1. BASIC INFORMATION

1.1 CRIS Number: 4573/07

1.2 Title: Feasibility and Environmental Impact Studies for Transport Infrastructural Projects - (Phase Two)

1.3 Sector: Transport policy - horizontal issues

1.4 Location: Malta

2. OBJECTIVES

2.1 Overall Objectives

To prepare a project pipeline, complete with Environmental Impact Assessments and appropriate Feasibility Studies, for co-financing under Structural / Cohesion funding upon accession, for parts of the future Trans-European Transport Network on Malta.

2.2 Immediate Objectives

To carry out feasibility studies and environmental impact assessments on the following transport infrastructure proposals emanating from the Malta TINA Study:

- Construction and upgrading of Quay and Terminal Facilities in the island’s harbours.
- Road Construction and Junction Improvements on the Gozo future Trans-European transport Network.
- To provide information for the development of a transport infrastructure Development Strategy 2001-2015 for budgetary planning purposes.

2.3 Accession Partnership and NPAA priority

Accession Partnership

- Transport policy
  Continue legal alignment on road transport (in particular access to the profession, fiscal harmonisation, and transport of dangerous goods) as well as on air transport.
  **In need of particularly urgent action**: Complete alignment and implementation of maritime transport legislation, in particular enforce maritime safety standards, and further strengthen the administrative capacity of the Maritime Authority in order to improve the Flag State performance of the Maltese Merchant fleet.

- Regional policy and co-ordination of structural instruments
  Develop the technical preparation of projects eligible under the Structural and Cohesion Funds assistance (project pipeline).
**NPAA Short-term priorities**

- **Land Transport:**
  Actively work for a well functioning TEN-T network on Malta.

- **Maritime Transport:**
  The Malta Maritime Authority will put into place the necessary technical and human resources required to implement the legislative framework in respect of safety and environment protection.

3. **DESCRIPTION**

3.1 **Background and Justification**

The Maltese Islands are located 93km south of Sicily and 290km from the north coast of Africa. As a small island State, the Maltese economy is highly dependent on external transportation links by sea and air and, in the absence of rail or inland waterway networks, on internal connections by road.

During the late 1980s and early 1990s, the Maltese economy grew simultaneously in both the manufacturing and service sectors. This growth resulted in substantial increases in the volumes of international passenger and goods traffic, mainly between Malta and the rest of Europe. In turn, this growth exerted considerable pressure on the existing sea and air connections and consequently on Malta's internal road-based transportation network and infrastructures. Inevitably, in certain cases, traffic bottlenecks developed in both the internal and external multi-modal network.

Over the last 15 years or so, parts of the network’s infrastructure have been upgraded in order to increase capacity to meet growing transportation demands. However, growth in transport demand has continued, in some cases, at a level higher than that originally forecast, and inevitably weak links and traffic bottlenecks in combined transport are already reappearing. Deficiencies in the transport network often effect the inbound and outbound legs of combined transport journeys and result in increased delay. When such stoppages involve the carriage of goods into or out of Malta, repercussions can be felt throughout the economy; for example, it can lead to loss of productivity in the manufacturing and construction sectors or the unnecessary wastage of perishable food stocks in the agriculture sector. Such negative repercussions are equally applicable to the carriage of persons where, in a competitive tourism market, a poor perception of a country’s transport system can inflict irreparable damage to the service sector through the multiplier effect.

In April 2001, the European Commission Services contracted the Vienna-based TINA Office using funds from the Malta-EU 4th Financial Protocol to carry out a Transport Infrastructure Needs Assessment for road, sea and air transport in Malta. The TINA process provides a reference framework in the enlarged EU and identifies the future Trans-European Transport Network (TEN-T) on the territory of applicant countries. As such, it mainly reflects transport needs at trans-national level and would therefore need to be complemented by national and regional development strategies in Malta for transport sector investments.

The TINA study has identified potential air, sea and road projects that may be of common interest in the field of trans-European transport networks. This study has taken into full account the provisions of Decision N° 1692/96/EC on Community guidelines for the development of the trans-European transport network and its
amendment Decision N° 1346/2001/EC as regards seaports, inland ports and intermodal terminals and it is in line with the priorities set in the White Paper for Common Transport Policy as to promote maritime transport.

