

European Cohesion Policy in Malta

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The European Union (EU) comprises 27 Member States forming a community and single market of 493 million citizens. However, great economic and social disparities still remain among these countries and their 271 regions. European Cohesion Policy is at the centre of the effort to improve the competitive position of the Union as a whole, and its weakest regions in particular.

Through the European Regional Development Fund (ERDF) and the European Social Fund (ESF), otherwise known as the Structural Funds, as well as the Cohesion Fund, it invests in thousands of projects across all of Europe's regions to achieve its primary task: to promote economic and social cohesion by reducing these disparities between Member States and regions. With a budget of **€347 billion** for 2007–13, Cohesion Policy represents the single largest source of financial support at EU level for investment in growth and jobs, designed to enable *all regions* to compete effectively in the internal market.

However, as the challenges facing Europe's regions have changed over time, so too has the policy. Against a background of momentous change in the Union as a result of enlargement and of increasing globalisation, concerns about energy supplies, demographic decline, climate change and more recently, world recession, the policy has evolved, in step, as a key part of the response to meet these new realities.

IMPACT AND RESULTS OF COHESION POLICY IN MALTA

Cohesion Policy support for Malta, which amounted to over €85 million in the period 2004–06, was concentrated mainly on **environmental protection** and on investment in **infrastructure**, in particular in **waste management** and **water treatment plants**.

30% of total investment was spent on environmental projects, with expenditure mainly directed towards improving sewage treatment which was damaging the island's coastlines and adversely affecting

Cohesion Policy 2007–13



tourism. As a result 220 000 households have benefited from higher quality drinking water. 200 'Bring-In' sites were also created enabling access to new waste management schemes for 60 000 households.

Some €5.2 million of structural funding was invested to develop and modernise the tourist industry.

Almost 300 enterprises received support (11% of which were start-up companies), stimulating almost a further €2 million in private investment.

A SNAPSHOT OF ACHIEVEMENTS

Over €85 million invested from 2004–06:

- Over €25 million invested in the environment, this meant better drinking water for 220 000 households, among other things
- €5.2 million to boost the tourist industry
- 2 600 people received training as a result of joint EU and national support



Almost €5 million of combined EU and national funding was invested to raise levels of skills in the workforce, providing training for **2 600 people** which helped **190 people to find jobs in the high-technology industries**.

EUROPEAN INVESTMENT IN MALTA – 2007–13

For the 2007–13 period, Malta has been allocated **€855 million**, all under the Convergence Objective¹. A national contribution of €148 million will complement the EU investment.

Spending is delivered through two programmes: the first, ‘Investing in competitiveness for a better quality of life’, will receive funding from the European Regional Development Fund (ERDF) and the Cohesion Fund. The second, ‘Empowering people for more jobs and better quality of life’, will receive funding from the European Social Fund (ESF).

FUNDS FOR MALTA IN MILLION € 2007–13

Objective	Fund	EU	National Public	Total
Convergence	CF	284	50	334
	ERDF	444	78	522
	ESF	112	20	132
Total Convergence		840		
Total European Territorial Cooperation*	ERDF	15	-	15
TOTAL		640	117	757

Figures have been rounded up

* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

DELIVERING THE LISBON STRATEGY FOR GROWTH AND JOBS

The relaunch of the Union’s Lisbon Strategy in 2005 aimed to bolster the competitive position of EU regions in the world economy by placing growth, jobs and competitiveness at the top of the Union’s agenda. For the 2007–13 period, European Cohesion Policy has attached increasing importance to delivering the so-called ‘Lisbon objectives’.

Malta is planning to invest 45% of Structural Funds and Cohesion Fund resources on ‘Lisbon’ priorities through projects aimed at boosting economic growth and creating more and better jobs.

MAIN PRIORITIES OF COHESION POLICY IN MALTA 2007–13

Investment in the **environment is a key priority**, accounting for €318 million, or 38% of Fund allocations. Support for actions to **mitigate the consequences of climate change** will amount to €122 million.

Accessibility is a major challenge in Malta and in response a total of around €188 million has been allocated for **investment in transport**.

The share of **research & development (R&D)-related expenditure has increased tenfold** in comparison with 2000–06 and now accounts for €117 million of the spend.

Around €27 million will be spent on **developing information and communication technologies (ICT) products and services**, including e-services for businesses and citizens.

Support for entrepreneurship, especially small and medium-sized enterprises (SMEs), accounts for around €23 million. It is expected that 35 start-ups will receive support from the Funds and overall some 1 400 new jobs will be generated.

With nearly €19 million, Community sources will be invested in **building a skilled and adaptable workforce** to enable enterprises to respond to sudden changes in demand for their goods and services and to adapt to new technologies.

Some €38 million will be invested in **training and skills** aiming to encourage greater participation in further or higher education and training programmes, and increase the employment rate from 54% in 2005 to 57% by 2013.

10% of the overall Cohesion fund allocation will be targeted specifically at the socio-economic development of Gozo.

The JASPERS² initiative provides important assistance when it comes to assessing major projects. In 2007 alone, six projects were assessed.

