

**MALTA'S 2021 REPORT**  
*ON*  
**THE IMPLEMENTATION OF THE NEW URBAN AGENDA**



# Reporting on the Implementation of the NUA

## Introduction & Context

Malta is an Island State and Member of the United Nations. Malta is also a member of the European Union since 2004 and part of the Eurozone since 2008. The Maltese Islands are mainly made up of two small, populated islands. Malta, the largest island, with over 94% of the population is by far the most urbanised and Gozo which is home to the rest of the population. Malta is a developed country with an established tertiary sector with the services industry as a main element of the economy. The Maltese Islands which are urbanised with a very high population density with space limitations resulting in multiple urban challenges being faced including above all employment creation and environmental protection. The implementation of sustainable urbanization is thus an important target for Malta. Malta has always contributed enthusiastically in global affairs including in past great moments such as the 1967 United Nations General Assembly that resulted in the 1982 United Nations Convention on the Law of the Sea.

Malta is an archipelago of 5 islands Malta, Gozo, Comino, Kemmunit and Filfla, the last 2 being uninhabited minor islets. Malta is located 93 km from Sicily, Italy and 290 km from Libya, North Africa. Malta has been a member of the European Union since 2004. The Islands are peripheral to the European mainland located within the central Mediterranean but serve as a strategic bridge between the continents of North Africa, Europe and the Middle East. Malta has a stable population of around 493,559 people in 2018 (NSO)<sup>1</sup>. The urban population of Malta rose from about 325,000 in 1990, to 404,999 in 2005, 414,989 in 2010 and 429,344 in 2015<sup>2</sup> but is mostly stable around the 460,000<sup>3</sup>-mark excluding visiting tourist numbers. The Islands have a high population density of about 1,455 persons per sq/km in a small land area of just 316 sqm. This demographic density is further compounded by over 1.6 million tourists that visit the islands every year.

The eastern parts of Malta are more urbanised apart from the greener island of Gozo and the northwest of Malta. The Islands are divided planning-wise into two distinct major zonings: the schemed Urban Development Zones (DZ) or Urban Areas and areas Outside Development Zone (ODZ) or Rural Areas. The islands also possess an extensive coastal zone and marine area of highly complex activity especially within the two main port areas of the Grand Harbour, Valletta and Marsaxlokk Bay Harbour in the south east that incorporates the Malta Freeport, one of the most active cargo transshipment areas within the Mediterranean and the Cirkewwa/Mgarr Harbour port facilities as the main link between Malta and Gozo.

Rapid urbanization had shaped the economy, social structure and natural environment since the 1970s fast growth period, mainly due to the then growing tourism and industrial sectors and later through the emerging transformation of the economy into tertiary services sectors (finance, banking, insurance, ICT etc.). From statistics for 2015, the gross national product (GNP) per capita doubled to €20,394 from €10,608 in 2000<sup>4</sup>. The GDP for Malta is estimated at around €36,478 for 2020<sup>5</sup>. There

<sup>1</sup> [https://nso.gov.mt/en/publicatons/Publications by Unit/Documents/02\\_Regional\\_Statistics\\_\(Gozo\\_Office\)/2020/Regional\\_Statistics\\_Malta-2020%20Edition.pdf](https://nso.gov.mt/en/publicatons/Publications%20by%20Unit/Documents/02_Regional_Statistics_(Gozo_Office)/2020/Regional_Statistics_Malta-2020%20Edition.pdf)

<sup>2</sup> Eurostat, 2015, *Population and Population Change Statistics*: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Population\\_and\\_population\\_change\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Population_and_population_change_statistics)

<sup>3</sup> [https://nso.gov.mt/en/News\\_Releases/View\\_by\\_Unit/Unit\\_C5/Population\\_and\\_Migration\\_Statistics/Documents/2018/News2018\\_022.pdf](https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C5/Population_and_Migration_Statistics/Documents/2018/News2018_022.pdf)

<sup>4</sup> Eurostat, 2015, *National Accounts and GDP*: [http://ec.europa.eu/eurostat/statistics-explained/index.php/National\\_accounts\\_and\\_GDP](http://ec.europa.eu/eurostat/statistics-explained/index.php/National_accounts_and_GDP)

<sup>5</sup> "World Economic Outlook - GDP per capita" *International Monetary Fund*. October 2020. Retrieved 13 October 2020.

have been several important steps taken by Government to improve economic efficiency and social well-being including: the need to reduce unemployment, currently averaging around 5.1% from EU average of 10.3%<sup>6</sup> and also to tackle the lack of housing availability for vulnerable sectors of the population. An additional challenge is to promote socio-economic growth and provide social inclusion for vulnerable groups.

Economic, social and environmental improvements are needed in specific urban areas. The need to eliminate imbalances within certain vulnerable urban hotspots was recognized by Government as a basic objective to ensure an adequate healthy, safe, secure, accessible and affordable shelter for all and to reach the aims of the European Union Urban Agenda to stimulate growth, liveability and innovation in the cities of Europe and to identify and successfully tackle social challenges.

Malta's strategic aims for improving the urban quality of life are in general complimentary to the goals of the New Urban Agenda 2030. The availability of adequate shelter for all through housing policies, achievement of sustainable human settlements in an urbanized world and the implementation of a plan of action to achieve these objectives form part of the local urban strategy. These aims, leading towards the development of a new urban agenda that incorporates basic human rights to adequate shelter, secure and safe environments, accessible and affordable housing with basic amenities, services and facilities (drinking water, sanitation, education, etc.) and efficient use of resources (energy, electricity, communications, transport and mobility etc.) are essential for a more sustainable urban future for the Islands. This also implies the incorporation and protection of the cultural and natural heritage and also diversity including cultural values of all urban dwellers.

Malta's efforts to sustain adequate drinking water and sanitation provision are another national priority. This provision is efficiently managed but costly to provide in view of a globally increasing water scarcity. This has always forced Malta to provide additional supply of water through alternative means mainly reverse osmosis (RO) and other plants at higher energy costs. Considering that the Islands are almost totally dependent on imported fuels for electricity generation this implies that water risk remains present. This also puts a higher price tag on the water resource. Sewerage and sanitation are also efficient, however infrastructural improvements are continually needed in view of the target to purify and reuse wastewater prior to discharge into the sea and to increase the reuse of secondary water. A number of Sewage Treatment Plants have been built for this purpose.

The country follows these goals through a wide array of policy measures covering mainly from an urban policy framework housing, transport, urban conservation, health and safety, infrastructural development (water, energy, roads and communications as well as the provision of social facilities) and the need to prevent and reduce environmental pollution. Malta however faces a number of external international issues that have resulted from global challenges and changes such as:

- the recent COVID 19 outbreak, whose impact is still being assessed and will definitely be a major future hurdle to overcome especially taking into account not just health issues but the related economic impacts of this outbreak in future years;
- mass migration of peoples across the Mediterranean of an unprecedented scale with migrants crossing into the EU states, which has been a major challenge specifically for Islands including Malta and involving not just physical, but also cultural implications;
- climate change, which has also implications for the Island in terms of increased flooding, drought instances and sea level changes.

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<sup>6</sup> Eurostat, 2016, *Unemployment Statistics*: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics)

These and other challenges have made the reaching of urbanisation goals more complex and requiring integrated governance with increased need for horizontal and vertical cooperation.

Malta being located at the centre of the Mediterranean implies that new challenges are emerging over the years in Malta's urban agenda, including the need to address major issues related to the Island's vulnerabilities. Such issues as water, urban infrastructure and energy financing requirements and sustainability in urbanisation are becoming increasingly demanding especially in view of globalisation trends. Transportation challenges are faced with very high dependence on the private car as the main mode of transport, however with a gradually more popular public transport system as patronage is growing. Alternative transport is to date very limited but being tackled through a strategy that supports modal change. Other matters of concern, such as climate change and its impacts, including extremes in climate leading to longer periods of drought and resultant lack of water and peak storm flooding are leading to the urgent need to continue to support an improved water management and collection system to manage water consumption and increase water reuse. All urban issues faced including high costs of energy generation are compounded by a reality of an extremely limited spatial context and rising urban costs as well as efforts to successfully change unsustainable lifestyles. Current lifestyles need to continue to adopt a more positive attitude to achieve a sustainable future by reducing the human imprint and impacts on the natural environment, whilst creating enough work and economic growth to allow for societal progress and advancement to succeed.

In Malta, central Government establishes the procedures, regulations, tools and processes that allow for the management of urbanisation in the country and encourages the adoption of a strategic and integrated planning approach that achieves these required goals. Various efforts have been followed by Malta to achieve a national strategic framework that can lead to the achievement of such urbanisation goals including increased communication between Government bodies and stakeholders in the formulation of spatial policy. As a regulatory and strategic basis, Parliament approved the 'Strategic Plan for the Environment and Development, (SPED, 2015)' as the main, national, inter-departmental document to oversee that development and ensure that environmental objectives are reached. In this document, the urbanization needs for Malta are outlined and a thematic policy framework placed forward for the implementation of a Maltese urban improvement and regeneration strategy.

Malta's urban agenda, as outlined in the 'Strategic Plan for the Environment and Development, (SPED, 2015)' is based on four main themes; namely the urban, rural, coastal and marine areas with policy objectives for the protection and achievement of specific targets for each of these themes. The main aim of these objectives is the minimisation of urbanization pressures, thereby guiding all segments of urban activity towards an integrated and healthy quality of urban life.

At the central Government level, Malta is managed through a number of different Ministries. These Ministries are also assisted by a number of Parliamentary Secretariats, Government Departments and Appointed Bodies for specific governance needs. At the local level, Government is assisted by Local Councils. There are 68 such Local Councils and these were set up by Parliament in 1993 for the towns and villages of Malta and Gozo through local administrative reforms aimed at empowering local administration and rendering public services more efficient. These Councils cover areas such as local transport management, urban cleanliness and waste control, social amenity provision and assistance including recreation areas and other general public services of the locality including socio-cultural activities common for Mediterranean cultures. The Local Councils also act as important channels for the provision of EU and government information at the local level for the general public.

Continued urban management efforts are needed to make certain urban areas more pleasant and liveable, create new and high-quality work, open access to new recreational and leisure spaces and improve public access to urban and rural areas, continue to upgrade physical infrastructure (water, energy, sewerage and communications) and to renovate urban transportation system and its related peak traffic issues. Various infrastructural measures are being followed by government to upgrade roads and junctions to improve traffic flows. The main policy challenges however remain the need for greater integration between all players and stakeholders, towards a more sustainable strategic insight balanced towards the future needs for our society's well-being supported by resources both financial and human knowledge to propel the State into the most beneficial future directions for the greater good of its citizens. This may very well require experimenting with new visions and changes in culture.

Other priorities also recently supported and promoted through the SPED direction are energy-efficient policies with efforts to reach the 10% EU target on renewable energy generation within Malta by 2020; to-date Malta has reached 4.7% of its energy requirements from renewable energy<sup>7</sup>, whilst still being very dependent on energy imports for electricity<sup>8</sup>. Efforts are needed to continue to assess climate change risk and a number of flooding defence projects have been followed for flood prone areas through the aid of EU funding. Social assistance projects are also followed to increase liveability for different segments of the society, primarily focusing on the elderly, disabled and children.

Policies are already in place that support the conservation of environmental and archaeological/historical important areas, including EU NATURA 2000 sites, Special Areas of Conservation (SACs) and Special Protected Areas (SPAs) including Marine Protected Areas (MPAs) as well as the Scheduling of cultural and historical buildings and sites and the rehabilitation support programmes for the urban conservation areas upgrading. These policies require support by the general public thereby leading to improved environmental, historical and urban-rural relationships and greater appreciation of our surrounding environment and cultural heritage. Similarly, environmental conservation needs to continue to be followed by the implementation of active management plans putting into practice the strategic protective framework. Such measures require increased financing, skilled expertise and other resources.

Malta has rapidly urbanized and diversified its economy since the early 1970s and 1980s. It previously depended primarily on a military defence budget under colonial British rule with heavy investment in the shipyards. The economy has strongly diversified and globalised previously into manufacturing industry and tourism growth and more recently into services-oriented sectors. Malta's primary towns and their business centres have grown to provide the main focus for socio-economic growth and economic development in terms of retail and office commercial development. Urbanisation has expanding from the Inner Harbour port area around the capital Valletta to a number of more widely dispersed business and enterprise (industrial) hubs located in most of the north, central and south of the Island. These centres provide most of the private sector employment. The island of Gozo and the north west of Malta have remained largely more rural oriented and focused on agricultural enterprise although this has declined over time in view of decreased agricultural activity, a worldwide global phenomenon.

This urban and socio-economic progress was still accompanied by issues appertaining to remaining urban poverty, inequality and vulnerability in specific areas such as the south and inner harbour

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<sup>7</sup> Eurostat, 2015, *Renewable Energy Statistics*: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable\\_energy\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics)

<sup>8</sup> Eurostat – News release (28/2016), 2016, *Energy Dependency in the EU*: <http://ec.europa.eu/eurostat/documents/2995521/7150363/8-04022016-AP-EN.pdf/c92466d9-903e-417c-ad76-4c35678113fd>

areas. In order to address these socio-economic challenges, several regeneration measures and efforts are being followed through government strategy. These include a more efficient, fast tracked, one-stop-shop spatial planning framework and practice, supporting increased urban regeneration investments that lead to more prevention/mitigation measures against environmental pollution, increased housing upgrading and investment and organized business and enterprise hubs for socio-economic growth and job creation.

Urbanization and planning are followed through an established public participation process for land use interventions that are open to the comments and views of the general public and that is embedded within the legal planning system following the EU's Aarhus Convention.

The Ministry responsible for Planning, through the Planning Authority, is charged with the duty of preparing, in collaboration with the public, relevant institutions and organizations, the spatial plans on a strategic, national and local level that guide urban development including housing which remains the predominant land-use. These Plans follow hierarchically from the *Strategic Plan for the Environment and Development*, (SPED, 2015) which is the baseline government document.

# Part 1: Transformative Commitments for Sustainable Urban Development

## 1.1 Sustainable Urban Development for Social Inclusion and Ending Poverty

### Social Inclusion and Ending Poverty

#### 1. Eradicate poverty in all its forms

The National Strategic Policy for Poverty Reduction and for Social Inclusion signals Malta's key efforts related to the alleviation of poverty and social exclusion. It delineates numerous policy actions across six key dimensions of wellbeing (Income and Social Benefits, Education, Employment, Health and Environment, Social Welfare Services, and Culture), aimed to be targeted by the end of the Strategic Policy's term in 2024. Additionally, it is important to note that aside from measures targeting the general population at large, measures have also been implemented that target the key vulnerable groups of children and young people, elderly persons, unemployed persons, and the working poor. The Strategic Policy calls for the development of a national structure for the purpose of assessing progress made within the different dimensions of the strategy across its operative term. For this reason, an Action Committee was set up following the launch of the strategy in December 2014 with the intention to:

1. develop an action plan for the implementation of the measures proposed by this strategic policy;
2. assess the implementation progress of these measures; and
3. analyse the impact of these measures against the SMART objectives to be achieved by this strategy.

A year later, in 2015, this Action Committee was replaced by an Inter-Ministerial Committee to foster the necessary inter-ministerial collaboration against the multi-faceted issue of poverty and social exclusion. The first "Implementation and Evaluation Report 2014-2016" presents the initiatives that have been undertaken to combat poverty and promote social inclusion whilst also analysing their impact within the six dimensions of wellbeing presented in the national strategic policy between 2014-2016, whilst an updated Implementation and Evaluation Report for 2017-2019 will be published shortly.

The below provides an overview of the results achieved by analysing the headline indicators in the area of poverty reduction, until 2019.

- **The overall AROPE<sup>9</sup> rate for Malta** exhibited a substantial decrease between the base year 2013 (24.6%) and 2019 (20.1%). It has generally been lower than the EU average in recent years.

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<sup>9</sup> The AROPE indicator refers to people in a household who are either at risk of poverty, are severely materially deprived or in a household with a very low work intensity.

- **The AROPE for children in Malta** has exhibited a steady decline from 33% in 2013 to 23.6% in 2019. Malta's child poverty rate is relatively lower than the EU average standing at 22.8% in 2018, compared to an EU average of 24.2% in 2018.
- In contrast to EU trends, **young people in Malta** are significantly less likely to be at-risk of poverty or social exclusion when compared to the general population (20.2% in 2019).
- **Elderly Persons:** To mitigate the challenges to pensions, long-term care and health systems, Government strengthened pension adequacy in 2019, with an additional allowance of €4.50 per week for all pensioners, including the cost-of-living adjustment. Furthermore, the taxable ceiling on the income derived from pensions that was exempt from income tax was also raised in 2019 and various tax credits targeting different vulnerable groups have also been introduced. In order to safeguard the sustainability of the pension system in Malta, the number of contributory years have also increased to 41 years, while also limiting early retirement. The chances of being AROPE while **unemployed** tend to be significantly higher as employment has undoubtedly a major impact on a person's income. The AROPE for the unemployed in Malta stood at 46.1% in 2016 compared to an EU average of 48.6%. One of the main objectives in the fight against poverty and social exclusion is engagement in regular, stable, and high-quality employment, where the principle of "Making Work Pay" has been at the heart of the labour market measures that have been implemented. There is a direct correlation between being unemployed and being financially poor (income poverty). The Maltese economy continued to exhibit a strong economic performance, successfully recording one of the highest economic growth rates in the European Union in recent years. This contrasted with the macro-economic developments at an EU level, whereby the aftermath of the financial crisis resulted in stagnant growth and an anaemic job market.
- Malta has a lower rate of **in-work poverty rate (IW ARP)**<sup>10</sup> at 6.4%, compared to a higher EU average of 9.4% in 2018.

Although the National Strategic Policy for Poverty Reduction and for Social Inclusion 2014 - 2024 is the main policy document for combating poverty and social exclusion by providing a comprehensive framework to effectively address this dynamic reality, the strategy is complemented by a number of other national strategies and policy documents that aim to promote wellbeing and contribute towards the reduction of poverty and social exclusion. These include:

- National Strategic Policy for Active Ageing 2014-2020;
- National Policy on the Rights of Persons with Disability (2014-2020); and
- National Children's Policy (2017-2022).

Malta's National Budgets also underline the Government's commitment to implement measures against poverty and social exclusion over the years, as various benefits have been strengthened and new ones have been introduced to be able to cater for other categories of vulnerable persons. The concept of **Making Work Pay**, is also promoted by the Government to be able to encourage people, particularly the long-term unemployed, to enter the world of work without losing any benefits immediately but eased off gradually as long as the person remains in employment. Single parent and married couples who have dependent children under 23 years of age may also benefit from the

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<sup>10</sup> This indicator is defined as the percentage of persons in the total population who declared to be at work [and] who are at-risk-of-poverty i.e. with an equivalized disposable income below the risk-of-poverty threshold.