Council Regulation (EC) No. 2236/95 on TENs financing sets out the rules for Community aid in this field. Amongst other criteria, it is stated that projects shall only be selected for financial support from the Community if they are economically viable and environmentally sustainable. At this stage in the TINA process, economic feasibility studies and environmental impact assessments have only been conducted on Phase One of the project carried out in the 2002 pre-accession programme, and same criteria apply to the present project proposals (Phase Two). Under Article 4 of the said Council Regulation, it is clear that Community aid can be made available, in the case of TEN-T projects, in the form of:

“a) co-financing of studies related to projects, including preparatory, feasibility and evaluation studies, and other technical support measures for these studies….”

In the light of funding possibilities, the Malta Ministry of Transport & Communications is putting forward a number of potential projects, identified in the TINA process for the possible extension of the TEN-T, for further and more detailed economic feasibility and environmental studies.

The projects in question concern the upgrading of quay and terminal facilities in the Grand Harbour area and the Road Construction Programme and Junction Improvements on the Gozo TINA network, that are considered to be of high strategic importance in the medium to long term. The final maps show the future TEN-T Network in Malta according to the Technical Adaptations of Decision 1692/96/EC.

3.2 Linked Activities

The successful implementation of the project as a whole shall need to take into consideration the following linked activities:

- TINA study funded under the Malta-EU 4th Financial Protocol;
- Port of Valletta Strategic Development Plan;
- National Development Plan (2003-6);
- Administrative capacity building in the transport field associated with the NPAA.

Road network studies shall be carried out in conjunction with the on-going high upgrade programme as presented in the Master Plan for the Road Restoration in Malta prepared by GTZ consultants, Germany and shall take into consideration the possible setting up of training schools for road builders.

3.3 Results

Feasibility studies and environmental impact assessments carried out. These studies will consist of:

- Development of TINA study proposed investment measures into concrete projects;
- Detailed costing of project;
- Financial, technical and economic evaluation for overall project appraisal;
- The identification of environmental impacts and possible measures to mitigate negative environmental impacts;
The results of the studies shall also provide supporting information, in line with Council Regulation (EC) No. 2236/95, laying down the general rules for the granting of Community financial aid in the field of Trans-European Network for possible financial support through Structural / Cohesion funds. The results of the studies shall take into account the Council and Parliament decisions on the development of the TEN-T (Decision No. 1692/96/EC and its amendment Decision No. 1346/2001/EC).

3.4. Activities

The successful implementation of this project anticipates the provision of technical assistance by experienced consultants in the following tasks:

- Carrying out of financial and economic feasibility studies which shall include examining, in detail, project proposal from both a technical and financial perspective and reporting on the justification of investment.
- Carrying out Environmental Impact Assessments on the project in line with European Union directives on the subject, identifying negative impacts and proposing suitable mitigating measures.
- Deliver workshop and carry out consultation with and dissemination of information to the main stakeholders involved.
- Reporting on the effects and costs of each project investments / proposal.

4. INSTITUTIONAL FRAMEWORK

The principal beneficiaries of the project will be the Malta Maritime Authority (MMA) and the Malta Transport Authority (MTA) falling under the portfolio of the Ministry for Transport and Communications (MTC). Both of these authorities have distinct legal personalities headed by a Chairperson and Board and have overall responsibility for the respective provision of sea and road transport infrastructure. The technical and administrative co-ordination of the technical assistance shall be carried out by the MMA and MTA in consultation with the MTC. The Ministry for Finance shall be the competent authority for determining national budgeting issues and financial feasibility of TINA projects.

Other stakeholders of the project include the Ministry for Gozo, particularly where it concerns road network projects in Gozo, and the Planning Authority which is the regulatory authority for all planning applications for transport infrastructure projects.

A number of non-government organisations may also have an interest in the development of the national transport network and the extension of the Trans-European Network to Malta. These include the Association of Tractor and Trailer Operators and Owners, ‘Burdnara’ freight haulage companies, shipping lines, Federation of road builders, and local Environmental lobby groups such as Friends of the Earth and ECO.
5. **DETAILED BUDGET**

<table>
<thead>
<tr>
<th>EU Funding</th>
<th>National co-financing</th>
<th>Total budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>institution Building</td>
<td>Investment</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Technical Assistance for the carrying out of feasibility studies and EIAs on the Construction and Upgrade of Quay and Terminal Facilities in Maltese harbours.</strong></td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td><strong>Technical Assistance for the carrying out of feasibility studies and EIAs on Road Reconstruction Programme in Gozo on TINA network.</strong></td>
<td>320</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>820</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

6. **IMPLEMENTATION ARRANGEMENTS**

6.1 **Implementing Agency**

The Malta Maritime Authority and the Malta Transport Authority as part of the Ministry of Transport and Communications will be the implementing agencies. The Senior Programme Officer (SPO) will be responsible for overseeing the administrative and financial management of the project.

