



# Malta Report

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## Sustainable Governance Indicators 2017

City Images / Stockphoto / ZCL

## Executive Summary

Malta continues to make steady, if slow progress, towards good governance. Over recent years it has introduced new measures to enhance accountability and transparency. Demands under the Freedom of Information Act have multiplied and the Ombudsman Office has been granted new areas of competence. All these have ensured greater scrutiny of the government. For its part, the National Audit Office has become more proactive. For the first time, new legislation intended to regulate and improve transparency of political party funding has been enacted. Ministers and members of parliament accused of breaching existing Codes of Ethics will become accountable to a Public Standards Office, in the process of establishment. Malta has also abolished censorship and removed so-called vilification of religion laws protecting the Catholic Church against all types of satirical comment. It has extended rights to people with diverse sexual orientations, including civil unions, introduced gender identity rights and given practical expression to women's right to employment by extending maternity benefits and providing free child care centers. It has also given practical expression to the right to employment for disabled people and employers can be fined for ignoring equality of opportunity laws. The government is undertaking more consultation exercises. It has enhanced pension rights and upgraded health services while the EU has noted with approval the government's commitment to increased efficiency within the judicial system. Malta has also taken to heart recommendations on refugees and irregular migrants by setting up Initial Reception Centers, creating opportunities for migrants to register for work and addressing detention concerns.

In implementing these reforms, interestingly, the government has exposed the challenges it faces during implementation. For example, the involvement of one minister and the Chief of Staff in the Panama Papers exposed how difficult it can be to see changes through. Patronage remains widespread and continues to fuel a sense, real or perceived, of discrimination in appointments and competition for government contracts. Nonetheless, these challenges cannot be easily overcome given Malta's small size and very large population which give rise to networks facilitated by face-to-face relationships and easy access to politicians. An important reform would be updating Malta's electoral system which strongly encourages political patronage. Other challenges persist. Time will tell if newly-introduced penalties for parliamentarian's

absence from the House will work and help to make Parliament a more effective institution. The need for further capacity building within parliamentary institutions remains a priority.

The preparations for Malta's EU Presidency in January 2016 increased capacity building efforts within the public service. Large-scale training exercises have been conducted and inter-action through the Trio mechanism has provided Maltese public servants with hands-on experience in management of EU and domestic affairs. A two-year presidency of the Commonwealth Heads of Government process has also contributed to this development.

Malta's economy continues to thrive with historic low unemployment and positive ratings from credit agencies. It has reduced its public deficit and debt to GDP ratio, and is now well below EU thresholds in respect of budget-deficit regulations. Nonetheless, rampant tax evasion remains a problem and the government has announced new efforts to fight it. The government has addressed the dire financial situation of the island's sole energy provider, Enemalta, by attracting foreign investment and increased economic competitiveness by reducing excessive energy tariffs. Malta is experiencing an unprecedented upsurge in tourism and expects to reach the two million milestone this year. Health care, however, remains an Achilles' heel and will require substantial government expenditure. Health care reforms target a reduction in patient waiting times and upgraded services, but entrenched resistance from health professionals with vested interests continues to put the service at risk. The effects of recent pension reforms are yet to be felt.

Economic development has, however, attracted its own problems. Environmental groups continue to express concern that all new investment projects eat into Malta's limited undeveloped areas, while social groups are pointing to a housing crisis for the most vulnerable due to rising rents caused by a foreign workforce influx and an increasingly successful residency scheme for foreigners. The separation of the Malta Environment and Planning Authority (MEPA) into two distinct authorities has also attracted massive criticism. Unfortunately, public debate has focused mainly on land use, animal welfare and traffic issues while ignoring Malta's dwindling water resources and the high cost of its provision.