In-Work Benefit which is aimed at supporting parents in gainful employment who earn less than a specified amount per annum. Aside from monetary benefits, Maltese people also have access to free healthcare services, education, and social services.

Apart from the national initiatives to alleviate poverty, Malta is also a beneficiary of the **Fund for European Aid to the Most Deprived (FEAD)** which is a European funding instrument designed to provide food or basic material assistance to the most deprived. In Malta, FEAD contributes to existing national initiatives aimed at reducing the risk of poverty or social exclusion. Food aid to the most deprived is relevant because households spend between 45% and 54% of their expenditures on food.<sup>11</sup> With a budget of €4.6 million (co-financed), the FEAD Malta programme supports food assistance to the most deprived, consisting of distribution of food packs to disadvantaged households. The target groups of this fund are:

- Disadvantaged and vulnerable households:
- Households in receipt of non-contributory means-tested benefits and having two or more children below the age of 16;
- Households having two or more children below 16 with an income not exceeding 80 % of the National Minimum Wage;
- Households having two or more children below the age of 16 with an income not exceeding the National Minimum Wage;
- Non-single households eligible for non-contributory means-tested old age pension.

In addition to the FEAD programme, Malta also runs the State Funded Food Distribution Scheme. This scheme provides food boxes, distributed twice a year, to persons in need who do not qualify for the FEAD programme.

Whilst acknowledging that no person is spared from the possibility of falling into risk of poverty and social exclusion, Malta is taking all the necessary measures to reduce the number of persons living in poverty and those at risk of poverty and social exclusion.

## 2. Reduce inequality in urban areas by promoting equally shared opportunities and benefits

The new Equality Bill being discussed by the Maltese Parliament, once enacted, will strengthen the equality body with a considerably wider remit and sanctioning powers. Moreover, an equality duty would be placed on public administration that would be obliged to *“ensure equality mainstreaming when formulating and implementing laws, regulations, administrative provisions, policies and activities in all areas.”* The status, challenges and measures in providing equal education, employment and health care is outlined below.

**Education and Employment:** The Maltese Government provides free, inclusive quality education, from early childhood up to tertiary level including adult education. This leads to the full development of the individual and to better employment prospects. The Government recognises that a successful education strategy contributes towards effectively closing the skills gap, which is one of the major challenges facing the Maltese economy. Various initiatives have been developed bringing together educational professionals, students and employers, with a view to address the needs arising from the ever-changing labour market. Over the past years, Malta’s tertiary education attainment

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<sup>11</sup> FEAD Country Fiche Malta 2018 <https://ec.europa.eu/social/main.jsp?catId=1239&langId=en&intPagId=3621>

continued to increase while a reduction in the early school leaving rate was also registered. The 'My Journey' reform introduced applied subjects, the Malta College of Arts, Science and Technology (MCAST) has launched the Skills Kits programme while the Directorate for Learning and Assessment Programmes has embarked on a range of initiatives, targeting gifted and talented students in both primary and secondary cycles. In addition, the Institute of Education has developed a number of accredited courses which are offered to educators after school hours. The Government is also supporting all women from different societal backgrounds by providing courses ranging from learning basic skills to opportunities to read for a degree. Government is also investing heavily in education infrastructure and resources including educational facilities for children with disabilities who cannot attend mainstream educational facilities. Moreover, it can effectively contribute to closing the skills gap. In order to address the lack of women in technology fields, the eSkills Malta Foundation launched a study on the *Analysis of the Gender Gap in the Digital Sector in Malta* with a set of guiding principles for future government policy and intervention vis-à-vis gender balance in ICT jobs. The Youth Guarantee provides young people (less than 25 years), who are not in employment or education/training, with opportunities to access the labour market or re-enter education. The Framework for the Education Strategy for Malta 2014-2024 also addresses such challenges and provides measures, accordingly. The Ministry for Education overarching aim is to continually provide excellent learning opportunities. In the next 10 years, more efforts to offer greater opportunities towards a more inclusive and diverse society. The policies directions have inclusion at the heart of the strategies.

Employment conditions will continue to be improved through policies which further ensure the adoption of the principle of Equal Pay for Equal Work; improved female participation rates; the adoption of new employment conditions to facilitate the future evolution of jobs and the increased resilience of the labour market.

In order to attract more women to the labour market, since 2014 the State has provided free childcare (3 months – 3 years) for parents/guardians in employment or in education, leading to a recognised qualification. Such schemes also enable a better work-life balance and enhance women's opportunities to be equal participants in the labour market.

Moreover, the provision of work-life balance measures in the public sector, including: family-friendly measures, in-work benefit, tapering of benefits, and lower taxes on labour, have helped in the increase participation rates; specifically, for low-to-medium income families and women. The National Commission for the Promotion of Equality awards the Equality Mark Certification to those companies that implement gender equality policies. Currently over 100 such entities have received this award.

As a result, employment rates for women (20-64) as per latest available statistics has increased to 68.2% (2020 Q3) when compared to 65.8% (2018 Q3).<sup>12</sup>

The COVID-19 pandemic has and is continuously causing unprecedented challenges to socio-economic contexts world-wide. The Government of Malta is maintaining a proactive approach in order to mitigate the negative impact of the pandemic as much as possible<sup>13</sup>, including poverty and inequality. The following are some measures that are being carried out: COVID-19 wage supplement scheme; Parental benefit scheme; Unemployment benefit scheme; and Facilitating telework activities scheme.

**Healthcare:** The Maltese government continues to provide free universal health care services of recognised high quality.

### **3. Achieve social inclusion of vulnerable groups (women, youth, older persons and persons with disabilities and migrants)**

The National Strategic Policy for Active Ageing: Malta 2013 - 2020 (Parliamentary Secretariat for Rights of Persons with Disability and Active Ageing, 2013) advocated that an age-friendly community is one that enables people of all ages to actively participate in community activities. It is a place that treats everyone with respect, regardless of their age, enabling people to stay healthy and active. An age-friendly community is also a place that integrates those who can no longer look after themselves and enables them to live with dignity and enjoyment. The current National Strategic Policy for Active Ageing targets three main pillars: active participation in the labour market, social participation, and independent living. The section of social participation targets the following areas: Income security and poverty; Social exclusion and vulnerable groups; Older volunteering and grandparenthood; Older adult learning; Digital competence; Civic engagement; Support for informal carers; and Intergenerational solidarity.

There were several achievements in this area. Several active ageing centres were opened in the community where the elderly can attend during the day. Informal lifelong learning sessions were introduced as part of the programme of activities offered in these centres and a lot of work is being carried out with the aim to offer a more varied programme of activities and to empower older adults to use their skills and take active part in organizing talks and sessions for other members.

Several training opportunities were offered to older adults regarding digital competence to enable older adults to use social media, access services online, use internet banking, and learn to browse the internet to have access to a wealth of information. This training was also offered to older persons residing in residential homes.

The Silver T is a new service developed to facilitate mobility within the community for older adults. This service enables older adults who have difficulty to walk long distances to be more independent within the community. It enables them to access services and to enhance their social interaction by enabling transportation within the community free of charge. In Malta, the public transport system is provided at a subsidised rate for older adults and free of charge to those who are 75 years old or more. This facilitates transportation and mobility from one locality to another. However, it is known that older

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<sup>12</sup> [https://ec.europa.eu/eurostat/databrowser/view/LFSQ\\_ERGAN\\_custom\\_788540/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/LFSQ_ERGAN_custom_788540/default/table?lang=en)

<sup>13</sup> [https://mfin.gov.mt/en/The-Budget/Documents/The\\_Budget\\_2021/PRE\\_BUDGET\\_DIGITAL\\_2021\\_01.pdf](https://mfin.gov.mt/en/The-Budget/Documents/The_Budget_2021/PRE_BUDGET_DIGITAL_2021_01.pdf)

adults might need more personalised public transport within their own locality. The Silver T service consists of local transport for older persons to conduct their daily errands within the community, without having to depend on their families and friends. The service provides local transport facilities to those older persons who might want to go to the bank, the market, the clinic, the local council, and places of worship, amongst others. The service is provided free of charge.

Malta has increased the number of community services offered to older persons within their own homes to enable them to age in place. With increasing age, there is an increase in health-related issues which may result in dependency. Therefore, community services are very important to support older person to continue living in their own home with the assistant required. There were several services developed as well to cater for the needs of persons with dementia and their caregivers, including a Dementia intervention team which acts as a source of information and support for families facing dementia with the ability to network services for the clients' needs. There are also Activity Centres for persons with dementia which are a source of day respite for caregivers. Informal caregivers also face several difficulties. With high levels of stress due to increased demands and the need to divide their care and attention to the dependent older person, their children, and work. This is increasingly more difficult with the increase in the number of women engaged in paid employment, who are often regarded as the main caregivers of older persons. Therefore, services have also been developed to assist them in their role and provide information and training, a variety of services to support them in their caregiving tasks, and respite services including respite at home.

Intergenerational activities are organised. These involve older persons and children and youths. The aim is to break ageistic assumptions while encouraging mutual cooperation and sharing of ideas and knowledge. This includes collaboration with schools and other educational institutions.

On a concluding note, Malta is undertaking various measures and initiatives to improve the quality of life for persons living in poverty, persons at risk of poverty and social exclusion, and other vulnerable cohorts, such as the elderly and persons with disabilities, in line with the Sustainable Development Goals.

#### **4. Ensure access to public spaces including streets, sidewalks and cycling lanes**

Malta adopted the 'Access for All Design Guidelines' in 2005, updating them in 2011. In 2015, these were adopted as Maltese Standard 3800:2015, entitled 'Access for All in the Built Environment'. Through this procedure formalised via the Malta Consumer and Competition Affairs Authority (MCCAA), responsible for standardisation matters, the National Standard added on to the Guidelines' criteria.

The Standard applies to all buildings with a footprint exceeding 75m<sup>2</sup>, with the Commission for the Rights of Persons with Disability (CRPD) being given an advisory role to the Planning Authority (PA) in the consideration of applications for development planning permits. The PA's relationship with CRPD follows agreed protocol as per PA Circular 2/14. The protocol regulates the development planning applications in terms of the 'Access for All' Guidelines. All development proposals (summary or full development applications) are referred to CRPD for consultation, while any exceptions are processed under the framework of PA Circular 2/14.

The Standard further covers all areas of physical accessibility in relation to buildings, as well as areas outside of buildings such as access pathways, entrances, types of doors, signage, and entrance furniture, such as door handles and entry bells/phone systems. Relevant dimensions, together with, the specific accessibility features, such as those relating to stairway design, avoidance of crossover between adjacent induction loops, and number of accessible parking spaces per total number of car park spaces, are also included.

The Standard was elevated to the status of subsidiary legislation in terms of the Equal Opportunities (Persons with Disability) Act (Cap. 413 of the Laws of Malta) (EOA), through the adoption of the Accessibility for All in the Built Environment Regulations, 2019 (S.L. 413.03).

Sites which could otherwise be exempted from accessibility criteria in other Standards and in terms of the UNCRPD, are still covered by the policy Cultural Heritage for All – A Social Cohesion Approach, administered by Heritage Malta. Access to these sites is achieved using portable/reversible ramps, while a virtual accessibility and tactile experience by means of audio visuals, audio guides, and replicas, is being unveiled across different sites. Heritage Malta also provides materials for persons with various intellectual abilities in different formats, while new Interpretation Centres are also being set-up in these venues.

A number of other policies, having the force of guidelines, have also been promulgated in this regard. Furthermore, the concept of accessibility of the built environment is being shifted from including merely physical aspects, to also sensorial aspects – this is already being undertaken by entities such as the Foundation for Tomorrow's Schools (FTS), and covered specifically in documents such as Malta's upcoming National Disability Strategy and National Autism Strategy.

Accessibility of educational buildings (see also Section C) is guaranteed, with FTS being tasked with designing new school buildings which are completely accessible, and with undertaking repairs and modifications to allow existing schools to become more accessible. Furthermore, when a student with a mobility impairment is about to start school, any accessibility issues are required to be addressed within the school, to allow for full access and inclusion.

Most sports complexes are also accessible for persons with disabilities, and several others are undergoing structural alterations to ensure full accessibility.

In terms of general infrastructure, such as with respect to pavements, the Streets for All Guidelines were promulgated by CRPD. It also developed an Accessible Beaches initiative, together with the Malta Tourism Authority (MTA), with the latter having invested in providing wheelchairs that can be used in water to assist bathers entering the sea. These are provided at those beaches managed by MTA.

Various initiatives have also been undertaken to render urban transport more accessible to the elderly and persons with disabilities.

Malta is committed in investing in safer transport infrastructure that encourages more road users to choose walking, cycling, bus and ferry commuting, and other alternative, more sustainable, modes of travel.

The results achieved include improved pedestrian and cycling connections. The design for such connections is an integral part of the road design process. These have resulted in the inclusion of additional cycle lanes and cycle-friendly interventions on several roads. Furthermore, government is committing itself in national budget for the inclusion of further cycle-friendly measures throughout the country.

The lessons learnt have shown that focus should be more on cycle-friendly routes rather than on the provision of cycle lanes, albeit these are provided where road space permits. In addition, such cycle-friendly routes need to be supported by other cycle-friendly measures such as maintenance stations, cycle parking and road safety awareness campaigns.

The challenges experienced have been related to site specific constraints which include posted speed limits, road widths, protected areas and trees, and land ownership.

Various projects were undertaken that have added bridges for pedestrians, bus passengers and cyclists at Paola, Luqa and Blata l-Bajda. Three other similarly segregated crossings are currently being undertaken as part of the Marsa Junction project. The inclusion of lighting systems, surveillance cameras and access through elevators have ensured the safety and security of commuters, whilst also provided comfortable access for vulnerable persons. Cycling lanes were built through the Kappara project and the Marsa project linking to Santa Lucija and thence these shall extend further to Tal-Barrani through an upcoming project. Furthermore, a passageway bridge was constructed over the Dom Mintoff Road towards Gnien l-Mediterran. This infrastructure has improved accessibility for pedestrians and cyclists and has created safer access through segregation from vehicular access.

Related projects in the planning stages include amongst others the Dicembru Tlettax project, the Marsa/Santa Lucija which shall have cycling facilities, pedestrian bridges and an underpass, and the central link project connecting H'Attard and Mriehel to Rabat. These are targeted to decrease congestion and facilitate the uptake of cycling. In addition, there are plans for further upgrades to the Tal-Bombi underpass to improve pedestrian accessibility and safety.

## **Access to Adequate Housing**

Significant progress has been made in the housing sector in Malta. First, there was a political shift whereby the Parliamentary Secretariat for Social Accommodation was promoted to a Ministry for Social Accommodation (MSA) in January 2020. Second, in August 2020 the MSA launched its very first National Housing System with the main four indicators identified in the New Urban Agenda in mind, which are:

1. Access to adequate and affordable housing
2. Access to sustainable housing finance options
3. Establish security of tenure
4. Establish slum upgrading programmes

The vision of this national housing system is to take a people-centred and system-based approach to housing and to promote wellbeing, resilience and social cohesion. This renewed focus considers the significance of an integrative approach to our homes while also acknowledging that housing is a human right. To achieve a new way of management and

planning, the Ministry is practicing participatory governance as a methodology for research. Since August, the Policy and Research Department within the MSA has embarked on a collective endeavour with scholars, citizens, public, private, and government entities (see below, Best Practices). One of the goals is to diversify the housing market in order to create a synergy between social, affordable and private housing; while attending to the needs of the 21<sup>st</sup> century dweller through the concept of human flourishing.

Four pillars were identified in order to plan and manage a long-term vision for housing in Malta:

**People:** and homes have endured interdependency across time and space. Homes are at the centre of everything, because people are. Therefore, future homes must support and serve society. The focus should be in understanding the diverse needs of society and to deliver rights-based, social, environmental and economic outcomes needed for living well.

**Connectedness:** our homes are inextricably linked to our built environment which is in itself a complex network made up of social, legal, environmental and economic facets. Homes have the potential to tangibly bring together structure, form, community, cultural values, ideals, heritage, urban planning and housing policies. Therefore, our homes can be seen as a system of networks that connects different layers of society from governance, policy, legislation, infrastructure to people. This should be reflected through a system-based strategy which sees housing as an organic part of the entire infrastructural network.

**Sustainability:** it will become increasingly difficult to sustain our homes unless the system itself becomes sustainable, green, and realistic. This requires us to consider building neighbourhoods and houses for now and our future selves. Our homes need to be able to stand the test of time while being able to attend the needs and abilities of all. This intervention will deliberately move towards the circular economy in housing and infrastructure.

**Digitalisation:** incorporating digital assets as an effective management tool for the housing system of the future. Also, being digitally connected at home has become a contemporary need as we see more people working from home for myriad reasons – whether it's due to childcare, illness or a pandemic. Such a reality must be considered in our vision too.

**Tangible Results:** The above categories were all research-based and chime with the current needs of Maltese society. They also indicate an integrative approach to housing which leans more towards wellbeing and quality of life while offering multiple housing pathways and soft landings. Results include:

1. Launch of New Vision for Housing
2. The Development of a National Housing System through Participatory Governance
3. Security of Tenure through the Private Residential Leases Act (2020)
4. The Building of New Social Housing Estates (1700 units in total)
5. The Development of a Financial and Operational Method for Affordable Housing
6. Implementation of 5 Specialised Housing Projects
7. Various Financial options through:
  - a. Reformation of Social Loans with various local banks;
  - b. Reformation of the Housing Benefit.

In order to encourage young people to own their dwelling, the Maltese Government has decreased tax rates as an incentive for first time buyers (no tax on the first €200,000).

## Examples of Best Practises:

- 1. Our National Housing System:** In August 2020, the Ministry for Social Accommodation launched its very first [National Housing System](#). In order to attend to new social, cultural and political realities the MSA placed the home at the centre of society – a vision which is rethinking and re-evaluating contemporary housing from a holistic perspective by investing in adequate and good standard housing as a way to ensure security, belonging, prosperity and wellbeing in Malta. Both the vision and the methodology of this housing system are based on *participatory governance* across sectors, including the community, academia, the third and private sector and political entities. Hence, the focus of this national endeavour is to think of housing *a system of networks and shift away from silo-thinking and a scheme-based approach to doing housing*. Key to the development of such a system is to put people at the centre of both housing policy and the built environment. Central to this concept is that of living well.

