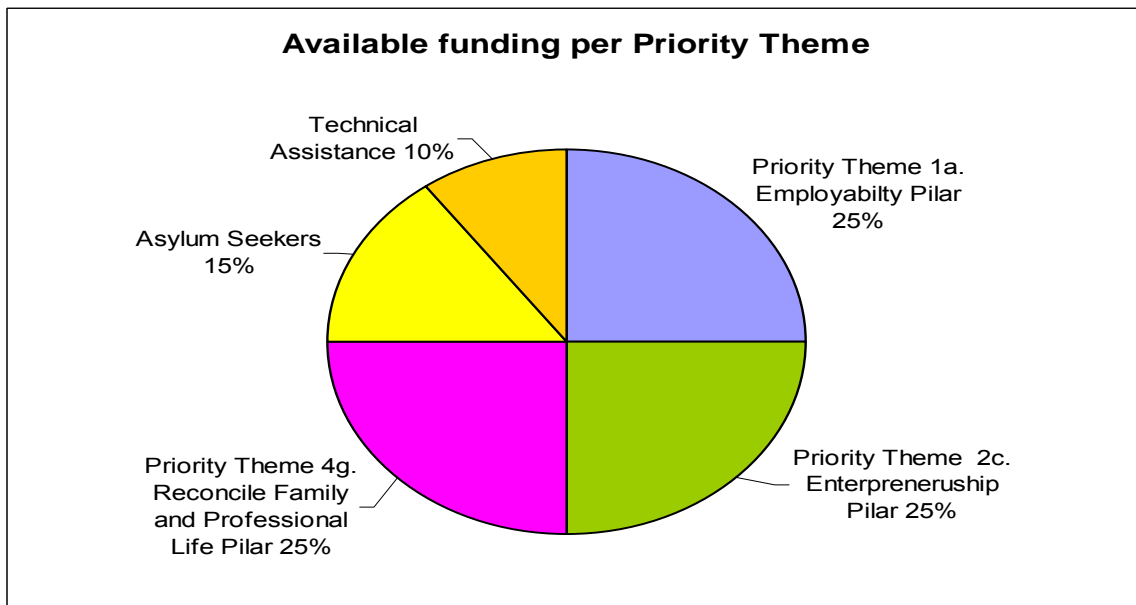
On the other hand, the financial allocation for the different Priorities of the EQUAL Programme has been established as follows:

Figure 18. Financial allocation per Priority Theme. (2004-2006)

Priority Theme	Total Eligible Cost (available funding)
Priority Theme 1a. Employability Pillar	413,721
Priority Theme 2c. Entrepreneurship Pillar	413,721
Priority Theme 4g. Reconcile Family and Professional Life Pillar	413,721
Asylum Seekers	248,233
Technical Assistance	165,488
TOTAL	1,654,884

Source: Evaluation Team

Figure 19. Percentage of financial allocation per Priority Theme.



Source

Source: Evaluation Team

Given the different relative position of the identified weakness, it is suggest by the Evaluation Team that it is needed a better explanation and justification why the available funding has been allocated in equal parts between the 3 Priority Themes.

It has to be stressed that the institutional arrangements to guarantee the proper indicators on expected impacts and monitoring indicators has been already established.

7. CONCLUSIONS AND RECOMMENDATIONS

The examination of the Community Initiative Programme EQUAL 2004-2006 for Malta, other specific studies and planning documents, as well as the impressions drawn out from meetings and interviews held in Malta lead to the following conclusions and recommendations:

Programming Process

- 1) The EQUAL CIP is set into the framework of the “Joint Assessment of the Employment Policy Priorities for Malta” and the “Joint Inclusion Memorandum”, and takes into account the strategies established into the Single Programming Document for Malta Objective 1 Structural Funds as well as various sectorial programmes and policies drawn up by the different Ministries.
- 2) The CIP has been elaborated in close co-operation within the different Departments involved and with the participation of relevant socioeconomic partners and with consultations with the potential EQUAL CIP Development Partners.