THE ESSENTIALS, 2007–13

- €188 to improve transport and transport links
- €122 million to fight climate change
- €117 for R&D

¹ The Convergence Objective concerns regions characterised by low levels of GDP and employment, where GDP per head is less than 75% of the EU average as it stood between 2000 and 2002. It applies to 99 regions representing 35% of the EU-27 population and aims to promote conditions conducive to growth and ones which lead to real-time convergence in the least-developed Member States and regions. It should be noted that the rural development and fisheries policy are separate and do not form part of this brochure.

² JASPERS (Joint Assistance in Supporting Projects in European Regions) provides assistance to Member States for preparing proposals for large projects.

■ BUILDING BRIDGES BETWEEN NEIGHBOURS

In Europe today, economic success is often dependent on a region's capacity to develop networks with other regions. Cooperation and sharing experience between regions can be a key trigger in stimulating a dynamic, forward-looking regional development process. The EU has an important role to play in brokering and supporting such partnerships, both between regions within the Union, and with neighbouring regions outside. Thousands of projects developed over many years under the INTERREG initiative have demonstrated the benefits for regions of working in partnership, sharing ideas and charting new and innovative ways of harnessing European investment.

The **European Territorial Cooperation Objective** is financed through the ERDF for the period 2007–13 and supports

cross-border, transnational and interregional cooperation programmes to encourage regions and cities across the EU and further afield to work together and learn from each other.

In the 2007–13 period, Malta participates in 6 territorial cooperation programmes (ERDF contribution: €15.2 million):

- one cross-border cooperation programme with Italy (Sicily);
- the 'Mediterranean' transnational cooperation programme;
- all four interregional cooperation programmes (total budget for all the 27 EU Member States: €443 million)³: INTERACT II, URBACT II, ESPON/ORATE and INTERREG IV C.

³ INTERREG IVC promotes exchange of experience and good practices among the regions, URBACT – thematic city networks, INTERACT – support for cooperation programme management organisation, ESPON – an observation network for spatial planning.

■ THE EU ON CALL

The **European Union Solidarity Fund** was created after the floods which hit Central Europe in summer 2002. It grants emergency aid to Member States and acceding countries in the event of a major natural disaster.

In 2003, heavy storms and flooding caused severe disruption to infrastructure and the environment in Malta and Gozo. The total direct damage was estimated at just over €30 million, of which the Solidarity Fund contributed €0.9 million to cover costs related to emergency operations.



The European Solidarity Fund helps repair roads after a natural disaster

Malta

€855 million for 2007–13

Boosting growth, jobs and competitiveness



Regional Policy on the ground

UPGRADING OF THE SANT'ANTNIN WASTE TREATMENT PLANT AND MATERIAL RECYCLING AND RECOVERY FACILITY

Total project cost: €16.7 million.
Cohesion Fund contribution: €11.7 million

The project covers the construction of a material recycling facility to process selectively collected recyclables from households; construction of a mechanical treatment plant where sorted and unsorted household waste will be received for pre-treatment and preparation for the digestion stage; technical assistance for supervision of the project as well as construction of a digestion plant to treat the clean biodegradable waste arising from the separately collected organic fraction and to recover energy from the biogas produced. This biogas facility is also equipped to generate green electricity. Installation of a waste water treatment facility will allow treatment of the impure process water arising from the digestion plant.

Construction began in April 2007 and the project will be completed by the end of 2010. The material recycling facility was officially inaugurated in February 2008.

Further information on the project can be found on the website of WasteServ Malta:

<http://www.wasteservmalta.com/main.asp?ID=18&TAB=Tab5>

LIMESTONE HERITAGE PROJECT

Total project cost: €61 000
ERDF contribution: €21 300

Limestone Heritage is a family-run living exhibition located in the outskirts of the village of Siggiewi. It is designed to give an insight into the past and present treasures of the islands, which include the world's earliest free-standing structures in stone, pre-dating the famous pyramids of Giza.

The main attractions at Limestone Heritage include a walk-through on what was the seabed 22 million years ago, with fossils still embedded in the rock, the internal structure of a typical Maltese farmhouse, a citrus grove, vintage vehicles, machinery and much more.

ERDF funding helped to enhance the walk-through pathway with new stone 'cangatura' slabs. Investment over assisted in upgrading the exhibits were upgraded and in converting the existing audiovisual show into digital format to enhance its quality.

A new multilingual audiovisual system which includes cinema-style seating, a digital projector and the accompanying multilingual system, as well as an energy-efficient lighting system, has been installed. The exhibition's website has been relaunched.

Website: <http://www.limestoneheritage.com/index.htm>



Using waste to generate energy



Recycling made easier



More information

EU Regional Policy

http://ec.europa.eu/regional_policy/

Cohesion Policy in Malta

http://ec.europa.eu/regional_policy/atlas2007/malta/index_en.htm

National websites

<http://www.eu4u.gov.mt/home.asp>

<http://www.ppcd.gov.mt/>

European Social Fund

<http://ec.europa.eu/social/>