Participatory Governance as Methodology: Our homes can be thought of as enablers to social cohesion. After all, good housing is about community engagement as much as it is about regulation, inclusive design, financial security, identity and belonging. An important aspect in achieving a realistic and successful system is to mobilise collective thinking through systemic dissemination of information. Central to achieving a grounded housing system is to implement a methodology based on collaboration but also one that sees the process as an intrinsic part of the data collection, analysis and the final outcome. Part of this holistic methodology is to have the opportunity to creatively develop an integrative approach to our homes by bringing together multiple and diverse voices. It was conducted as follows:

Local Stakeholder Participatory Workshop: In order to attain the above, the Ministry facilitated a 2-day conference with a total of 11 workshops (see Agenda [here](#)) with local stakeholders. Each workshop was facilitated by a Chairperson with expertise in the field/theme being discussed. The themes were wide-ranging: ageing, accessibility, disability, gender, economic factors, tenure, design, wellbeing, affordability, family, migration, and health.

The purpose of each workshop was to:

1. Establish a good cross-sectoral and working relationship;
2. Collect data which will directly influence government policy;
3. Inspire an alternative housing narrative;
4. Build homes that suit the needs of the 21<sup>st</sup> century dweller.

Each workshop was inter-disciplinary and involved:

1. Disciplinary expertise;
2. Policymakers, professionals and practitioners;
3. Citizens; and
4. Activists.

Local Qualitative Research with Citizens: While the above workshops sought to understand the ideological and operational obstacles encountered in every day practice, the next research phase aimed at understanding housing issues from an experiential and life course perspective. In order to facilitate a continuation between the research phases, during the focus groups the researcher brought up the main recommendations



that emerged from the workshops. This was the participants had the opportunity to criticise these recommendations from their own experiences. The outcome of each focus group will also be incorporated in the final set of recommendations for the Strategy. A total of 6 focus groups were conducted:

1. Experiences of Home Across the Life Course
2. Experiences of Homelessness
3. Mental Health and Housing (Women's Group)
4. Mental Health and Housing (Men's Group)
5. Disability and Housing
6. Economic Factors and Housing

International Participatory Workshop: Towards Sustainable Homes and Neighbourhoods in the Mediterranean Region: Reflecting on Malta's potential: Following on from the first local workshop, the Ministry for Social Accommodation co-organized an international workshop in cooperation with the [United Nations Economic Commission for Europe](#) (UNECE), [Housing Europe](#), [UN-Habitat](#) and [Union for the Mediterranean](#) within the initiative "[#Housing2030 – Improving Housing Affordability in the UNECE region](#)".

- 2. Private Residential Leases Act (2020):** The Residential Lease act introduces the concept of minimum duration for private residential leases, which will be set at one year. Moreover, unless the lessor notifies the lessee at least three months in advance, the contract would be renewed automatically for a further period of one year. These measures are designed to grant more security and predictability to tenants, and to eradicate bad practices present in the sector. Another element of innovation is the obligation for all rental agreements to be registered with the Housing Authority. This measure is meant to professionalise the sector whilst introducing much greater contractual certainty for the contracting parties. The reform of the rental market has introduced stricter penalties in case of arbitrary evictions, specifically by introducing pecuniary penalties starting from €1,500 up to €4,000. Moreover, the law now also specifically includes the suspension of water and electricity services among the offences included under the relevant article (arbitrary exercise of a pretended right) although this had already been confirmed by jurisprudence. In order to stabilise the residential rent sector for a more stable market, the new Rent Law provides for a minimum contract duration period that has to be registered with the Housing Authority. Longer period contracts (more than a year) are pegged to property price index and capped at 5%. In the meantime, the newly-established Private Residential Leases Unit within the Housing Authority will also start managing a black list of defaulters, including non-compliant landlords who evict tenants irregularly.
- 3. Energy Efficiency of Buildings:** The Housing Authority (HA) is about to embark on a new pilot project in order to assess and measure the energy efficiency of social housing. The social housing block which comprises of 40 units (37 of which are owned by the HA) will incorporate the following measures:
  - **Passive Measures:** application of roof insulation; upgrade to energy efficient double-glazed apertures with louvers; application of external insulation on façade and courtyard wall; lower ground floor humidity solutions;
  - **System Measures:** installation of flat roof photovoltaic; upgrade and installation of reversible split unit heat-pumps for air-conditioning; installation of building

integrated photovoltaic; upgrade to energy efficient appliances; replacement of electric hot water boilers with DHW heat pumps.

The above measures are aiming to reduce internal thermal conditions such as bedroom temperatures to be reduced by 6 degrees Celsius in the summer months and 65% of electricity is hoped to be generated by renewable energy. In order to ensure that vulnerable groups are able to cope with such a transition, the HA obtained a maintenance agreement budget for a period of 10 years after the completion of the project. The block will be monitored through specific software that measures thermal transmission by the appointed experts based at the University of Malta.

This pilot project will eventually be used as a case study for the building or renovation of existing buildings to meet the Directive (2018/844) which asks all Member States to establish a long-term renovation strategy to reduce carbon-emission by 2050.

Besides this project, the new social housing units (1700 units) which are in the process of being built are designed to meet the basic criteria of the above-mentioned strategy such as: the installation of double glazed apertures; application of roof insulation; slow water system; LED lighting throughout the building and the basement and water reservoirs.

Finally, the Housing Authority is also taking a wider perspective on sustainable development in relation to both energy efficiency and vulnerability. The new **Sustainable Communities, Housing for Tomorrow** policy is utilising existing government properties in order to address the issue with mass development and long-term cost-efficiency. Moreover, these abandoned properties will incorporate, when structurally possible, the environmental dimension through the:

- Use of sustainable infrastructure e.g. solar panels, living roofs, communal spaces and so on;
- Promotion of vernacular architecture e.g. the use of internal courtyards;
- Energy efficiency through carbon reduction or offsetting (passivhaus system);
- Heritage protection that abides by the ERA guidelines and Sustainable Regeneration of Built Heritage Platform in Malta;
- Inclusive Design.

4. The **Sustainable Communities, Housing for Tomorrow** specifically targets Specialised Housing and be used as a case study. This policy successfully implemented an integrated approach by combining specialised service provision and inclusive domestic design. The MSA and HA collaborated with the Chamber of Architects and Structural Engineers through the implementation of an International Design Competition. The policy is promoting:

- housing solutions through inclusive urban design and by collaborating with relevant stakeholders (e.g. Chamber of Architects and Structural Engineers);
- introduce the concept of lifetime neighbourhoods and lifetime homes which strives towards designing places and homes that are accessible and inclusive, aesthetically pleasing, safe while at the same time offering good access to public services, facilities and open spaces.

The establishment of this policy which is based on an integrated service approach is crucial in order to attain a more equitable approach to our society and economy.

The policy *Sustainable Communities, Housing for Tomorrow* is promoting a new approach to housing provision namely through the combination of *inclusive domestic design* and *specialised service provision*.

The Specialised Housing Programmes form part of this new approach, where the idea is to support projects that develop an integrated housing pathway through the engagement with the user-group and the local community, including stakeholders and small businesses. The use of dialogue through participatory methods is essential as the Board believes it is the best approach – we almost see it as therapeutic – as through dialogue we have the opportunity to understand local needs but to also heal any broken relations within the community.

Conceptually and architecturally, these existing buildings will be designed differently because they will include the *social dimension* from the start which is often a lower priority in urban development. The idea is to include the needs of people at the planning, design and implementation phase. This approach can greatly influence individuals' interactions with one another and facilitate a positive sense of wellbeing.

Moreover, by finding **housing solutions through design** the aim is to generate significant long-term *economic benefits* as such housing provision will act as a cost-saving measure and release burden from other services by ensuring optimal quality and best value of resources. Thus, one of the tangible targets is to promote best practices to other sectors and services. And also, to promote the duty of good practice in urban development, design, housing standards and service provision.

The 5 Specialised Housing projects are:

<b>Project 1:</b>	Dar Qawsalla
<b>Location:</b>	San Gwann
<b>Stakeholder:</b>	Malta LGBTIQ Rights Movement (MGRM)
<b>Project Description:</b>	The aim is to support LGBTIQ individuals to integrate in society in order to have the opportunity to build their own social and familial networks. The Foundation will assist these individuals to find employment, housing and further their education when necessary.
<b>Detail:</b>	3 three bedrooms (minimum) to house three units (individual or families) at any one time.
	The maximum time frame for one unit to benefit from the project will be that of two years, with the service users moving into alternative independent accommodation or referred on to other service after that time-frame.
	Social Work and/or Therapeutic support will be offered to service users before, during and after their stay within the residence.
<b>Project 2:</b>	YMCA Communal House
<b>Location:</b>	Valletta
<b>Stakeholder:</b>	YMCA Malta
<b>Project Description:</b>	YMCA Malta will offer their service provision to homeless families, older people (60+) and individuals with disabilities. This service is currently mitigating a gap in our local service provision.
<b>Detail:</b>	6 units
	Activity/Therapy Room and Communal spaces
<b>Project 3:</b>	Extension of Dar Tereza

<b>Location:</b>	Bormla
<b>Stakeholder:</b>	Richmond Foundation
<b>Project Description:</b>	Richmond Foundation will offer their service to mothers suffering from mental health related issues and their children. This is currently a non-existing service.
<b>Detail:</b>	7 units with private facilities, including 2 studio flats; common dining and kitchen area, kids play area, office, resilient design, lift with CRPD standards.

<b>Project 4:</b>	Dar Mixtla
<b>Location:</b>	Birkirkara
<b>Stakeholder:</b>	Fondazzjoni Sebh
<b>Project Description:</b>	The Foundation will offer its service to young women who have experience domestic violence.
<b>Detail:</b>	This depends on the size of the physical structure which will be allocated. However, the available human resources can deal with 3-6 individuals at a given time.
	Private-public / Communal Aspect
	Disability
	Sense of homely design

<b>Project 5:</b>	Dar Bla Hitan
<b>Location:</b>	Birgu
<b>Stakeholder:</b>	Mid-Dlam Ghad-Dawl)
<b>Project Description:</b>	MDD will offer its services to prisoners and their families through housing and therapeutic services to all family members.
<b>Detail:</b>	Sense of homely design; anti-ligature architecture; security; family therapy with family and children.

The Maltese government will continue working on current and future initiatives with respect to the provision of social and affordable housing, the maintenance on dwellings, and the embellishment of the Housing Estates.

## Access to Basic Services

### 1. Provide access to safe drinking water, sanitation and solid waste disposal

Sustainable Access to Safe Drinking Water: All the population in Malta has access to clean drinking water, including both residents and non-residents. The Water Services Cooperation (WSC) also makes provisions for vulnerable customers who benefit from subsidised water services to guarantee access to safe water for the financially underprivileged. The following extract from our customer contract refers:

*“WSC acknowledges that the right to water and sanitation is a human right as recognized in UN resolution 64/292, and thus continuously strives to supply safe and clean water to its customers while conserving and augmenting water resources in accordance with the Water Services Corporation Act (Chapter 355 of the Laws of Malta).*

*Where a customer of a domestic household provides sufficient proof that he/she lives in an economically disadvantaged household and does not have the means to pay the*

*water bill, WSC may agree with such customer on a flexible and reasonable payment plan whilst maintaining the provision of the service.”*

Drinking water quality has improved and losses through leaks in the network have been controlled. The leakage target has remained below our 2.5 limit, by 2019, the average ILI was down to circa 2.2 This is significant and has been achieved through the upgrading of home service connections that are the main source of leakage. The overall specific energy to produce, blend and distribute drinking water is relatively high, around 3.11 kWh/m<sup>3</sup> due to dependence on seawater RO, even though RO energy uptake has been reduced from 5.8 kWh/m<sup>3</sup> to 4.1 kWh/m<sup>3</sup> over the past 20 years Through the diversification of water supply resources, Malta has managed to achieve a high level of security of supply, ensuring that the national water demand is reliably met. Concerns do remain and ensuring continuity of supply security remains an important challenge. In particular these challenges refer to a growing water demand resulting both due to the increase in population and economic activity, as well as induced by climate change impacts such as increased losses by evapotranspiration. Therefore, ensuring that national water demand is reliably met, whilst ensuring the sustainable use of natural water resources remains a high priority for Malta’s water management framework.

Malta published its 2<sup>nd</sup> Water Catchment Management Plan (2<sup>nd</sup> WCMP) in 2016. The 2<sup>nd</sup> WCMP includes a “programme of measures” intended to enable the progressive achievement of the EU Water Framework Directive’s environmental objectives. From a water supply perspective, the 2<sup>nd</sup> WCMP proposes a water management framework based on the conjunctive use of water supply augmentation and water demand management measures to ensure the achievement of high levels of water supply security, whilst ensuring the sustainable use of natural groundwater resources. A key measure in this regard is the National Water Reuse programme (New Water) which is intended to provide an alternative source of water for the agricultural sector, which as part of the broader Net Zero Impact Water Utility Project will ensure a significant reduction in the environmental impact of the National Water Utility. These projects are complemented by a National Water Conservation Campaign, aimed at ensuring a more effective use of water hence further reducing the pressures on the water environment.

In terms of waste, Waste management is guided locally by the Long-Term Waste Management Plan 2021 - 2030 which promotes the maximisation of the resource value in waste. The current consumption patterns have led to Malta's solid waste management practice to be historically heavily dependent on landfills in the past with low levels of material recovery. The construction industry in Malta is responsible for around 80% of total waste generation each year, with more than 2,000,000 tonnes of C&D waste generated in 2017. The principal impacts of this waste stream are land take up, pollution (dust) and nuisance related to transport and depletion of minerals. The Spatial Plan for the Environment and Development (SPED) outlines a number of challenges to achieve efficient use of resources including the management of stone mineral, water, soil and waste in a manner that safeguards natural processes, and minimises impacts on cultural heritage, landscape and human health.

The responsibilities regarding the management of residential wastes including the collection, recycling and elimination of waste including packaging wastes, waste oils, batteries and tires are being followed in collaboration between government through WasteServ Ltd, Local Councils and the private sector. Recycling is also followed and supported for paper/carton, glass, metal and plastic through a national system of colour

coded skips available all over the Islands. In 2018 Malta has some 640 kg/person municipal waste per year from the 492 kg/person per year EU average. Waste disposed in landfills accounted to 266,000 tonnes in 2018. In 2018, 15% of household waste was recycled. The introduction of separate collection of food waste from households led to increase in the separately collected recyclable waste.

Issues such as lack of knowledge and motivation about the benefits of recycling which is an important dimension in practical solid waste management processes to increase and implement recycling mechanisms persist. Recycling efforts have increased substantially but a lack of incentives for reuse, recycling and reduction still exist. Greater education and incentive efforts are needed to motivate the public further and combat the 'what's in it for me' attitude with a positive awareness based on a healthier, cleaner and less wasteful future for the next Maltese generations. Further awareness in waste reduction, waste separation at source and collection, recycling and reuse will need to increase.

## **2. Ensure access to safe and efficient public transport system**

A safe and efficient public transport system is an integral part of Malta's holistic plan towards less congestion and less emissions, in line with Malta's National Transport Strategy and National Transport Master Plan.

Since 2010, through concession agreements, Malta experienced the introduction of more environmentally friendly vehicles (Euro V) which were fully accessible, as well as a wider route network.

During the last few years, Public Transport users have increased dramatically over previous years, with bus patronage increasing annually since 2011. The increase in passengers meant that the frequency on certain routes needed to be increased. In 2015, a major network review was undertaken resulting in new routes being added, modified or having their frequencies increased. The network is regularly being reviewed in order to ensure that, as much as possible, passenger requirements are being met. Modification to routes are undertaken in order to address new requirements. Further major upgrades in frequency were introduced in 2019. Increase in passengers and additional frequencies also meant that additional buses had to be added on the service. Between 2015 and 2020, more than 230 new low floor, Euro 6 buses were added to the fleet. Some of these buses have replaced older buses that were in service whilst others are being used to cater for the increase in frequencies on certain routes. With an investment of €20 million, 90 of these new buses were introduced in 2019 and 2020.

Increase in passengers was also partially the result of continuous assistance from the Government to provide free public transport to some sectors of the population. The Government has, since 2017, started promoting further use of scheduled public transport by offering free public transport to different cohorts of travellers, starting with 18 year olds during the first year and gradually expanding to include persons between 14 and 20 years old, students who are 21 or older, persons with a disability and persons 75 or older. Last year, over 40 thousand people, who made nearly 8 million trips in total, benefitted from this measure. In 2021 this measure has been extended further to include person 70 years or older. In 2019, over 40,000 persons benefitted from this assistance. Passengers between January and December 2019 amounted to 57,409,385, representing a 7.4% increase on the previous year. It is also noteworthy to remark that free school collective transport has been introduced for all schools.

Furthermore, a pilot project offering public transport on-demand service started in 2019. This innovative service offers customers the possibility to access tailor made collective transport and book their bus seat on one of the new premium buses through the tallinja app.

### 3. Provide access to modern renewable energy

Recent years proved to be a period of rapid enhancement of the energy sector in Malta. Government's energy policy focuses on providing Maltese citizens and businesses with affordable, sustainable and secure forms of energy; this is a reflection of the overarching policy fundamentals expressed by the EU Energy Union. The underlying objectives guiding Malta's energy policy decisions in the last decade include:

- Reducing Malta's dependence on the importation of oil through the achievement of a diversified energy mix;
- Reducing the carbon footprint and greenhouse gas emissions of Malta through improved efficiency in generation capacity, and through the replacement of heavy fuel oil with natural gas and renewable sources;
- Enhancing and strengthening the security of supply of the country whilst ensuring the availability of appropriate back up capacity;
- Stimulating investment in renewable energy sources through the provision of appropriate incentives. The Government increased its efforts to support the deployment of renewable energy, especially photovoltaics, solar water heaters and heat pump water heaters (which are particularly well suited to Malta's geographic location);
- Achieving a degree of interconnection for electricity supply; and
- Overhauling the generation capacity of the country with a view to achieving higher efficiency gains whilst stimulating investment in natural gas infrastructures.

Energy efficiency was always a key policy area for the Maltese Government, targeting the reduction of energy consumption and GHG emissions affecting climate change. In its 2030 National Energy and Climate Plan (NECP) it sets out the way forward for the next 10 years in this area to help with reaching EU targets as set in the Governance Regulation and relevant sectoral directives. Malta's contribution to the 2030 EU energy efficiency target is an energy intensity of 0.07 toe/€'000<sub>2005</sub> by 2030, which will be achieved primarily through policies and measures targeting end-use sectors under Article 7 of the Energy Efficiency Directive. In the past a number of measures and investments in energy infrastructure were carried out, which had a significant impact on the reduction of Malta's carbon footprint and GHG emissions through the improved efficiency in generation capacity and through a transformation of Malta's energy mix from one based on heavy fuel oil to a more sustainable one based on natural gas, an interconnector with Sicily and the growing role of renewable energy sources. Malta's energy policy in fact focuses on maximizing Malta's effective renewable energy potential.