Socio-Economic Diagnosis

- 3) The EQUAL CIP contains a thorough description and appraisal of the current situation of the Labour Market and Discriminations and Inequalities in Malta.
- 4) The socio-economic analysis carried out has made proper use of all relevant statistical information on Malta from national and European sources. The National Statistical Office provides with a sufficient data base at national level.

•

Recommendation I. It would be preferable to include a summary table including a detailed identification of strengths, weaknesses, opportunities and threats of the Labour Market and Discrimination and Inequalities.

Recommendation II. A specific analysis of the labour and social situation of women in Malta is suggested.

Recommendation III. The analysis of the Labour Market and Discrimination and Inequalities could be completed with a summary table with context indicators in Malta and in the EU.

Rationale and Consistence of the Strategy

- 5) The Employment Policy Priorities of Malta’s JAP fits properly with the European Employment Strategy.

- 6) The relevance and consistency analysis shows that all weaknesses are addressed by the objectives pursued and that a high degree of synergy results. Internal consistency is assured, as long as all objectives are served by the Priority Themes defined in the Programme.
- 7) The EQUAL CIP strategy properly complements other plans under way, specially the Single Programme Document for Malta 2004-2006.

Cross-Cutting Priorities

- 8) Gender equality issues are properly addressed through Priority Themes. Also, consideration of the Equal Opportunities as a cross-cutting priority has been very well assumed by all the bodies in charge of the programming and implementation of other measures.
- 9) The net balance of the impact of the Programme on the Environment is neutral.

•

• *Recommendation IV. More efforts should be done in order to create a positive impact of the Programme on the Environment. All involved bodies and potential DP have to improve environmental aspects in their actions. The responsible Environmental Authority in Malta should draw up guidelines or methodological guide, based upon documents issued by the European Commission.*

Financial Resources allocation and quantification of Impacts

- 10) Financial allocation by Priorities has been already decided. Given the small budget available for the Programme, the concentration in 4 Priority Themes it's apparently the most efficient option.
- 11) Institutional arrangements and suitable indicators to monitor the impact of the programme have been already established.

Recommendation V. The criteria to allocate the available funding between Priority Themes must be explained.

Recommendation VI. As a general rule for the all the DP at the selection process, it's suggested to not keep restricted the objectives and participants of the different actions to only one potential group. The combination of criteria in the same actions, in order to reach different discriminated or excluded groups, will spread the impact and the benefit of the EQUAL actions.

Recommendation VII. The composition of the members of the DP, should include all bodies involved (directly and indirectly) in the group of potential beneficiaries of the actions. Otherwise, the preceding recommendation couldn't be reached and consequently, affect to the overall impact of the Programme.

ANNEX D: COMPLIMENTARITY AND COMPATIBILITY WITH COMMUNITY POLICIES
Correlation between EQUAL Themes and the Measures of the Mainstream SPD

Chosen Priority Theme under EQUAL CIP	Related ESF Measures of the Mainstream SPD	Target Groups
i. Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all	1.2.2 Education and Social Infrastructure 2.1 Employability and adaptability 2.2 Gender Equality 2.3 Lifelong learning & Social Inclusion 4.1 Basic Infrastructure & development of the tourism sector 4.2 Gozo's Human Resources	Disadvantaged youths both male and female residing in institutes; workers in industries undergoing restructuring; women; people in the crafts sector; people with low literacy levels, single parents; female workforce; disabled and socially excluded persons, research and development graduates, students, the unemployed, enterprises, labour force in general
c Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural area	1.3 Support to Enterprise 4.2 Gozo's Human Resources	Unemployed men and women; persons facing discrimination and inequality, enterprises, employees
g. Reconciling family and professional life, as well as the reintegration of men and women who left the labour market, by developing more flexible and effective forms of work organisation and support services	1.2.3 Service Infrastructure for Industry 2.2 Gender Equality 4.2 Gozo's Human Resources	Women and parents, unemployed men and women, manufacturing companies, employees
i. Asylum Seekers		