**ADT Contact Person:** Mr Lino Zammit  
Director Roads Directorate  
Malta Transport Authority (ADT)  
Sa Maison Hill, Floriana, Malta  
Tel: +356 21234686  
Fax: +356 21243753  
Email: carmel.zammit@gov.mt

**MMA Contact Person:** Mr C V Schembri  
Executive Director Ports  
Malta Maritime Authority  
Marina Pinto, Valletta  
Tel: +356 21241087  
Fax: +356 21222208  
Email: charles.schembri@mma.gov.mt

6.2 **Twinning**

None.

6.3 **Non-standard aspects**

None.
6.4 **Contracts**

One service contract to carry out Feasibility Studies (FS) and Environmental Impact Assessments (EIA), in separate lots for the ‘ports’ and ‘roads’ studies.

The contract awards shall be concluded in accordance with the procedures laid down in the “Practical guide to EC external aid”.

7. **IMPLEMENTATION SCHEDULE**

7.1 **Start of Tendering**: 1st Quarter 2003

7.2 **Start of Project Activity**: 3rd Quarter 2003

7.3 **Project Completion**: 3rd Quarter 2004

8. **EQUAL OPPORTUNITY**

Equal opportunity principles and practices in ensuring equitable gender participation in the Project will be guaranteed. Male and female participation in the project will be based on the relevant standards of the EU and will be assured by official announcements published to recruit the staff needed for the project. The main criteria for staff recruitment will be appropriate qualifications and experience in similar projects, not sex or age. Both men and women will have equal opportunities and salaries.

9. **ENVIRONMENT**

The scope of part of the project is to assess the environment impact of the TINA study projects in accordance with the relevant EU Directives.

10. **RATES OF RETURN**

Not applicable.

11. **INVESTMENT CRITERIA**

11.1 **Catalytic effect**

The EU contribution shall set the necessary studies underway during the pre-accession period. Upon accession Malta should be in a position to provide the European Commission full justification on TINA network project investment when applying for financial support through structural / cohesion funds.

11.2 **Co-financing**

National co-finance will cover 44% of the total project costs. National funding contribution shall be used to cover administrative and organisational costs of the studies in Malta and to partially cover professional fees of the experts.
11.3 Additionality

No other financiers will be displaced by the EU intervention.

11.4 Project Readiness and size

The final report detailing the TINA network identified proposals for project studies. The strategic TINA process was finalised in June 2002.

11.5 Sustainability

In the context of the strategic TINA process a network of projects of possible common interest is identified. This strategic network with European Added Value is, among other things, based on global and environmental assessments. These global and environmental assessments could be the subject of further refinement on a project level as preparation for possible future request for co-funding investments to develop trans-European transport network in Malta. The project proposal for upgrading quay and terminal facilities in the Grand Harbour, and the road construction programme in Gozo, will be subject to detailed feasibility and environmental impact studies (see conditionality under point 12).

An element of the current TINA Study is an assessment of administrative infrastructures over the next 15 years and makes recommendations for capacity building required as a result of the development of the TINA network.

11.6 Competition

Services will be procured in line with EU regulations.

12. CONDITIONALITY AND SEQUENCING

This project is conditional on the co-financing of projects from Malta funds.