Malta is subject to vulnerability due to its insularity as an Island State, population density and the inability to reap significant economies of scale due to its small size, dependence on international volatility and price of oil and gas and high transport costs. Malta's targets in the longer term are to decrease import dependency in energy and increase energy efficiency. Projects have been followed to increase the share of renewable energy sources mainly through solar PVs, solar water heaters, heat pump water heaters. Uptake of solar

PV has been positive and projections indicate that potential exists for additional installations. With regards to Solar water heaters, the effectiveness of an ongoing grant scheme supporting their purchase has dwindled in recent years, with consumer preference shifting towards PV systems, especially when technologies compete for limited roof space. In 2018, the Government increased the maximum support level for SWHs from €400 to €700, capped at 50% of the eligible cost. The support scheme for Heat Pump Water Heaters (HPWH), which was launched in 2017, was extended and also increased in 2018 to also provide a grant of 50% of eligible costs up to €700. Malta will continue to launch new schemes post-2020 in order to incentivise the installation of the aforementioned technologies for own consumption.

The upgrading of the inefficient conventional electricity production was carried out first with the introduction of the 200MW interconnector with the European grid, followed by the commissioning of the 205MW gas-fired high efficiency combined cycle gas turbine (CCGT) power plant, as well as the conversion of the 149MW power plant to natural gas. The latter of which comprises eight diesel engines that have been converted to run on natural gas instead of heavy fuel oil, with four of these engines also being able to run on diesel oil, a back-up feature sought to contribute towards the security of supply. The developments in the generation sector that have taken place have been given the highest priority as these have resulted in significant primary energy savings and in substantial reductions in GHG emissions from the energy sector. Investments in the power generation sector were guided by the Energy Efficiency first principle and indeed managed to increase the overall conversion efficiency from 25-30% to more than 50%. Such changes were noted through the reduction of oils consumed for transformation purposes with the opening of the interconnector from 5,771 GWh in 2014 to 3,067 GWh in 2015, and the initial operation of the gas-fired power plant with a decrease from 2,000 GWh in 2016 to 595 GWh in 2017. This was further highlighted in 2018 with oil consumption for transformation purposes decreasing to 62 GWh with the majority of electricity now being produced from the gas-fired power plant. Diesel is currently used as a back-up fuel in case of emergencies.

Numerous campaigns and other funding schemes have been followed to instil a change towards energy efficiency in households including household visits (particularly in vulnerable households) where technical personnel from the Energy and Water Agency are tasked with helping residents understand energy and water usage and provide tailored energy conservation tips. Such households are also provided with water saving kits which provide all the necessary information on water conservation.

Another future challenge is to promote and achieve energy efficiency in buildings considering the Mediterranean climate advantages of long-term sun generated energy availability. To date, given the mild climate of the Maltese islands, energy performance of buildings historically was never a major parameter in the design of buildings in Malta, with the first regulations directly addressing energy performance being only promulgated in 2007. However growing interest in energy efficiency has led to new requirements to address energy loss from older stock buildings and especially in new build. In 2015, Malta published its first plan on how Nearly Zero Energy Buildings will be addressed in Malta. This policy document establishes targets for new nearly zero energy buildings, both for residential and other buildings, and examines possible barriers. A number of policies and measures have been put in place to promote energy-efficiency in buildings. Predominantly, these have taken the form of financial incentives or grants. For example,



the Regulator of Energy and Water Services offers a grant on the purchase of roof insulation and double-glazing products for domestic use that reduce the consumption of energy. As part of a process to preserve and restore the built heritage of the Maltese Islands and promote sustainable regeneration, the restoration grant scheme 'Irrestawra Darek', aimed at privately owned residential buildings within urban conservation areas, was launched to promote investment. Other policies and measures focused on financial incentives and grants for the deployment of renewable energy, soft loans for green or energy efficiency investments, as well as financial investments assisting businesses in becoming more energy-efficient and education campaigns.

## 1.2 Sustainable and Inclusive Urban Prosperity and Opportunities for all

### Inclusive Urban Economy

#### 1. Achieve productive employment for all including youth employment

Strengthening labour market performance, improving basic skills and addressing skill mismatches are key policy priorities for Government. Over the years, the government has introduced various measures that support employment creation and which particularly target participation rates of women, young people, older workers, persons with disability and the long-term unemployed.

Several measures were introduced with the aim of increasing the labour market participation of women, mainly through the promotion of family-friendly measures and reducing the barriers to entry in the labour market. These include the promotion of flexible working arrangements, free child-care services, free early- and after-school care services (Klabb 3-16), income tax deductions for the use of private childcare centres, and tax exemption for females joining the labour market. The free childcare scheme continues to support parents and guardians who are in employment or pursuing further education leading to a recognised qualification and who have children from two months to three years of age.

The reforms in benefit design also complement the strengthening of the labour market incentives, particularly through tapering of benefits and the in-work benefits scheme. In 2020 there were a total of 1,829 beneficiaries in the Unemployment Assistance Tapering scheme. Indeed, ever since the introduction of the various measures, employment rates have increased substantially, particularly those of females. Total employment for people aged 20-64 reached 76.8% in 2019, 7.8 percentage points higher than the level in 2015 and 16.7 percentage points higher than the employment rate in 2010. Significant improvements have been recorded in female employment rates which increased from 55.3% in 2015 to 65.8% in 2019, an increase of 10.5 percentage points.<sup>14</sup> (Source: Eurostat)

In addition, various measures have been implemented over recent years aimed at lengthening the duration of working lives. These include an increasing pension age that will reach 65 by 2027 and lengthening of the contributory period from 30 to 41 years, while incentives have been introduced to defer early retirement and lengthen working

<sup>14</sup> <https://ec.europa.eu/eurostat/databrowser/view/tesem010/default/table?lang=en>

careers. Data from Eurostat shows that Malta had the largest increase in the duration of working lives in the European Union between 2000-2019 in reflection of the reforms implemented by the Maltese Government over the years.

Further investment was also undertaken in education and training in a bid to prolong working careers, improve educational outcomes, reduce the skills gaps, thus enhancing the productivity of the local labour force and increasing youth employment, The Government recognises that a successful education strategy contributes towards effectively closing the skills gap, which is one of the major challenges facing the Maltese economy. Over the past years, Government put in place a number of successful initiatives including: the Access to Employment, educational and vocational training programmes, the Youth Guarantee Programme, apprenticeship programmes for students, the National Literacy Strategy for All, the Training Pays Scheme, the Traineeship Scheme, the Work Exposure Scheme, the and the Investing in Skills Scheme which programmes aim at increasing the employability of persons who are either particularly vulnerable or have so far found it difficult to find employment. These contributed to a significant growth in the employability of youth individuals. These contributed to a significant growth in the employability of youth individuals. Employment rates of persons aged 15-24 in Malta stood at 50.7%, 5.1 percentage points higher than the employment rate for younger people in 2015. (Source: NSO Data)

The Government is also aiming to increase the number of graduates in science subjects through several efforts including the extension of the Material Engineering Lab and the Mathematics and Physics buildings and a new Transdisciplinary Research and Knowledge Exchange (TRAKE) complex at the University of Malta. Moreover, a hub for science communication, Esplora, opened to the public in October 2016, with the aim of instilling an active interest in science, research and innovation in young people and encouraging them to pursue a career in science and technology. With regard to addressing skill gaps, the Government drafted a legal notice to reform the national apprenticeship schemes that are currently being offered by Malta College of Arts, Science and Technology (MCAST) with the aim of creating a single national apprenticeship scheme covering more qualification levels. Through such a reform, as well as through scholarships and a National Strategy regarding Lifelong Learning, Government would also be addressing the issue of skills gaps within the labour market as well as securing the relevance of education at the place of work.

Over the past years, Malta's tertiary education attainment continued to increase while a reduction in the early school leaving rate was also registered. The 'My Journey' reform introduced applied subjects, the Malta College of Arts, Science and Technology (MCAST) has launched the Skills Kits programme while the Directorate for Learning and Assessment Programmes has embarked on a range of initiatives, targeting gifted and talented students in both primary and secondary cycles. In addition, the Institute of Education has developed a number of accredited courses which are offered to educators after school hours. The Government is also supporting all women from different societal backgrounds by providing courses ranging from learning basic skills to opportunities to read for a degree. Government is also investing heavily in education infrastructure and resources including educational facilities for children with disabilities who cannot attend mainstream educational facilities.

## 2. Strengthen the informal economy

The policy approach in Malta is mostly targeted at sustaining the formal economy in Malta through measures to improve tax system as well as measures aimed at addressing undeclared work. Compliance with regulations has been encouraged through a reduction in direct taxation on incomes, with minimum wages incomes being exempt from income taxes. Furthermore, since 2015, any type of commercial activity is obliged to register with the VAT department and file VAT returns in a bid to deter tax evasion. Recent Budgets also announced measures that reduce the rate of personal tax. Such a measure together with the implementation of active labour market policies encourage persons in undeclared employment to regulate their employment status.

The shadow economy is a very complex phenomenon, rendering it difficult to define and measure. Studies on the underground economy in Malta are quite limited. The first attempt to quantify the local phenomenon dates back to Micallef (1988)<sup>15</sup> who uses a Currency Demand Approach to quantify the size of the Maltese underground economy and finds that between 1970 and 1985, Malta's underground economy grew to reach about 25 per cent of the gross economy. This ratio is alleged to have declined with the introduction of the Value Added Tax (VAT) in 1995 (Cassar, 2001)<sup>16</sup>. Briguglio (1989)<sup>17</sup> uses a similar approach and finds that the ratio of GDP for the underground economy in relation to GDP of the formal economy increased from 16.9% in 1970-1972 to 23.6% in the period 1985-1987. An alternative approach is that used by Cassar (2001) who constructs an index of underground economic activity in Malta for the years 1971 to 1997 using a 'Multiple Indicators, Multiple Causes' (MIMIC) approach. The study finds that the underground economy grew from 16% to 25% of GDP between 1980 and 1997. Further recent studies which throw a light at the shadow in Malta include that of Murphy (2012)<sup>18</sup> who estimates that the underground economy in Malta as at 2009 was of about 27% of GDP while Medina and Schneider (2018)<sup>19</sup> find that Malta's underground economy averaged 30% between 1991 and 2015. A more recent study is that by the Central Bank of Malta in 2020. The authors apply the two commonly used methods in the literature i.e. the Currency Demand Approach and the MIMIC approach and find that the shadow economy in Malta has remained relatively stable over the last decade, standing at just below 21% of official GDP in 2019.

According to a legal notice 112 of 2019, Identity Malta Agency has set up a Reporting Unit to ensure that the relevant laws that fall within the remit of the agency, in particular, the legal migration process, are respected by employers.

## 3. Support small- and medium-sized enterprises

The local economy is sustained also by a large extent of small and medium enterprises (SMEs). These SMEs which also include family owned businesses would employ anything

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<sup>15</sup> Micallef, M., 1988. The underground economy in Malta. Dissertation in part fulfilment of the BA (Hons) Public Administration, University of Malta.

<sup>16</sup> Cassar, Alan (2001), "An Index of the underground economy in Malta." Bank of Valetta review, Spring 2001, 44-62.

<sup>17</sup> Briguglio, Lino (1989), "Factors Affecting the Ratio of Currency Demand to Total Monetary Assets in Malta." Paper presented at the International Conference on Applied Statistics, Middle East Business and Economic Association, January.

<sup>18</sup> Murphy, R. (2012), "Closing the European Tax Gap." A report for Group of the Progressive Alliance of Socialists Democrats in the European Parliament.

<sup>19</sup> Medina, Leandro & Schneider, Friedrich, 2018. Shadow Economies Around the World: What Did We Learn Over the Last 20 Years? Policy File, pp. Policy File, 2018-01-24.

from one employee to 250 employees. SMEs make up around 99% of all the enterprises in Malta. They also contribute towards around 67% of all the employment and more than half of the total output generated in the Maltese economy. SMEs are mostly industrial, commercial (import/retail) and logistic, distribution and transport related operations. During the last years, Malta has attracted a number of high growth start-ups operating in areas such as digital games, artificial intelligence, digital ledger technologies, cyber security, MedTech, remote pilot aircrafts, etc. These new start-ups now form an integral part of the type of SMEs that Malta has. These enterprises are mostly clustered around various parts of the Island. However, they would benefit greatly from further centralisation and agglomeration of services. This would allow for greater economies of scale and potentially also facilitate collaboration between them. Financing options for these SMEs have also been greatly improved through EU funding and banking schemes including EU Interreg, JAIME and other schemes administered through Malta Enterprise and SME Grant schemes. Malta Enterprise in particular has developed specific schemes for SMEs and in particular start-ups. Industrial Innovation Solutions (INDIS ex. MIP) have recently also announced a capital expenditure of €470 million related to industrial estates. This investment will go towards both addressing the present short comings but most importantly to address the needs that will be experienced in the coming years. The human resource remains an essential element of economic growth with language fluency and an excellent knowledge and use of English making Malta's HR more accessible and efficient. The labour force in Malta is a very productive one, highly educated and extremely flexible with an excellent work ethic and highly adaptable to new training requirements.

Malta Enterprise is the economic development agency of the Maltese Government. The Agency is entrusted to attract foreign direct investment towards Malta. At the same time, ME is also responsible to ensure that businesses already operating from Malta (both foreign and indigenous) are provided with the right economic climate and support to expand even further their operations. The agency promotes economic investment through the promotion of Malta's assets including its skilled human resources, ability to attract and retain expats, strategic location at the heart of the Mediterranean with very close ties to mainland Europe, North Africa and the Middle East, strong knowledge based sectors and high end manufacturing that contribute to industrial development and an excellent port infrastructure that places Malta as an ideal logistical hub through Malta Freeport. The agency over the years has also promoted Malta amongst investors as a living location, both for them as well as their employees. This element will be even more pronounced post the pandemic when new realities of remote working become engrained in operational models. Economic incentives such as the low corporation tax have existed in Malta since 1948. The rate for corporate taxation in Malta stands at 35%, however there are additional incentives upon distribution of dividends to shareholders. Cognisant of the fact that human capital is key to take economic development to new heights, a number of beneficial personal taxation measures are also in place.

#### **4. Promote an enabling, fair and responsible environment for business and innovation**

The Maltese economy progressed from one based on servicing the needs of the British colonial administration and military up to the mid-1960s, to a market-driven economy following Independence in 1964, and the formation of a Republic in 1974. The economy diversified towards higher value-added economic activities in services, notably financial

services and tourism by the 1990s. The adoption of the Euro in 2008 ensured that the economy would not be vulnerable to currency fluctuations, providing stability and allowing the nation to be more competitive. Furthermore, EU membership makes the country an ideal gateway to the Euro-Mediterranean regional trade.

As outlined in Malta's National Reform Programme, in 2019, the Maltese economy recorded a real growth rate of 4.4 per cent, equivalent to 6.8 per cent in nominal terms. While the rate of growth of the Maltese economy was broad based, the domestic demand component was the main driver for growth, contributing to 4.3 percentage points. This was supported by consistent growth in government consumption and investment, as well as buoyant labour market developments which generated positive consumption dynamics. Changes in inventories also contributed 0.2 percentage points towards growth, while net exports contributed negatively by 0.1 percentage points due to weaker external demand conditions.

The outbreak of the COVID-19 pandemic in early 2020 has brought about unprecedented stresses to the global economy. The effect of this shock distinguishes itself from previous crises as the sudden declines in demand were complemented with supply restrictions resulting from the imposition of lockdowns. Besides, the unrelenting speed at which the virus spread resulted in unanticipated strains on health care systems. International institutions and Governments hastily responded to the outbreak by loosening monetary policy and providing fiscal stimulus in an attempt to cushion the economic setback. In Malta, while the outbreak of the pandemic had an adverse effect on the broad economy, the sectors most severely hit by the partial-lockdown measures were those related to tourism activity, mainly the wholesale and retail trade sector, transportation and storage and the accommodation and food service activities sector. Against this background, the Maltese economy is expected to contract by 5.4 per cent in real terms during 2020. Table 2.1 provides an overview of the outlook for the main macroeconomic indicators. Given the high degree of openness of the Maltese economy, international developments are projected to weigh heavily on Malta's net export performance. Indeed, the main contributor to the decline in real Gross Domestic Product (GDP) for 2020 is a negative net exports balance of 7.2 per cent. Employment and the labour supply are expected to decline by 3.3 per cent and 0.6 per cent respectively, with a concomitant rise in the unemployment rate to 5.9 per cent. In spite of these developments, domestic demand is expected to contribute 1.8 per cent to growth, as public expenditure is projected to compensate for the negative contributions from private consumption and gross fixed capital formation.

The outlook for 2021 remains highly uncertain and is contingent on the possible evolution in the COVID-19, the economic recovery in Malta's key trading partners, as well as the speed at which the behaviour of domestic consumers and firms will return to normal.

The baseline projection accounts for gradual resumption of economic activity from the third quarter of 2020, and this should support a modest recovery in 2021. Indeed, the Maltese economy is expected to resume its positive performance and grow by 3.9 per cent in real terms in 2021, as growth rates in the main GDP components are expected to turn positive in reflection of positive developments in tourism, external demand and domestic sentiment. A pick-up in economic activity along with an increase of 3.5 per cent in the labour supply is projected to generate employment growth of 3.2 per cent, corresponding to a reduction in the unemployment rate to 3.7 per cent. Domestic

demand is projected to be the main driver of this growth with an expected contribution of 1.8 per cent, followed by a positive net exports contribution of 2.1 per cent.

Over the past years, the Maltese Government introduced a number of reforms with the scope of boosting businesses' confidence, thus bringing about higher efficiency, productivity and employment while improving potential output growth and living standards. These reforms are crucial to meet the objectives laid down in the Europe 2020 Strategy and Country Specific Recommendations (CSRs) as they aim to continue:

- Strengthening fiscal responsibility and ensuring long-term sustainability of the pension and health care systems;
- Strengthening the country's institutions and good governance in line with international standards;
- Improving physical infrastructure and the quality of the business environment;
- Encouraging greater investment in research and innovation;
- Reducing risks of poverty and promoting social inclusion;
- Encouraging higher labour participation rates, improving education outcomes and reducing skills gaps;
- Strengthening efficiency in the use of energy and promoting the use of energy from renewable sources.

Further information is outlined in Malta's National Reform Programme 2020.

## **Sustainable Prosperity for All**

Government direction is geared towards the promotion of socio-economic development through urban regeneration as the key to economic growth and environmental and social welfare improvements. From the swift urbanization of the 1970s/80s, GDP growth has been achieved that allowed for the modernisation of the Island firstly through industrial/manufacturing and tourism development and more recently through the development of tertiary services sectors of banking, finance and ICT related employment including the fast-growing IT gaming industry.

This growth resulted in the need for well-established business and industrial hubs as focal points for job creation and productivity in key locations for office and commercial space provision. These hubs, spread over various parts of the Island, provide the required spatial context to the needs of a productive economy and healthy environment and thereby strengthen economic and social inter-linkages and services and job creation at the centre of the main residential areas. The Planning Authority through Spatial Plans for Malta ensures that land is available for socio economic growth over a wide extent of local economies in key towns. This streamlines the process for the developer to direct major development projects of a commercial and economic nature towards these business hubs and industrial development towards industrial hubs.

Between 2007-2019 collected data for business land uses based on development planning application permits indicates an average 70,000 sqm of office development approved per year and about 300 permits granted annually. For retail floorspace an average 40,000 sqm of retail development per year and an annual average of 370 permits were granted for this land use. Industrial hubs also provide added scope for local economic growth of the country with recent developments being within the Digital economy, ICT, Life Sciences, Pharmaceuticals and aeronautical engineering industries. Industrial data at the PA indicates

an average 45,000 sqm of industrial development per year and an average 75 permits granted annually by MEPA for this land use. Alongside industrial development there is also an average 65,000 sqm of warehousing development per year and an annual average of 480 permits granted by PA for this land use relating to logistics, distribution and transportation developments, as well as ancillary storage for other commercial uses.

It is to be noted that Government has embarked upon an intensive program of modernisation and upgrading of its industrial facilities within Industrial Zones, particularly by promoting industrial clusters and the branding of industrial estates in order to enhance the experience of users of such estates, by including green walls in communal areas and mixed-use amenities for the use of stakeholders amongst others, including health facilities, general convenience outlets, cafeterias and child-care centres. It is also established strategy to promote sustainable industrial projects and to this effect has put in place specific policies to promote 'sustainable industrial buildings' when embarking on new industrial projects. Although the traditional manufacturing sector remains the back-bone of the industrial sector in Malta and is the most resilient at times of crisis as is witnessed during the recent/ongoing pandemic, it is noted that knowledge intensive activities will remain the fastest growing amongst industrial sectors and Government is focusing on providing the appropriate space for these activities to thrive by, amongst others, planning a new and enlarged Incubation Centre and the extension of the current Life Science Facilities. It is worthy of note that since 2020, that is the start of the pandemic, around 50 different new or expansion projects are currently awaiting the award of industrial space in Government owned Industrial Estates. The activities range from traditional manufacturing including pharmaceuticals, medical and other health related activities as well as food preparation and manufacture of electronic products. Other new or expansive activities in the pipeline include engineering services, transport and ICT related activities. In order not to further expand the footprint of industrial developments on virgin land, Government is also looking at the possibility for Public Private Partnerships to jointly develop and manage industrial estates which are situated on private land within existing industrial designated zones. Tourism remains a key area of economic growth in the economy with an average 40,000 sqm of tourism development per year and 45 permits on average granted annually for this land use. The Islands high quality, up market hotel industry is a key pillar of the economy.

## **1.3 Environmentally Sustainable and Resilient Urban Development**

### **Resilience, Mitigation and Adaptation of Cities and Human Settlements**

#### **1. Minimize urban sprawl and loss of biodiversity resulting from it**

In Malta, development is directed towards the development zone or limit to development through the Strategic Plan for the Environment and Development 2015 policies for containment and for development to follow a sequential approach (Sect. 3.1). These policies are intended to limit urban sprawl by limiting development outside the development zone mostly to agriculturally required land uses as built development is guided primarily to existing land within the development zone. The control of further

sprawl is also intended as a measure to protect against the loss of biodiversity by limiting development outside the development zone.

## **2. Implement climate change mitigation and adaptation actions**

Malta as a party to the UNFCCC and the Paris agreement has developed a GHG abatement policy back in 2009, a national adaptation strategy in 2012 and is currently in the final stages of developing its Low Carbon Development strategy, which will include adaptation action.

Since the advent of the GHG mitigation strategy Malta has managed to reduce its GHG emissions in 2018 to 15% less than its 1990 levels. This was mainly due to measures implemented in the energy industries sector, and included upgrading to more efficient electricity generation, interconnection to Europe and renewable energy. In other sectors measures such as the introduction of better waste management facilities also contributed to the reduction in emissions.

For the longer-term Malta is committed to a carbon neutrality goal and to the EU wide Climate neutrality commitment by 2050, which will drive deep reductions in GHG emissions and complete decoupling of the economy from emissions.

Whilst specific climate action is not the responsibility of the Authority, through its functions, the organisation plays an integral role towards enabling Malta's achievements through mainstreaming climate action in spatial planning policies and related decision-making processes.

With respect to strategic policy, Climate Change is identified as one of the key challenges for the Maltese Islands within the Strategic Plan for Environment and Development (SPED), approved by Parliament in August 2015. The SPED encapsulates the significance of climate mainstreaming primarily through its vision which sees the Maltese move closer to a low-carbon, zero-waste, green economy where the Urban Area shall be energy efficient and generate energy from micro-renewable infrastructure, the Rural Area become more resilient to the impacts of climate change and the Coastal Zone and Marine Area enabling the Maltese Islands to reduce their impact on climate change and strengthen their capacity to adapt to climate change. This vision has been translated into strategic planning policies that support the implementation of national mitigation and adaptation plans, and guiding specific sectors (e.g. buildings, transport) for more appropriate action.

For example, with regards to renewable energy infrastructure (RES) SPED encourages RES use in the design of buildings (Policy TO 9.3) and large scale renewable energy infrastructure is promoted within the 12 nautical miles of the Territorial Waters that constitute the seaward boundary of the Coastal Zone (Policy CO1.4b and Map 3). Through this policy, RES development is established as a legitimate maritime use along other uses such as fisheries, shipping and aquaculture, thus providing leverage for potential and viable projects.

At the lowest hierarchical level, through detailed policy, the Development Control Design Policy, Guidance and Standards 2015 (DC15) includes an objective to provide good practice guidelines on energy conservation, the use of renewable energy and sustainable use of natural resources. Development proposals, particularly for large scale projects are



requested to provide specific plans pertaining to resource management including water, waste and energy.

Through the consultation processes for both plan/policy formulation and development control, the Planning Authority seeks to incorporate all relevant requirements in its processes, thus contributing towards to the governance aspect of climate action. Through the appropriate mechanisms government entities, the private sector and members of the public can contribute to the decision-making process. Various initiatives by the PA have been launched that enhance climate action.

#### The Grant Scheme – ‘Irrestawra Darek’:

The success of the Irrestawra Darek (Rehabilitate your Home) Grant Scheme was replicated in 2018, where approximately €10 million of funds obtained from the regularisation process were redirected to the Grant Scheme which targets restoration and rehabilitation works of privately-owned residential properties located within Urban Conservation Areas and Grade 1 and Grade 2 buildings. The regeneration of village cores supports the re-use of the existing building stock, whose continuous use and maintenance promotes the uptake of energy efficient solutions thus indirectly contributing to national climate objectives linked to GHG reduction.

#### Projects:

The Planning Authority continued to support MCAST in an EU funded project led by the Joint Research Centre – Enhancing Resilience of Urban Ecosystems through Green Infrastructure (EnRoute) - to measure the ecosystem services of green infrastructure (GI) within urban areas. The scope of the project is to illustrate the multiple roles of GI in cities, with a view to improve policies to encourage further GI uptake. The Malta case study area for this project covered the extent of the North Harbours Local Plan and Grand Harbour Local Plan. MCAST determined the relevant open and green spaces and their respective ecosystem services. Through this project the Planning Authority initiated a policy evaluation process to identify how GI can be supported within spatial planning and indirectly provide a tool to assist national climate action, particularly related to adaptation.

#### Operational Performance:

Following its decision to become a paperless office, with the successful implementation of the digital portal to support the permit application process, the Planning Authority introduced the concept of hot-desking whereby a number of its staff work away from the head office for a number of days per week. This initiative is considered to have multiple benefits not only in supporting employees’ work-life balance and enabling maximisation of existing office space in the PA, but also in contributing to a reduction and curtailing the amount of car travel during peak hours.

The Planning Authority continued to implement its Green Transport Initiative which encourages its employees to utilise various green modes of transport, with a view to reduce personal car travel, on a voluntary basis. This initiative is supported by family friendly measures that include flexible working hours and teleworking.

In addition, with respect to resilience, the SPED policy objectives for Climate Change are planned to enhance Malta’s capacity to adapt to Climate Change and increase urban resilience through quality infrastructure that includes the integration of small scale

renewable energy infrastructure into the design of buildings particularly in public, industrial and commercial sectors (TO 9.3) and the introducing energy efficiency in the design of buildings (TO 9.6).

## **Sustainable Management and Use of Natural Resources**

### **1. Strengthen the sustainable management of natural resources in urban areas**

Over the past years Malta has gained in momentum, and focussed on, matters related to green infrastructure and urban greening, even though it still a relatively new concept in Malta. One of the topics focuses on buildings becoming more energy efficient, whilst offering a healthier and better living space. The 'Green Paper on Greening Buildings in Malta'<sup>20</sup> sets out initiatives for green walls and roofs for residential, commercial and industrial buildings in line with national principles and the vision of the European Green Deal. Green walls and roofs showed potential for energy savings in buildings noting that the insulation that they provide allows the building to require less energy in order to control indoor climate. They also provide opportunities for the use of indigenous vegetation that require minimal upkeep noting that these species are adapted to the Maltese climate and can survive conditions where there is minimal irrigation, strong winds and exposure to sunlight as well as limited depth of soil. This will in turn also attract indigenous fauna to urban areas. Green roofs and walls also play a role in reducing noise pollution, contributes to storm water management and flood relief in built-up environments, and improves the mental and physical well-being of people.

Furthermore, the 'Guidelines on trees, shrubs and plants for planting and landscaping in the Maltese Islands', are available in order to assist local councils, developers, architects and planners amongst others with the suitability of particular species of vegetation for planting and landscaping. This helped ensure environmentally sustainable green landscaping by promoting the use of indigenous vegetation for development projects. The guidelines are in the process of being updated to establish new standards on the basis of experience gained over the past years since their publication. Additionally, further guidance and policy is being developed, targeting afforestation, rural areas and the urban environment.

Malta's National Biodiversity Strategy and Action Plan (2012-2020) also targets sustainable management of natural resources in urban areas through the following measures:

#### SH7 under Theme 2 – Species and Habitats

*Urban biodiversity in villages and towns is safeguarded through the uptake of community initiatives, such as green rooftops, green open spaces, and other incentives, such as competitions for the best gardens and open spaces in urban areas, which promote the use of indigenous species (as opposed to invasive non-native plants). Such initiatives contribute to an increase in green urban areas.*

#### NR5 under Theme 6: Sustainable Use of Natural Resources: Soil, Water and Land (Code - NR)

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<sup>20</sup> <https://era.org.mt/green-paper-on-greening-buildings-in-malta-initiatives-for-green-walls-and-roofs-for-residential-commercial-and-industrial-buildings/>

*Appropriate and cost-effective rainwater harvest technologies are adopted, where feasible, in urban and rural areas as an environmentally sound approach to address imbalances between water supply and demand, and thus ensure long term water security in Malta*

#### PC4 under Theme 11: Participatory Conservation (Code - PC)

*The CBD Plan of Action on Sub-national Governments, Cities and Other Local Authorities for Biodiversity (2011-2020) is implemented according to national priorities and needs by integrating biodiversity considerations into urban infrastructure investments (where feasible) and procurement choices.*

#### S1I6 under Theme 18: Other Sectoral Integration (Code - SI)

*The role and importance of spatial planning as an instrument for wider biodiversity conservation is reflected in new policy on spatial planning. The latter builds on the principles of integrated land use planning and devises measures to safeguard the wider countryside from urban sprawl, to support urban biodiversity and to contribute towards the EU priorities on a Green Infrastructure*

The elements above will be integrated in the new *National Biodiversity Strategy and Action Plan (NBSAP) to 2030*, which is currently being drafted. The document will promote, *inter alia*, urban greening and urban biodiversity with the development of schemes, incentives, and financing of green infrastructure.

## **2. Drive resource conservation and waste reduction, re-use and recycling**

### **Managing rural-urban linkages**

The rural areas of the Maltese Islands reflect the continuum of activities from very rural to very urban which blurs the distinction between the two. In general, the rural areas are characterised by low population densities, agricultural activities and natural resources. Agriculture land accounts for almost half of Malta's land area whilst woodlands account for less than 1%. Rural areas have distinguishing spatial features influenced by geomorphology; namely the ridges and valleys to the north and the hills and plains to the south-east. The rural area to the north of the island is more varied in terms of rural functions and landscape features while the character of south-east is more homogeneous and the agricultural infrastructure more intensive.

Agriculture dominates the rural environment yet abandonment, loss and fragmentation of agricultural land remain critical issues for the future sustainability of Malta's rural areas. Furthermore, contemporary Maltese agriculture is less economically sustainable as it finds difficulty to compete with foreign products. Consequently, the agriculture has partly become intensive and specialised with concentrations of greenhouses, large farm buildings and small-scale agricultural structures that generate a significant cumulative impact on the quality of the landscape, as do the use of unsuitable design and materials.

Intensive arable farming has increased demand for water for irrigation and the use of agro-chemicals which resulted in adverse impacts on biodiversity and water resources.

User conflicts through the inappropriate siting and design of livestock farm buildings and the lack of proper waste management have also arisen as well as the reduction in full time employment in agriculture and the continuing process of land fragmentation. This has increased pressure for conversion of existing structures to non-agricultural uses. Therefore, the promotion and support of a sustainable and modernised agricultural industry is also crucial to safeguarding the countryside for present and future generations. The challenges of modernisation of arable and livestock farming require an appreciative understanding of the spatial context within which they occur. Moreover, particular rural areas are under threat of degradation by the large number of people they attract, mainly for recreational purposes.

The SPED includes various measures to:

- a) Facilitate sustainable rural development and the diversification of activities within the Rural Area to sustain agriculture and safeguard its distinctiveness;
- b) Protect and enhance the positive qualities of the landscape and the traditional components of the rural landscape;
- c) Rehabilitate, upgrade and regenerate deteriorating natural environments on the basis of their type and location;
- d) Ensure that the existing recreational resources are protected, enhanced and accessible to enhance the public's rural experience in a manner which does not have an unacceptable adverse impact on protected areas, species and areas of high landscape sensitivity; and
- e) Facilitate the provision of new recreational facilities to improve social cohesion, human health, air quality and biodiversity.

The projected decline in the rate of urbanisation is not expected to lessen pressure on the rural areas. Unless local agriculture recuperates lost ground through more efficient and sustainable practices and/or as a result of growing demands for local and fresh produce, the farming community and the amount of land under cultivation is set to decrease. Abandoned agricultural land will have detrimental impact on the quality of the rural landscape and on natural resources because of loss of soil and water retention as a result of neglected agricultural allotments and collapsing of unmaintained rubble walls. These impacts may perhaps be mitigated by careful landscape management by returning agricultural land to natural habitat. An increasingly environmentally conscious and affluent urban society will add pressure on the countryside as it will increasingly seek recreation in and even relocation to the rural area to better their quality of life by escaping the urban environment. The identification and restoration of green infrastructure, green belts, and public gardens, further concerted efforts are needed to improve the island's potential for urban greening, which would allow locals to be in constant interaction with the environment. Further information on Green Infrastructure is available in the 6<sup>th</sup> National report to the Convention on Biological diversity published by the Environment Resources Authority.

The Environment and Resource Authority (ERA) has acknowledged lack of green space in its NSE 2050 Wellbeing Vision and its link with health aspects such as obesity and mental health. This is also linked to negative health effects caused by poorer air quality and higher noise levels particularly in areas with high traffic flows. Thus, the incorporation of such green spaces in congested and noisy areas is highly commendable. Furthermore, pedestrianization is also commendable from an air quality and noise perspective, however if closure of streets

or re-routing of traffic are considered, traffic management plans are to incorporate further studies to assess the impact on air quality and noise levels so as to avoid pollution shifting to areas which already suffer from elevated noise/air pollutant levels. The 'Slow Streets' initiative under the Residents First<sup>21</sup> vision would contribute to an improved air quality and reduced noise levels. Moreover, it would also serve as continued promotion of the well-being concept and improved quality of life.

### 3. Implement environmentally sound management of water resources and urban coastal areas

**Coastal erosion:** Malta has around 270 km of coast. Although erosion is in first instance a natural phenomenon, the main factor that accelerates erosion in Malta is human intervention through development. The construction of coastal roads next to the sandy beaches and other coastal constructions alter the natural sediment supply process and increase erosion. The Maltese Islands are currently adopting a limited intervention approach with attempts at not creating new erosion risks through new coastal road building. The reason for this may be attributed to the fact that to date, there are few published sources addressing the rates and risks of coastal erosion.

**Soil erosion:** Preliminary results on soil erosion rates in Malta show that this phenomenon is one of the most important threats to soil in the country. Soil erosion is caused by both climatic and anthropogenic factors. Most of the arable land in the Maltese Islands suffers from soil loss due to insufficient rubble wall maintenance and flood events amongst other factors. As in other EU countries, agricultural land abandonment is evident in Malta and is a key factor affecting both the preservation of rubble walls and the fertile soil deposits. Studies show that around 20% of Malta's land area is at risk of soil erosion. The central and north-eastern areas show the lowest erosion risk because of relatively flat topographies, good land management and erosion control measures. Conversely the Maltese north-western and Gozitan areas are characterised by a high rate of erosion rates. Locally, soil and rubble walls are protected through the Legal Notice L.N. 169 of 2004.