ANNEXES

I Logframe planning Matrix
II Detailed implementation time schedule
III Cumulative Contracting and Disbursement Schedule for EU Funding
IV List of relevant Laws and Regulations
## LOGFRAME PLANNING MATRIX
### FEASIBILITY AND ENVIRONMENTAL IMPACT STUDIES FOR TRANSPORT INFRASTRUCTURE PROJECTS

<table>
<thead>
<tr>
<th>Project Nr: 4573/07</th>
<th>Contracting Period Expires: 30 November 2005</th>
<th>Disbursement Period Expires: 30 November 2006</th>
<th>Total Budget: 1,470,000</th>
<th>EU Contribution: 820,000</th>
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<table>
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<tr>
<th>Intervention logic</th>
<th>Verifiable indicators</th>
<th>Source of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Objectives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extension of the Trans-European Transport Network to Malta and co-financing parts of network</td>
<td>Incorporation of Malta TINA projects into amendment to Council Decision 1692/96/EC</td>
<td>Publication of amendment to Council Decision 1692/96/EC including Malta component</td>
<td>TEN-T is to be extended to Malta TENS financing regulations apply to Malta</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Immediate Objectives</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Evaluation of transport infrastructure proposals emanating from Malta’s TINA study</td>
<td>Accuracy and relevance of information</td>
</tr>
<tr>
<td>Facilitate national budgetary planning in transport infrastructure</td>
<td>TINA study final report Ministry for Transport &amp; communications Budget Estimates National office of Statistics National environmental indicator databank EU regulations on EIAs</td>
</tr>
<tr>
<td>Recommendations of TINA Study Final Report and Maps approved by European Commission</td>
<td></td>
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</table>
### Intervention logic

<table>
<thead>
<tr>
<th>Results</th>
<th>Verifiable indicators</th>
<th>Source of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Feasibility studies and environmental impact assessments carried out.</td>
<td>- Number of viable projects identified and forwarded for possible EU co-financing</td>
<td>Project proposal for TENS financing upon accession</td>
<td>No change in European or transport investment policy by Government.</td>
</tr>
<tr>
<td>- Develop concrete TINA projects</td>
<td>- Revision of Transport Policy</td>
<td></td>
<td>No TINA network developments due to negative impact / feasibility.</td>
</tr>
<tr>
<td>- Detailed costings of investment measures</td>
<td>- Expression of interest in projects by private enterprises</td>
<td></td>
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<td>- Objective prioritisation of projects by national authorities</td>
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### Activities

<table>
<thead>
<tr>
<th></th>
<th>Verifiable indicators</th>
<th>Source of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Economic feasibility studies</td>
<td>- Satisfactory completion of studies</td>
<td>Study Reports</td>
<td>Full availability of data and co-operation of transport operators.</td>
</tr>
<tr>
<td>- Environmental impact assessments</td>
<td>- Increased awareness of projects by departments</td>
<td>Progress report by SPO</td>
<td></td>
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<tr>
<td>- Consultation / Dissemination</td>
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<td></td>
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<tr>
<td>- Reporting</td>
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### ANNEX II

**IMPLEMENTATION TIME SCHEDULE**

**FEASIBILITY AND ENVIRONMENTAL IMPACT STUDIES FOR TRANSPORT INFRASTRUCTURE PROJECTS**

**CRIS REF. 4573/07**

<table>
<thead>
<tr>
<th>Activity</th>
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<td></td>
<td>Jan</td>
<td>Feb</td>
</tr>
<tr>
<td>FS / EIA</td>
<td></td>
<td></td>
</tr>
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<td>Award of Tender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information collection</td>
<td></td>
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</tr>
<tr>
<td>Analysis</td>
<td></td>
<td></td>
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<tr>
<td>Report Drafting</td>
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<tr>
<td>Consultation</td>
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</tbody>
</table>

Studies for transport infrastructural projects (Phase II)
Project Fiche - National Pre-Accession Programme 2003 - Malta

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## ANNEX III

**CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE OF EU FUNDING**

**FEASIBILITY AND ENVIRONMENTAL IMPACT STUDIES FOR TRANSPORT INFRASTRUCTURE PROJECTS**

**CRIS REF. 4573/07**

(Euros)

<table>
<thead>
<tr>
<th>DATE</th>
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<tbody>
<tr>
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<td>I Q</td>
<td>II Q</td>
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<tr>
<td>CONTRACTED</td>
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<tr>
<td>DISBURSED</td>
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ANNEX IV

LIST OF RELEVANT LAWS AND REGULATIONS

EU Laws

- Council Regulation (EC) 2236/95 laying down the general rules for the granting of Community financial aid in the field of Trans-European Networks
- Decision No. 1346/2001/EC amending Decision No 1692/96/EC as regards seaports, inland ports and intermodal terminals as well as project No 8 in Annex III