**Earthquake:** The main Euro-African plate collision margin passes about 200 km to the north in Sicily and along the Hellenic Arc to the east, while the seismically active Hyblean Malta Escarpment is situated about 100 km to the east. Despite this scenario, a culture of seismic risk awareness has never really been developed in the country, and the public perception is that the islands are relatively safe, and that any earthquake phenomena are mild and infrequent. This is probably due to the fact that no loss of life has ever been documented as a direct result of earthquake activity, and the last occurrence of serious damage to buildings was almost a century ago. As a result, a comprehensive study on the effects of past earthquakes was not developed and hence the compilation of a historical seismic catalogue, as a first step towards a seismic hazard assessment, has never been scientifically undertaken. Whilst building regulations drafted in 1995 took into consideration the need to design particular categories of buildings seismically, these have still not been put into force. Only a few buildings, such as the Delimara power station are built specifically to withstand a certain degree of seismic activity. The University of Malta's Seismic Monitoring and Research Group (SMRG) researches earth tremors and earthquakes. From existing data most of these occur undersea. Research activities include

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<sup>21</sup> [https://issuu.com/icamalta/docs/slow\\_20streets\\_20online?fbclid=IwAR0ueH8LAMra2e5mKjLgsvKEzv5iZCYQIEFTOIKFvQxqxXHbqYJiOJQEXqE](https://issuu.com/icamalta/docs/slow_20streets_20online?fbclid=IwAR0ueH8LAMra2e5mKjLgsvKEzv5iZCYQIEFTOIKFvQxqxXHbqYJiOJQEXqE)

the monitoring, mapping and analysis of seismic activity in the central Mediterranean in particular around the Maltese islands, and identification of active faults in the seabed of the Sicily Channel.

## **Part 2: Effective Implementation**

### **2.1 Building the Urban Governance Structure: Establishing a Supportive Framework**

#### **1. Develop legal and policy frameworks to enhance the ability of governments to implement urban policies**

The Planning Authority is guided by the Development Planning Act VII of 2016 that provides the legal and policy framework to implement urban policies. This policy process includes open public consultation on policies and plans that are being formulated. This consultation process greatly enhances the government's ability to implement urban policy through stakeholder involvement at all levels and including the general public.

#### **2. Build the capacity of local and subnational governments to implement local and metropolitan multilevel governance**

Malta has a centralised system on such matters, however as per provisions of the Development Planning Act, Local Councils have been given a seat with voting rights on the planning board when a full development application falling under schedule 3 (major development) proposed to be implemented in their locality is to be decided. There are currently no formal discussions underway in order to develop upon this recently introduced measure.

#### **3. Implement participatory, age- and gender-responsive approaches to urban policy and planning**

With respect to age responsive approaches to urban policy and planning, the Vote 16 initiative has given youths, as young as 16 years, the right to vote in municipal and European Parliament elections in order to attract their participation in the political life of Maltese society. In addition, the Maltese Government recognises the importance of both formal and informal participation of ageing persons. Hence, The National Strategic Policy for Active Ageing: Malta 2014-2020 is based on: the active participation in the labour market; participation in society; and independent living. Forward looking, the government will ensure that the new health policies and services are to enable elderly persons to remain living in their community and are provided with the necessary amenities by which they would be able to remain active. Moreover, the government has also incentivised the elderly to continue to participate in the formal economy by means of deferred retirement incentives.

On gender responsive approaches, in 2019, a report on the Gender Balance in Parliament Reform was presented to Parliament that proposed recommendations to address the dearth of women parliamentarians. In February 2020, government reaffirmed its

commitment towards gender balanced representation, not only in parliament but also in directorship and governmental roles. Moreover, government stated that the gender parity mechanism, identified in the 2019 reform report, would enable the increase of female representation in parliament. It is important to note that an agreement on said proposals was reached with the opposition. Moreover, the Equality Bill being discussed in Parliament states that at least 40% of the appointments made for officially designated bodies should be women. In addition, the Planning Authority as the national authority responsible for urban planning is committed towards the wellbeing of employees by providing and maintaining an inclusive and productive work environment, which promotes equality, diversity, mutual respect, integrity and professional conduct. All services are gender neutral. Within the process of recruitment and employment, the Authority:

- Implements standard procedures based on the principles of equal opportunities;
- Ensures equal pay for work of equal value;
- Ensures that work force profiles and job descriptions are gender neutral and roles assigned are free from gender stereotype.
- Ensures equal access to personal development opportunities including training (both local and international), study leave and other development incentives.

#### **4. Achieve women's full participation in all fields and all levels of decision-making**

As an example, the Planning Authority is committed towards the well-being of its employees by providing and maintaining an inclusive and productive work environment, which promotes equality, diversity, mutual respect, integrity and professional conduct. All services are gender neutral.

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- ensures equal pay for work of equal value;
- ensures that work force profiles and job descriptions are gender neutral and roles assigned are free from gender stereotype.
- ensures equal access to personal development opportunities, including training (both local and international), study leave and other development incentives.

The Authority's current female workforce account for more than 39%. Moreover, the Authority has 35 female employees who are enjoying middle management and higher grades. This represents 8.1% of its workforce.

In order to ensure that female employees are placed on an equal platform to continue gaining experience throughout their careers, the Authority understands the importance of the work-family balance and has, throughout the years, introduced various family-friendly measures for both female and male employees. These measures help employees balance and reconcile work related demands with family needs allowing both parents, of both sexes, to attend to their childbearing responsibilities as well as facilitate their choices as parents. Some of the measures which allow employees off work to tend to their family commitments include: maternity leave, parental leave, birth leave, career break, adoption leave and leave to foster children. Moreover, the collective agreement also permits responsibility leave for taking care of elderly parents, children or spouses.

Another fundamental aspect of work-life balance centres on facilities available to working parents that enable them to take care of their children or elderly parents whilst still working with the Authority. This includes reduced hours working hours arrangements, flexitime and teleworking. An important benefit which was agreed with the unions during the last collective agreements negotiations, enables employees to benefit from additional days of vacation leave. Furthermore, Authority employees were granted further flexibility by utilising 5.5 hours of vacation hours in the winter and 3.5 hours of vacation hours in the summer to take a full day of vacation leave. The missing hours are to be worked on the other working days within the same 4-week pay period. This added incentive grants flexibility and an option for extended vacation leave which may be utilised according to the individuals' responsibilities and needs.

The Planning Authority believes that by implementing the above measures, it provides an increase in flexibility which enable our female workforce to continue gaining experience which will prove instrumental in their career prospects.

## **2.2 Planning and Managing Urban Spatial Development**

### **1. Implement integrated and balanced territorial development policies**

The local spatial policy framework is intended to achieve an integrated and balanced approach for territorial development policies through the Development Planning Act and the Spatial Plan for Environment and Development 2015.

The Legal Framework for Spatial Planning in Malta is as set out in the Development Planning Act (DPA) VII of 2016. The DPA 2016 sets out the urban policy for development within the Maltese Islands under the remit of the Planning Authority (PA). The environmental responsibilities are separate under the remit of the Environmental Regulation Authority (ERA) since 2016 which is also responsible for Climate Change. The Planning Authority is responsible to the Ministry of Environment, Climate Change and Planning (MECP). The Development Planning Act (DPA) 2016 advocates for the integrated planning of the various sectors that depend on the sustainable use and management of the national land and sea resources, in conjunction with the balancing of the social, economic and environment considerations to ensure sustainable development.

National Spatial Policy is followed through 'The Strategic Plan for the Environment and Development (SPED, 2015)' document. The SPED 2015 approved by Parliament in July 2015. The SPED is the key strategic document regulating the sustainable management of land and sea resources of the Maltese Islands. This is a parliamentary approved national document for urban development and the environment. The Strategic Plan for the Environment and Planning (SPED) 2015 is the main spatial strategy policy document of the Maltese Islands. Malta is spatially organised into 4 main spatial zones namely the Urban Area (Development Zone); the Rural Area (Outside the Development Zone), the Coastal Zone and Marine Area and Gozo. The planning system follows a hierarchy of plans with the SPED (2015) as the primary national strategic document. Other subsidiary plans lower within the hierarchy currently include 7 approved Local Plans namely the Grand Harbour Local Plan (2002), the Marsaxlokk Bay Local Plan (1995), the Central Malta Local Plan (2006), the North Harbours Local Plan (2006), the South Malta Local Plan (2006), the North West Local Plan (2006) and the Gozo and Comino Local Plan (2006) that guide development at the local level.



The SPED document includes strategic policies based on thematic objectives for the Urban Area, Rural Area, Coastal Zone, Marine Area and the Island of Gozo. The policies provide guidance for socio-economic development, housing, climate change, environment, transport/travel patterns and Gozo.

The SPED document includes 25 objectives and 165 SPED policies of which 86 policies are Thematic, 29 policies are for the Urban Area, 25 policies are for the Rural Area, 12 policies are for the Coastal Zone and Marine Area and 13 policies are for the Island of Gozo.

The SPED makes proposals for the future spatial distribution of development and the protection of the environment on land and sea in a manner that is consistent with national policies and integrates Government's social, economic and environmental objectives.

The SPED is an enabling plan to increase the competitiveness of the Maltese Islands in a manner where socio-economic development assists the achievement of national environment objectives. As a national strategic document, the SPED guides the spatial aspect of Government sectoral policies, plans and programmes. It also forms the primary basis for decisions on development and environmental permit applications.

The Strategic Vision encapsulates the long term aims of the SPED which emerge from the key Government policy directions under the Europe 2020 strategy, Vision 2015 and the National Environment Policy. It translates these policy thrusts into a spatial vision for the Urban Area, the Rural Area, the Coastal Zone and Marine Area and for Gozo.

The Spatial Strategy is a national Government document and thereby reflects Government policy.

## **2. Integrate housing into urban development plans**

Housing remains the main predominant land use on the Island. Through the current policy framework, a shift is anticipated towards redevelopment and rehabilitation of existing residential areas, rather than claiming new land for housing, with focus on quality, green and energy efficient dwellings. The housing sector constitutes the primary land use in Malta. From NSO housing census data 2014, the total number of units in the Maltese Islands in 2011 is 223,850. Of these 198,780 are in Malta and 25,070 in Gozo; 1,983 were dilapidated, 1,638 (Malta) and 345 (Gozo). About 149,314 (132,995 Malta: 16,319 Gozo) were in good condition whilst 7,774 units (6,764 Malta: 1,010 Gozo) were in need of serious repairs in total.<sup>22</sup>

The Housing Authority, the government agency responsible for social housing, is involved in the regular upgrading of the various older properties under government control and requiring attention and improving conditions for vulnerable persons requiring housing assistance. The role of the Authority is to ensure that housing is available for persons that are in need of assistance, however the agency does not develop housing itself but only assists persons/families. These include low and lower medium income groups that cannot own housing in the market as a target group. The Authority has schemes for financial support including for maintenance of older buildings and also schemes for access improvements for example the provision of lifts for apartment blocks and flats for the disabled and elderly.

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<sup>22</sup> National Statistics Office, 2014, *Census of Population and Housing 2011 - Final Report*, Malta, pg 229:  
[https://nso.gov.mt/en/publicatons/Publications\\_by\\_Unit/Documents/01\\_Methodology\\_and\\_Research/Census2011\\_FinalReport.pdf](https://nso.gov.mt/en/publicatons/Publications_by_Unit/Documents/01_Methodology_and_Research/Census2011_FinalReport.pdf)

The Local Plans Rationalisation Exercise held in 2006 and approved by Parliament had released new areas for housing development within the Development Zone. One of the criteria that was followed by government were social and material considerations. With an urban population of 95.3% from 93.4% (in 2014)<sup>23</sup> it is expected that housing remains the predominant urban land use. The housing concept is changing towards the need for safer, more energy-efficient, financially accessible housing supply well serviced with open spaces and public amenities.

According to the Planning Authority Monitoring Report data about 10,000 units are approved per year<sup>24</sup>. The Report examines the general trends for dwellings during the period 2007 to 2019. Data is compiled based on housing development applications and dwellings types are subdivided into four main categories of dwellings covering apartments/flats, maisonettes, terraced houses and others (more luxurious bungalows, farmhouses, semi-detached and villas). The average size of the house type from NSO housing census data 2014 vary from high density areas with flats at about 75 sqm to maisonettes at about 130 sqm and less densely built areas with villas at over 200 sqm average. The most common dwelling type development is mainly for apartments and flats resulting from the trend of an increasing number of units developed. In general, although this is a more efficient use of available land in terms of housing number, building at higher densities has led to greater probability of lower quality dwelling development and related urban pressures e.g. parking and access issues, residential noise etc. This choice is directly related to housing financial options available to the emerging homeowners and higher price tags attached to low density and more spacious housing.

The local government agency responsible for social housing is the Housing Authority. This agency has a number of schemes in place to assist married couples and persons in need of assistance to acquire homes including Home Ownership, First Home and Subsidised Rent Assistance Schemes. From 2008 some 12,000 families/persons have benefitted from these schemes mostly related to renting of property and other assistance that included some 5,288 families. According to Housing Authority Annual Report data<sup>25</sup> there were 2,773 applications for housing assistance pending for 2013 of which 708 were of the highest priority and an additional 882 new requests for the year leading to a waiting list of 3,304 pending applications. Priority listing includes cases of sharing of space/home (507 cases), homeless (175 cases), disability (114 cases), social cases (108 cases), overcrowding (101 cases), substandard dwellings (56 cases), refugees (24 cases) and lack of sanitary facilities (20 cases) (Housing Authority, Annual Report, 2013). These are mainly assisted through grants and subsidies to families and individuals to improve housing conditions in Malta.

Housing price rise remains the main issue following global trends. Malta has overshot the 'housing bubble' crisis quite efficiently with continued sustained economic growth. To counter rising house prices, tax changes have been followed with taxes drastically lowered to help young people buy dwellings. The SPED addresses all these issues from a planning perspective by ensuring that the market is conducive to new housing and that new social and community facilities or extensions to such existing facilities for education,

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<sup>23</sup> Knoema, *Malta - Urban population (% of total)*, World Data Atlas: <http://knoema.com/atlas/Malta/Urban-population-percent-of-total>

<sup>24</sup> Planning Authority, *Statistics - Dwellings approved 2000 – 2015*: <http://www.pa.org.mt/infores-statistics>

<sup>25</sup> Housing Authority, 2014, *Rapport Annwali 2013*, Housing Authority, Malta, pg 12: <https://housingauthority.gov.mt/en/Pages/About%20Us/Publications.aspx>

child-care, sports and youth formation can take place whilst minimising environmental impacts. Tax incentives counter recent rising housing prices and help young couples to access the property market and ensure good living conditions for families with children.

The demand for housing will tend to increase slightly should the population continue to grow. House prices tend to be sticky downwards making house ownership among youth difficult as wages try to keep up with price inflation. As young people tend to seek to live in the more modern urban areas, the urban historic cores risk getting abandoned with an increase in vacant older properties. To protect the historical urban cores – a distinctive Maltese element - from deterioration, current tax incentives intended to help young couples by their own property will need to shift further towards the rehabilitation and regeneration of existing houses of cultural, architectural and contextual value.

Unless countered through rehabilitation and regeneration efforts, further deterioration in the older urban fabric and external environment is a distinct possibility in the future. This will be mostly spurred by a falling and ageing population as housing units and supporting amenities, especially in the historic urban cores get abandoned or vacant for longer periods. Urban design policies and plans are now in place to reverse these trends and try to ameliorate the existing urban form. Moreover, large-scale developments are now required to contribute towards the public realm by providing publicly accessible urban open spaces or in the form of a monetary contribution intended to improve and maintain existing public-oriented infrastructure.

One of the challenges with regards to ensuring sustainable urban planning and design is the need to maintain a positive housing supply namely the number of housing units. Policies are increasingly seeking to stimulate a shift from quantity to quality in housing and from building new dwellings to the rehabilitation and regeneration of existing residential areas.

Measures by Government in housing have mostly followed measures that strengthen and improve access to housing finance. Investment in housing development is mainly carried out by the private sector through the banking finance system of loans and mortgages. Housing locally is predominantly based on high home ownership and minimal renting of housing property, although renting of homes is increasing over time. This investment has led to possible imbalances between the housing supply and demand however housing development has slowed recently in view of the COVID 19 outbreak. The traditional appeal of the housing sector as a primary investment still persists. There has seen a swift increase in housing investments due to improved opportunities for housing loans following a strict financial assessment of the borrower by the bank. Commercial banks-initiated housing loans in 1990s, with a series of regulation followed in 2007, for the establishment of secure long-term housing and financing systems. House prices have been rising by around 6.2%.

Constraints persist with the availability of affordable housing to low- and medium-income groups due to rising costs. This remains a serious difficulty in view of widening gap between housing prices and employment wages that severely limits the availability of disposable income. This implies that if housing prices continue to rise and wages remain more or less stable, extending this gap, even middle-income groups will find difficulty in acquiring housing and not just low income and vulnerable groups in future. Addressing this situation remains a major challenge to lower the housing finance costs and to ease accessibility and monitor housing prices changes. Housing prices have stabilised over time although this remains an issue as far as housing property remains the main form of

investment market locally. Although rental housing is still culturally unpopular as an alternative to full home ownership, this needs to be promoted further to alleviate housing shortcomings through incentivising schemes and changes in culture.

There is still a pending necessity to develop policies that will enable vulnerable and low-income groups to have access to affordable housing in future and to support a larger rental housing market as an alternative to home ownership. Home ownership is very popular, whilst rental property is not readily available especially for low income groups to have access to affordable rented housing due to high rental housing prices intended for a more foreign market segment than local and a still relatively unpopular rental housing option. The main challenge remains to reduce substandard housing numbers thereby increasing use of rehabilitated existing dwellings rather than new build and to facilitate access to housing. The balancing of supply and demand in housing market remains challenging with market mismatches persisting.

### **3. Include culture as a priority component of urban planning**

Ever since its enactment in 1992 the Development Planning Act, and its subsequent revisions have always included Conservation as one of its pillars. The Planning Authority's approach to urban conservation embraces a multi-faceted approach aimed at education, dissemination, protection, raising awareness about the meaning and significance of urban heritage and its conservation. Initially, the work focused on data gathering about the heritage assets of the Maltese Islands. Data was collected and digitized into a GIS base, which has grown over the years and is still being enlarged and updated. A considerable number of the heritage assets have been scheduled to emphasise their importance and afford them a measure of protection. Over the years subsidiary planning legislation has evolved to include various levels of policy: a Strategic Plan for Environment and Development (SPED), seven Local Plans, Development Control Design Policy Guidance and Standards 2015. All these documents include significant sections related to various aspects of conservation. The Planning Authority consults with other constituted bodies, such as the Superintendence of Cultural Heritage, to ensure coherence with conservation policy at a national level. Development permissions may include the imposition of a bank guarantee and monitoring of works is carried out to ensure adherence with certain conservation conditions.

The conservation and adaptative re-use of historic buildings generates many tangible and intangible benefits. Primarily such an approach has environmental benefits as it leads to a reduced need of land acquisition and developing new development, thereby controlling urban sprawl and reducing the relevant impacts of building new development, particularly resource consumption and the retention of the original building's embodied energy. Embodied energy is the energy and materials already used in making a building, from the acquisition of natural resources to product delivery, including manufacturing of materials and equipment and transport. It also decreases the need to demolish existing buildings for the required upgrades, therefore reducing construction and demolition costs and associated negative environmental implications of demolition, notably in relation to the generation of demolition waste. Other environmental benefits include reduced resource consumption compared to a demolish-and-rebuild scenario.

Conserving and reusing historical buildings play an important role in the regeneration process of Malta's cultural heritage and can contribute to meeting the growing need for

new buildings. This type of adaptive re-use is a sustainable option as it promotes urban strengthening and encourages revitalization efforts. The benefits of increasing the numbers of reused historical buildings in Malta's Urban Conservation Areas are widely recognized, and it is strongly believed that this will help achieve Malta's sustainability goals. The Planning Authority has also embarked on a far-reaching outreach programme to promote conservation. To this end public awareness campaigns in the media have been made, which publish heritage related information.

Restoration schemes to promote the restoration of Maltese traditional closed timber balconies were promulgated between 1996 and 2007. They resulted in the conservation of over 1200 examples of these important architectural elements at a cost of some €947,000 euro. Subsequently the concept of the schemes was developed to encompass entire facades with urban conservation areas or, in the case of scheduled properties, entire buildings. These have proved to be successful.

	2017	2018	2019
<b>Budget</b>	€8 million	€10 million	€5 million
<b>Amount committed</b>	€6.8 million	€9.3 million	€5 million
<b>No. of applications received</b>	884	1142	816

These schemes have highlighted that vacant or unused buildings have the potential of being converted into useful properties creating a vibrant space. The conservation and adaptive re-use of historic buildings help to revitalize neighbourhoods and old cities and can drive them to become more sustainable from both a social and economic perspective. Disused or degraded historic buildings can have a negative socioeconomic impact on surrounding areas. In contrast, the conservation or reuse of historic buildings can have a significant positive impact on the economic situation of an area, and it identifies several ways that historic buildings can contribute to sustainable economic development and prosperity. These include providing landmarks, brand image, extending the useful life of buildings, retaining the identity and cultural image of the conservation area, creating more jobs; attracting more tourists and attracting people and investment by enhancing the liveability of Urban Conservation Areas.

#### 4. Implement planned urban extensions and infill, urban renewal and regeneration of urban areas

**Rationalisation scheme 2006:** A rationalisation exercise was carried out in 2006, whereby a number of new development areas for housing were identified and approved by Parliament, through the '*Rationalisation of Development Zone Boundaries (July 2006)*'. The main aim of this exercise was to update the Temporary Provisions Schemes (TPS) of 1988; it also addressed any anomalies in the TPS and aimed at 'neatening up' the development zone boundaries. However, one of the outcomes of land parcels included in the development zone boundaries, was increasing development pressures and densities.

**Urban Renewal – Funding Schemes:** Rehabilitation and regeneration within the urban area have been supported by a number of funding programmes over the years. These have now been consolidated into one fund: the Development Planning Fund (DPF).

Local Councils have since 2003 benefitted from various PA and MEPA schemes. Previously there were the CPPS / UIF / EIPP. Many projects for the benefit of the community were funded through these initiatives. In 2017, these were replaced by the Development

Planning Fund. The EIPP fund was transferred to ERA. All PA funding streams are managed by the Development Planning Fund Committee which reports to the PA Executive Council. Funds generated within a Local Council are normally directed to be used within the same locality. The funds associated with Local Councils are now segregated. These funds are mainly aimed at the provision of environmentally sustainable public facilities for the benefit of the community. There is a funding application process in order for the funds to be accessed and used for projects that would improve local environments.

PA CIRCULAR 2/19: <https://www.pa.org.mt/en/file.aspx?f=23414>

PA CIRCULAR 2/20: <https://www.pa.org.mt/en/file.aspx?f=34314>

Benefits of the new scheme include: former options for partnership to benefit from 100% of eligible funds retained and others added; available funding segregated so that Local Councils and NGOs / third parties do not share the same funding streams; no need for NGOs to liaise with LCs but partnerships are possible and encouraged; in cases where more than 30% of funding is procured from non-PA sources, the PA may cover the rest of the eligible balance at 100% refunding rate; increase in funding rates in a good number of instances; introduction of Green and Blue Infrastructure (GBIs) which may be funded at up to 100% of eligible funds; bonus and permit fee waiving for green walls; “Sebbah Il-Lokal” (Upgrade the Locality) extended till December of 2022; capping of locality associated fund increased from €5M to €7M; introduction of possibility to ringfence PA funds especially for longer term projects.

Projects eligible for funding: new parking facilities (up to 70%:GBI up to 90%); facilities intended to improve public transport (up to 70%: GBI up to 90%); alternatives for more sustainable travelling modes (up to 70%); gardens and landscaping areas (up to 70%: GBI up to 100%); laying fields (up to 70%: GBI up to 90%); traffic management schemes including the implementation of sustainable urban transport plans aimed at reducing the impact on air pollution, noise, congestion and CO2 emissions (up to 70%); street lighting (up to 70%); street furniture / permeable pavements (up to 70%); public convenience (up to 70%); facilities for the disabled (up to 80%); green transport modes (up to 70%); projects using methods of sustainable construction such as energy efficient buildings, which aim at decreasing CO2 emissions (up to 70%); restoration of cultural heritage immovable property in the public domain (up to 70%: GBI up to 90%); green streets and alleys (up to 70%: GBI up to 90%).

Green and Blue infrastructure initiatives may also benefit from funding. These specific interventions qualify for 100% funding which includes studies and funding for a 5-year maintenance schedule: green park/leisure areas; developing trails and greenways/patios; conserving waterways/water courses; creating green open spaces; green roofs; urban gardens; bee hives; multifunctional farming; green walls, green facades and green belts; trees/verges; restoration of damaged ecosystems; environmentally friendly meeting venues; ponds.

There are also a number of exclusions and proposal that would not qualify for funding.

## **5. Improve capacity for urban planning and design and training for urban planners at all levels of government**

With the establishment of the Planning Authority, there has always been a drive for specialist education in the field of planning. The PA itself has run various courses for its

staff over the years, of varying grades. In the early days, the Certificate in Land Administration (Planning) course was run in conjunction with the University of Malta. This established a group of employees specialised in planning. Further associations with foreign universities were also formed. One of the main collaborations was with the University of Central England, in Birmingham, UK (now known as Birmingham City University), where a number of PA staff members were sponsored to pursue degree courses there. These courses included Bachelors in Environmental Planning and Masters in Environmental Planning and Management and various others over the years. Furthermore, many staff members pursued their studies on their own initiative and obtained further qualifications.

Apart from the degree levels course, the Planning Authority has also, over the years, organised a number of in-house courses for staff members, on various subjects relevant to the operations of the PA. Examples of these include: a specialised course on Architectural Design and Appreciation and specialised courses on the use of Geographical Information Systems (GIS).

The ESF04.071 SpatialTRAIN Scholarships Scheme offers scholarships in the field of geospatial technology (Geomatics) for persons employed within the public sector and public service. Scholarships were offered at MQF level 4 (certificate), level 5 (diploma), level 6 (Bachelor degree) and level 7 (Masters degree). PA employees who obtained L6 and L7 scholarships selected different university courses themselves and involve the use of Geomatics in various applications.

Currently there are two courses leading to a Certificate and Diploma in Spatial Planning being run for staff members. This was especially devised in view of the shift towards a spatial planning perspective when dealing with land-use and urban matters.

## **6. Strengthen the role of small and intermediate cities and towns**

Considering the island's geographical small size, one would need to qualify the sizes of "small and intermediate cities and towns" in terms of the characteristic specificities of Malta. Malta is a small Mediterranean island and everything is relative to its size. Large towns in Malta include, for example, Birkirkara (pop. 21,676) and Qormi (pop. 18,230); whilst examples of average towns include Santa Venera (pop. 6,087) and Tarxien (pop. 8,453); examples of small towns include Xghajra (pop. 1,683) and San Lawrenz (pop. 672). Valletta, Malta's capital city, has a population of 5,718.

Whilst an integral aspect of organising urban areas to reduce the need to travel, reduce the demand for supporting infrastructure and contain urban sprawl is resolved through high densities, without parallel mechanisms to manage the associated adverse impacts arising from higher densities, in certain instances this may lead to negative impacts at a local level. Urban areas should provide a safe living environment supported by the provision of adequate social and community facilities, green modes of travel together with a thriving business community. The liveability of urban areas is dependent on how these factors are comprehensively organised and managed.

However, the SPED has a number of policy objectives that guide towards the strengthening of smaller towns and cities. Urban Objective 1 seeks to accommodate socio-economic development in those parts of the urban area well served by public transport and existing infrastructure, to contain urban sprawl and minimise the need to

travel. The vision for this includes the designation of a hierarchy of urban areas (Principle Urban Area, Regional Urban Settlements and Small Urban Settlements). This would help to better manage these urban areas and to implement a programme of improvements and upgrading.

At a more localised level, for example, Thematic Objective 1 of the SPED 2015 seeks to identify degraded areas within the Urban Area for integrated regeneration, particularly declining coastal resorts such as Marsascala, Qawra and Bugibba. It also seeks to achieve a wider mix of compatible uses on land and sea, the reduction of development densities of urban settlements and an increase in green open spaces.

## **7. Implement sustainable multimodal public transport systems including non-motorized options**

Malta is highly dependent on road transport for its internal mobility needs. Since Malta has no rail network or inland waterway systems, the only alternative to road transport is the internal maritime transport. This however can only have the potential to capture around 5% of all trips carried out on a typical day and this is limited to transport between accessible coastal areas. Therefore, given the spatial and demographic specificities of Malta, most mobility continues to be road-based.

Furthermore, public transport usage is increasing annually. Since 2011, bus patronage has been increasing annually. Passengers between January and December 2019 amounted to 57,409,385, representing a 7.4% increase on the previous year. Government is investing in a more effective public transport and is incentivizing scheduled public transport usage by offering free public transport to certain cohorts of passengers. Free public transport is offered to persons over the age of 70. Free public transport is also offered to persons with disability, to young people aged 14-16, and full-time students over the age of 20. Furthermore, a pilot project offering public transport on-demand service started in 2019. This innovative service offers customers the possibility to book their bus seat on one of the new premium buses through tallinja App. Through integrated ticketing, Valletta Ferry Services and Malta Public Transport also launched a new service whereby holders of a tallinja card can benefit from reduced rates when paying with their tallinja card for their journey on the Sliema to Valletta and the Three Cities to Valletta ferries.

Efforts are also being undertaken to introduce alternative modes of transport on the road. Since 2018, e-car sharing services have been introduced around Malta and Gozo through a concession agreement with a private operator. The service has since been expanded ever since and now it also operates through hybrid vehicles. Furthermore, e-motorcycling sharing service and e-bikes/pedelecs and e-scooters services have also been introduced by the private sector.

Plans for the proposed Malta-Gozo Tunnel are underway. In 2019, Infrastructure Malta intensified work on the preliminary studies. Nine voluminous studies, each comprising several reports, and other technical data, are being made publicly available as part of the PQQ documentation, which was launched in 2020, to serve as guidance to prospective bidders. They include preliminary geophysical and geological investigations based on land and seabed core samples extracted along the proposed tunnel route, traffic flow studies, terrestrial and marine surveys and more. Four bidders responded to Infrastructure Malta's pre-qualification questionnaire (PQQ) to participate in the first of a three-stage



process to identify the concessionaire who will design, build, finance, operate and maintain the Malta-Gozo Tunnel.

The Malta-Gozo Tunnel Project includes the development of a 14-kilometre, partly subsea, tunnel accommodating two vehicle lanes, one in each direction and a wide central buffer offering additional space for emergency vehicles. This permanent connection between the two islands will alleviate the long-standing limitations of existing sea and air links, which deter the social and economic advancement opportunities of many Gozitan families and businesses.

The 2016 Transport Master Plan for Malta estimates that the economic cost of traffic congestion through increased journey time delays for passengers and road freight journeys, increased vehicle operating costs (driver, fuel and maintenance) and cost of extra pollution will, by the year 2025, reach €584 million/year unless appropriate measures are introduced. As a result, the National Transport Strategy 2050 and the National Transport Master Plan 2025 have been developed to establish a strategic approach to transportation which would integrate the planning of the different transportation sectors, to deal with current and future challenges.

A number of measures have been implemented to minimize traffic congestion, decrease pollution and make public transport more attractive. These include the completion of major road projects, such as the Kappara Junction and the Multi-level junction in Marsa. Investment also continued in greener transport systems by extending several incentives to reduce traffic congestion during peak hours by encouraging a modality shift to other forms of transport such as ferryboats and public buses. Government continued also to invest in safe cycling infrastructure and footpaths. Malta has also been promoting the upgrade of more environmentally friendly vehicles through various schemes and grants in order to reduce emissions generated from road traffic, thereby improving air quality. In order to address congestion and pollution, Government has committed an investment of €700 million over 7 years from national budget to upgrade the road network, starting in 2019. This upgrade is part of a holistic approach towards sustainability, air quality, reduction in cars and traffic congestion and modal shift.

Through The Grand Harbour Clean Air Project, the Government is also committed to provide shore supply in the Grand Harbour to enable berthed vessels to switch off their gas- or heavy-fuel-oil-fired engines and plug in to shore side electricity to power their on-board systems. This project is estimated to cut over 90% of the air pollution that cruise liners and Ro-Ro ships produce when visiting the port.

SPED Thematic Objective 10 deals with travel patterns and aims to shift the emphasis from new road construction to better integration of public transport priority measures on better managed roads. It also looks at safeguarding the implementation of the TEN-T core and comprehensive transport networks; this also requires the revision of the categorisation of the road network and the introduction of advanced technologies to improve traffic management and road safety. It also covers more localised issues, such as the integration of rainwater management infrastructure into road networks and the revision of standards for the provision of and management of off-street and on-street parking.

With regard to public transport, SPED Thematic Objective 11 looks to support the implementation of the public transport strategy, which includes transport interchange points. It also seeks the inclusion of public transport, walking and cycling prioritisation

measures in road improvement, traffic management schemes and large-scale development, as well as the use of inner harbour water-based transport. There is also a requirement for transport assessments for a wide range of travel generating schemes.

Over recent years, the transportation sector has become somewhat more liberalised. A number of private taxi companies are now operating in Malta, together with the introduction of car sharing operations. Given the large influx of foreign workers, these modes tend to be used by this sector of the population, given that many will be living and working in Malta for short periods of times. The locals still depend primarily on personal/private transport for their daily travel needs.

With regard to mass rapid transit systems, a number of feasibility studies have been carried out over the years; although these were commissioned by the transportation regulator, there have also been a number such studies which have been driven by the private sector.

Achieving more sustainability in the way we travel through a multimodal shift is also in line with Malta's 2017 national transport strategic vision for 2050 and operational plan to 2025.

Government aims to continue supporting investment to enhance efficiency in public transport, supporting modal shift and to move towards cleaner and alternative modes of transport. In this regard, Government shall continue supporting modal shift through more connected and integrated transport systems through ITS, through the enhancement of safe and accessible mobility within urban areas for pedestrians and cyclists, and through investment to promote the use of sea based mass transport as an alternative mode of transport by extending the ferry service network through the development of new ferry landing sites.

The Inter-harbour scheduled maritime ferry services started operations as a scheduled service on 1<sup>st</sup> October 2012 with two designated routes, being from Sliema Ferries to Valletta (Marsamxett side) and from Valletta to the Three Cities through the Cospicua landing site. The introduction of the service was part of Government policy at the time, together with the Valletta Transport Strategy, to address rising levels of traffic congestion and to try to induce a modal shift from car to public transport through the use of different modal services.

Ever since the re-introduction in 2012, the number of users registered was a few thousands but by the end of 2018, the number of passenger trips has increased to over 1,600,000 million. The increase in the number of commuters prove the re-discovery of maritime ferry services as an important means of transport mode.

Encouraged by the increase in patronage, a decision was taken to upgrade three of the existing ferry landing sites, namely those of Vittoriosa, Marsamxett and Sliema Ferries to introduce passenger waiting facilities and real time information services on ferry and bus schedules, among others. Investment in new ferry landing sites is also being planned. The aim of the upgrading of the ferry landing sites is to improve the ferry network in order to continue offering alternative transport connections and modes to commuters.

In January 2021, Transport Malta launched a new bus shuttle service from the Marsamxett ferry dock to the Grand Harbour ferry dock. This service will be completing a

continuous link between Sliema and the Three Cities (Cottonera) and will operate every 30 minutes in synchronization with the ferry.

Through integrated ticketing, Valletta Ferry Services and Malta Public Transport also launched a new service whereby holders of a tallinja card can benefit from reduced rates when paying with their tallinja card for their journey on the Sliema to Valletta and the Three Cities to Valletta ferries.

#### Ferry Passenger Statistics:

YEAR	PAX	% INCREASE
2020 (JAN-SEP)	190,721	
2019	911,527	6.86% decrease
2018	978,754	6.80%
2017	916,438	23.93%
2016	739,477	18.66%
2015	623,201	47.55%
2014	422,360	14.85%
2013	367,735	479.75%
2012	63,430	Commenced Oct

Table above shows the Number of passengers using the Sliema-Valletta Route

YEAR	PAX	% INCREASE
2020 (JAN-SEP)	142,901	
2019	572,646	7.71%
2018	531,635	17.68%
2017	451,764	29.61%
2016	348,567	58.30%
2015	220,198	92.14%
2014	114,601	32.33%
2013	86,603	2445.65%
2012	3,402	Commenced Oct

Table above shows the number of passengers using the Valletta-Three Cities Routes

## 2.3 Means of Implementation

### Capacity Development

#### 1. Expand opportunities for city-to-city cooperation and fostering exchanges of urban solutions and mutual learning

##### Expand opportunities for city-to-city cooperation and fostering exchanges of urban solutions and mutual learning

For over 15 years, the URBACT programme has been the European Territorial Cooperation programme aiming to foster sustainable integrated urban development in cities across Europe. It is an instrument of the Cohesion Policy, co-financed by the European Regional Development Fund, the 28 Member States, Norway & Switzerland. URBACT's mission is to enable cities to work together and develop integrated solutions to common urban challenges, by networking, learning from one another's experiences, drawing lessons and identifying good practices to improve urban policies. Following the success of the URBACT I and II programmes, URBACT III (2014-2020) has been developed to continue to promote

sustainable integrated urban development and contribute to the delivery of the Europe 2020 strategy.

- URBACT III Operational Programme;<sup>26</sup>
- the last version of the Programme Manual;<sup>27</sup>
- URBACT III Citizen's Summary tracing the various URBACT activities in 2019/2020;<sup>28</sup>
- List of URBACT III beneficiaries.<sup>29</sup>

The National URBACT Point in Malta (NUP Malta) hosted within the Local Government Division, plays an active role, at national level, in communicating and disseminating information on the objectives and activities of the URBACT III Programme and informing potential beneficiaries especially in relation to the open calls for network proposals under this Programme. The Local Government Division has been acting as the National URBACT Point in Malta since 2014. Our aim is also to disseminate as much as possible the Programme results to local municipalities, urban practitioners and policy-makers at local, regional, national and EU level, with a specific emphasis on reaching out to urban players outside the URBACT community. We aim at enhancing the dialogue between local, regional and national authorities to support the design and delivery of sustainable integrated urban policies. The URBACT Malta newsletter compiled in collaboration with the Planning Authority in Malta, is in fact one of the ways/examples in which NUP Malta reaches out to urban stakeholders and to let them know more about what the URBACT III Programme has to offer.

In November 2020, URBACT launched the European Pilot Network on the localization of the UN Sustainable Development Goals (SDGs). This was in fact, a new initiative aimed at cities in Europe is promoted by the URBACT programme in collaboration with the CEMR (Council of Municipalities and Regions of Europe), in favour of sustainable urban development. As a further commitment to the implementation of the 2030 Agenda for sustainable urban development and the achievement of the UN SDGs, and taking into consideration the fundamental role played by cities in this area, the URBACT programme in a joint initiative with the CEMR, proposed the creation of a European pilot Network to support cities interested in localizing the Sustainable Development Goals. Only one pilot Network will be funded throughout Europe, involving up to a maximum of 15 cities. A balance between the more and less developed regions of Europe was sought, as is the tradition of all URBACT networks. The total budget for the entire SDG pilot network will be €900,000 with 70% ERDF co-financing. The activities of the experimental initiative will indicatively start from March 2021 and will last until September 2022. Given the small size of the Network, each Member State was asked to send up to two city applications. At the national level, the selection procedure was managed by the URBACT National Monitoring Committee members on the basis of some specific criteria outlined by the same Committee, that evaluated, for example, the relevance and motivation, the potential for localization of the SDGs and the strategic nature of the national guidelines.

The URBACT Project Officer and SDG Network Coordinator is leading preparations for the pilot URBACT network aiming to support a group of EU cities to exchange, build capacities and develop tools for carrying out diagnosis, visioning, planning and monitoring

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<sup>26</sup> <https://urbact.eu/files/urbact-iii-operational-programme-version-oct-2015>

<sup>27</sup> <https://urbact.eu/files/urbact-iii-programme-manual>

<sup>28</sup> <https://urbact.eu/sites/default/files/citizens-summary-2019.pdf>

<sup>29</sup> <https://urbact.eu/files/list-urbact-iii-beneficiaries>

measurable actions to localise the UN Sustainable Development Goals. This will be actually the first time that URBACT will specifically tackle the SDGs, which cover a wide range of sustainable integrated development topics. Work is in partnership with CEMR using the RFSC tool. They are currently also building links with organisations like JRC, OECD, UN Habitat and UN SDSN. Exchanging with and learning from cities beyond the EU who are already working on the localisation of SDGs will provide input, methods, tools and inspiration for partners: this worldwide perspective is particularly exciting. This pilot project is expected to be launched in March 2021 – and to run until September 2022. This is a unique chance to help raise awareness of the SDGs and enhance the role of local governments and stakeholders in translating the global 2030 Agenda into concrete local policies, taking an active part in the Decade of Action.

The Planning Authority is always actively seeking new ways to expand opportunities for city-to-city cooperation and fostering exchanges of urban solutions and mutual learning. This has been done through the successful award of five EU Funded projects, falling under the following programmes:

(i) Interreg Europe ThreeT project:

The Thematic Trail Trigger (ThreeT) project was submitted under the third call of the Interreg Europe strand of the European Regional Development Fund (ERDF). The main objective of the project is to improve the performance of eight policy instruments to protect and enhance natural and cultural heritage resources by setting up thematic trails or improving new ones and making them accessible to all through green modes of transport. Particular focus will be on improving the accessibility of such thematic trails through innovative and eco-friendly mobility solutions and adopting a holistic approach to sustainable tourism. The partnership consortium is led by the Province of Livorno (Italy) and is composed of a total of nine (9) regional/national entities based in Italy, Finland, Germany, Hungary, Malta, Poland, Romania and Spain. Through the ThreeT project, the consortium seeks to fulfil Specific Objective 4.1 Improving Natural and Cultural Heritage Policies of the Interreg Europe Programme.

(ii) Urbact Healthy Cities project:

The PA is participating in an EU funded Project bearing the title Healthy Cities: from Planning to Action. The partnership consortium is led by the Municipality of Vic (Spain) and is composed of a total of nine (9) entities based in Pärnu (EE), Farkadona (EL), Falerna (IT), Anyksciai (LT), Planning Authority Malta (MT), Alphen aan den Rijn (NL), Loulé (PT) and Bradford (UK). The main objectives to this network of cities consist of:

- deepening the relationship between health and the urban environment;
- developing policies that focus on the improvement of the health status of the population; as well as
- developing a rigorous health impact assessment of these policies.

(iii) Erasmus+ Key Action 1 transnational placements:

The Planning Authority has benefitted from a large number of mobility placements, over the years, across Europe, amongst which the UK, Ireland, Netherlands, Italy, Germany, Sweden, France just to mention a few. The main objective of this project is to offer job-shadowing placements to Planning Authority employees working in different divisions within the organisation, in a number of countries. Through these

placements staff shall be encouraged to experience a greater international exposure on their area of work.

(iv) European Maritime Fisheries Fund Simwest project:

The SIMWESTMED project - Supporting Implementation of Maritime Spatial Planning (MSP) in the Western Mediterranean region was aimed to support the implementation of the Directive 2014/89/EU establishing a framework for maritime spatial planning (MSP) in the Western Mediterranean region, particularly to support cross-border cooperation. The main activities of the project consisted of the establishment of a mechanism for a permanent and operational networking (Regional MSP Platform) among Member States in the area and Analysis of the Maritime Spatial Planning Process. As a project Partner the PA worked in collaboration with the following foreign entities: Service Hydrographique et Oceanographique de la Marine (SHOM), Agence Francaise Pour La Biodiversite (AFB), Instituto Espanol De Oceanografia (IEO), Centro de Estudios y Experimentacion de Obras Publicas (CEDEX), Consorzio per il Coordinamento delle Ricerche Inerenti al Sistema Lagunare di Venezia (CORILA), Ministry of Infrastructure and Transport-Director General for Port Authorities Supervision, Port Facilities and Maritime and Waterways Transport (MIT), Ministry of the Environment, Land and Sea – Directorate - General for Nature and Sea Protection (MATTM-DPNM), and the United Nations Environment Programme, Barcelona Convention Secretariat, Coordinating Unit for the Mediterranean Action Plan (UNEP/MAP).

(v) European Maritime Fisheries Fund MSPMED project:

The Planning Authority has joined other entities from European Member States in the Western Mediterranean to carry out a project on maritime spatial planning between 2020 and 2022. Selected by the European Commission's Executive Agency for Small and Medium-sized Enterprises (EASME), the grant funded by the European Maritime and Fisheries Fund (EMFF) was awarded to the project entitled 'Towards the operational implementation of MSP in our common Mediterranean Sea — MSPMED'. This project is being coordinated by CORILA, representing an Italian association of three Universities (Ca' Foscari University of Venice, IUAV University of Venice, University of Padua), National Research Council and National Institute of Oceanography and Experimental Geophysics and, supervised by the Ministry of Education, University and Research, in partnership with 7 other regional partners from Spain, France, Slovenia, Greece and Malta. The 3 main objectives of the MSP-MED project are: (a) to assist the cross-border implementation of the MSP Directive's processes in member states and third countries across the Mediterranean Sea by supporting the establishment of coherent and coordinated maritime spatial plans across the Mediterranean Region; (b) to support the work of the MSP competent authorities in the adoption of their country's maritime spatial plans; and (c) to facilitate data use and share information and knowledge necessary for maritime spatial plans.

The Planning Authority has also increased cooperation and knowledge exchange on science, technology and innovation, to benefit sustainable urban development through the following projects:

(i) Horizon 2020 projects on citizen science:

The main aim of this Action Project was to bundle capacities across Europe to investigate and extend the impact of the scientific, educational, policy, and civic

outcomes of Citizen Science (CS) with the stakeholders from all sectors concerned (e.g., policy makers, social innovators, citizens, cultural organizations, researchers, charities and NGOs), to gauge the potential of citizen science as enabler of social innovation and socio-ecological transition. The Planning Authority participated in this project in collaboration with the University of Malta, together with overseas partners from: Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Czech Republic, Croatia, Denmark, Estonia, Finland, France, Macedonia, Germany, Greece, Hungary, Ireland, Israel, Italy, Latvia, Lithuania, Malta, Netherlands, Norway, Poland, Portugal, Serbia, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom.

(ii) Support to approved projects as a stakeholder, such as in the Horizon 2020 Renature project:

The organisation has also worked towards developing its capacity building in its workforce, which would then result in an effective, multifaceted approach to formulate, implement, manage, monitor and evaluate urban development policies. This was done through the ESF PA+ project which is currently underway and which reinforces Government's objective of having a public administration which provides an efficient and cost effective service which continues to evolve and meet the current and future socio-economic demands of the country. The project's initiatives aim to empower the PA staff and key stakeholders with improved skills to continue to improve the Planning Authority's efficiency, advocated by the PA reform process. The main activities of the project will lay out a detailed training component to enhance the institutional capacity of the staff of the Planning Authority and its statutory consultees, including Local Councils. A number of work packages will include:

- a. a Pilot Training Programme for PA Staff, Local Councils and Statutory Consultees to cater for immediate needs;
- b. a long-term training needs analysis; and
- c. awareness raising initiatives.

The relevant officials will thus have the necessary know-how and skills to effectively implement the procedures of the reformed Authority. Both the PA and its Statutory Consultees, including Local Councils, will be more efficient and user friendly in terms of public service delivery.

The democratic participation of civil society and the protection and improvement of human rights in urban development and the urban planning process is widely encouraged. Government has enacted various laws and instituted bodies that safeguard human rights and the public interest as well as encouraging public participation in urban development in order to promote added transparency and accountability in government. The level of information available for citizens on policies is high and in general easily accessible. Government policies, especially in urban planning and the environment, are widely discussed in different civil society organizations and criticism extensively published in the independent press and in online discussions.

The Freedom of Information Act (2008) establishes the right for the public including EU nationals who have been resident in Malta for a minimum of five years to request and access information held by Public Authorities except for some institutions such as the Office of the Attorney General, the National Audit Office, and the Security Service. The Public Authorities have to entertain the request within a maximum of 60 working days

unless there are legal justifications not to. Should the request be refused or the information given considered unsatisfactory, the public can bring the issue to the attention of the Information and Data Protection Commissioner and appeal to the Information and Data Protection Tribunal if the person making the request disagrees with the Commissioner's ruling.

With regards to requests for environmental information specifically, the applicable legislation would be the Freedom of Access to Information on the Environment Regulations (S.L. 549.39, established through LN 116 / 2005). Under the latter regulations, any person may request environmental information, without having to state an interest. Such requests must be replied to within 30 days, and though certain grounds for refusal may be applicable, these are to be interpreted restrictively. The Freedom of Access to Information on the Environment Regulations also provide for the obligation of public authorities to actively disseminate environmental information. These provisions serve to implement the first pillar of the Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (the Aarhus Convention) at national level.

Malta ratified the Aarhus Convention in 2002. This Convention focuses on participatory rights of the public in environmental decision-making, namely the right to access environmental information, the right to participate in environmental decision-making and access to justice. Public participation in environmental decision-making is guaranteed through multiple pieces of national legislation, in particular through the Environment Protection Act (Chapter 549 of the Laws of Malta) and the Environmental Impact Assessment Regulations (S.L. 549.46). The former provides for the public's right to participate in the preparation of national strategies, plans, policies and regulations relating to the environment as developed by the Environment and Resources Authority and/or the Ministry for Environment in Malta. The Environment and Resources Authority regularly conducts public consultation sessions and targeted stakeholder consultations when developing policies or legislation in order to ensure active involvement of those concerned. Due to the current circumstances surrounding the COVID-19 pandemic and restrictions on public gatherings, both the Environment and Resources Authority and the Planning Authority have made increased efforts to organise consultations and meetings online so as to continue providing a platform for the public to make their voices heard.

The Planning Authority is also a pioneer in integrating Public Consultation in its processes. Since its inception in 1992, the Authority has regularly and constantly published its draft policies, plans and other documents for public consultation. Given the delicate responsibilities that fall under Planning Authority's remit, the Authority is conscious that informing and involving the public and all interested parties in policymaking and decision taking is crucial to the holistic improvement of our Islands' environment. Similarly, all development applications are published in the main newspapers, available online and plotted on a GIS independent platform which can be accessed free-of-charge by anybody through a dedicated web-portal. Local councils and immediate neighbours are also directly informed of any development application in their locality. Interested parties can object to any proposed development within an established timeframe and any decision by the Planning Authority and the Environment and Resources Authority can be appealed to the Environment and Planning Review Tribunal, in accordance with the Environment and Planning Review Tribunal Act (Chapter 551 of the Laws of Malta).



The public can also resort to the Office of the Parliamentary Ombudsman which includes the Commissioner for the Environment and Planning for redress to any decision taken by the Planning Authority and the Environment and Resources Authority. The Ombudsman is empowered to investigate on his own initiative or on the written complaint of any person any action taken by or on behalf of any public officer, government department or other authority of the Government. The Ombudsman is autonomous and not part of Government. He is answerable to Parliament and like Parliament holds the Government accountable to the people for its actions. When the Ombudsman's investigation shows that the complaint is justified, he may recommend that complainant be given adequate redress.

## Information Technology and Innovation

Malta ranks high in the European Union's [Digital Economy and Society Index \(DESI\)](#) when it comes to the use of internet services and online activities including e-commerce<sup>30</sup>. Excellent ICT infrastructure allows Malta to be well connected with the rest of the world. As such there has been a great deal of investment to create and ensure a reliable Information Communication Technology (ICT) infrastructure. Malta's fully liberalised and developed ICT infrastructure has certainly contributed to the island fast becoming a regional centre of excellence in ICT and financial services. The number of enterprises making sales through e-commerce increased from €1.5 billion in 2017<sup>31</sup> to €1.9 billion during 2019<sup>32</sup>.

With respect to spatial planning, the Planning Authority has successfully completed the ERDF156 SIntegraM project which culminated in the creation of a dissemination online portal with the scope of making available spatial data for the use of government and its entities together with the general public. This will ensure that a digital repository of key spatial datasets is available. Furthermore, the Planning Authority is currently updating the base map by means of UAVs leading to the generation of updated DSMs.

SIntegraM and its sister ESF SpatialTRAIN project built upon a previous ERDF156 baseline urban and environmental data project that aimed to bring citizenship closer to the data at hand, which, once given the context it deserves grants information to all stakeholders for the betterment of social wellbeing. This was made possible through the provision of such real time or quasi real time information as used for evidenced-based policy making as it is transposed to knowledge and in turn reliable decision-taking. The Urban Agenda is enhanced through the actions emanating from such decisions. Lessons learnt revolve around the need for integrated information systems, data sharing and hardware sharing, strategies that are implementable and affecting monitoring of same.

Malta has witnessed radical changes (digitisation) and improvement (accessibility of information) in the planning and management of its urban area. The Planning Authority has through the years invested heavily in engaging and training a core of highly professional staff that is well-versed in planning matters and with competencies ranging from urban planning to architecture, heritage management, social sciences, economics,

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<sup>30</sup> European Commission, *Digital Economy and Society Index (DESI)*: <https://ec.europa.eu/digital-single-market/en/digital-economy-and-society-index-desi>

<sup>31</sup> National Statistics Office Malta, 2018, *ICT Usage and e-Commerce in Enterprises (2017)*: [https://nso.gov.mt/en/News\\_Releases/View\\_by\\_Unit/Unit\\_C2/Labour\\_Market\\_Statistics/Documents/2018/News2018\\_011.pdf](https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C2/Labour_Market_Statistics/Documents/2018/News2018_011.pdf)

<sup>32</sup> National Statics Office Malta, 2020, *ICT Usage and e-Commerce in Enterprises (2019)*: [https://nso.gov.mt/en/News\\_Releases/Documents/2020/01/News2020\\_010.pdf](https://nso.gov.mt/en/News_Releases/Documents/2020/01/News2020_010.pdf)

environment, and mapping and GIS solutions. The planning process is today fully digitised, accessible and democratic. All plans and policies, which are freely available online, are subject to substantial public consultation before coming into force. Similarly, all planning applications are online, digitised and plotted on a GIS independent platform that permits extensive layering of planning, heritage, environmental and territorial data as well as offering regular aerial photography updates. Furthermore, applicants and other stakeholders can follow and interact with the processing of a development application through a dedicated web-portal.

## **Part 3: Follow-Up and Review**

This report has been compiled by the Planning Authority together with the Ministry for the Environment, Climate Change and Planning (MECP) as the Implementing Ministry and in partnership with the following Ministries and entities: Ministry for Transport, Infrastructure and Capital Projects (MTIP), Ministry for the Economy, Investment and Small Business (MEI), Ministry for Education (MFED), Ministry for Justice, Equality and Governance (MJEG), Ministry for Social Accommodation (MSA), Ministry for Energy, Enterprise and Sustainable Development (MESD), Industrial Innovative Solutions Malta, WasteServ Malta Ltd., Malta Communications Authority (MCA), National Commission for the Promotion of Equality and Environment and Resources Authority (ERA).

Malta being a member state of the EU and active participant in the EU's Urban Development Group participates within the EU Urban Agenda. This EU Urban Agenda has recently progressed through the approval of the New Leipzig Charter and its Implementation Programme that will guide urban development policy within the EU in the coming years. The Strategic Plan for Development and Environment 2015 which is the local national planning strategy for Malta is in line with the EU Urban Agenda. Therefore, the tools, mechanisms, frameworks and methodology devised as part of the local planning process will in general enhance the achievement of the goals of the Urban Agenda.

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**International Guidelines on Urban and Territorial Planning:**  
[https://www.uclg.org/sites/default/files/ig-utp\\_english.pdf](https://www.uclg.org/sites/default/files/ig-utp_english.pdf)

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