## Key Challenges

During 2016, more good governance practices have been introduced and can be expected to have positive impact as they are digested by the public and civil society. Hindsight shows that in Malta public uptake of new reforms can be slow, but people soon employ them in defending their rights or private interests. One good example is how people, who lost use of their property decades ago under existing legislation, are now reclaiming their property rights and receiving compensation in line with recent more entrenched property rights. But it is increasingly clear that two major challenges need to be addressed. These are the electoral system, which undermines the will of political parties to fully submit to good governance practices, and the House of Representatives' lack of influence in Malta's political life. With respect to the first, it is clear that Malta's STV system has, if anything, entrenched patronage and clientelism by allowing voters to blackmail candidates not willing to promise favors in return for votes. This means candidates with the potential to satisfy individual interests within their constituency have an advantage of being elected. The 1987 Constitutional Amendments to Malta's electoral law has added to this difficulty since, despite existing electoral districts, it is the party that wins 50+1 of first preference votes cast that wins the election. This has made it imperative on parties to fight for every first preference forcing them to reach agreements with influential actors, especially businesses, before elections. There is also a need for a national minimum threshold for a party to send members to parliament to allow minority parties adequate representation.

The issue of utilizing trusted persons within ministries needs to be addressed, and it has been suggested that this role should be formalized within the constitution in order to establish parameters.

Malta's part-time parliamentarians also continue to demonstrate a lack of expertise over many issues, and their prioritization of their private careers over parliamentary business lowers their contribution to government and the public's opinion of them. It has also given rise, especially in the last twenty years, to a dangerous blurring of lines between their private interests and their public role. Furthermore, Parliament contributes very little to policymaking in Malta. Whether Parliament should become a full-time occupation receives little discussion, a fact that in itself raises questions over motives. The appointment of a Commissioner for Standards in Public Life, an office approved by parliament in 2016, is urgently needed even if finding the right person is a huge challenge.

While the government promised to reform the Permanent Commission against Corruption, this has yet to materialize. Failure to create a strong anti-corruption institution could undermine public trust in enacted reforms and allow allegations of corruption to proliferate. There is also a need to establish an independent ethics committee which would oversee the various ethics codes that regulate public life. When not implemented by government, the decisions of the Ombudsman should be placed before parliament for further discussion. The president continues to be elected through indirect suffrage through a simple majority. This should be changed to a two-thirds majority in order that he/she is seen as truly representing the interests of the nation rather than the party. Judicial reform has borne results. However it needs to be fine-tuned to ensure selection among the best candidates. The introduction of courses for lawyers pursuing this track is also long overdue. The nomination of court experts needs to be formalized. Reforms that have taken place in the environmental sector that have decoupled the planning and environmental authorities need to be reassessed in order to ensure both authorities fully participate in decisions related to development planning.

While a bipartisan approach to fundamental issues tends to be rare in Malta, this is greatly needed if reforms in several sectors can occur. These include electoral reform, parliamentary reform and environmental measures. Party faithful believe that only their party can address these fundamental issues – a belief not shared by the general public. Unfortunately, a belief from 1921 that the opposition's role is to undermine the government of the day remains deep-rooted and is evidenced by the current adversarial opposition. Parties will not be willing to take necessary bold measures knowing that the opposition will capitalize on dissatisfaction caused by these measures. Finding ways to collaborate on fundamental issues will benefit both major parties.

Integration of migrants also remains a challenge. The government has begun to address this issue, but time has been lost and much more needs to be done. Malta has a good record regarding asylum applications, but this in itself does not promote integration. On this issue the government needs to tackle anti-immigrant sentiment with new positive measures, including social media. On such a small island, it cannot allow such sentiments to take root, reinforced by developments in Britain and most of Europe. Malta has a long and historical tradition of integration and positive action is required to reaffirm it.

Citation:

A Review of the Constitution of Malta at Fifty; Rectification or Redesign (2014) The Today Public Policy Institute

# Policy Performance

## I. Economic Policies

### Economy

Economic Policy  
Score: 8

Economic planning is at the forefront of Malta's policymaking process and a clear-cut assignment of tasks to government institutions is its strength. Strong ties between public institutions, economic planning ministry and social partners exist notably through the Malta Council for Economic and Social Development. This has been translated into a strong economy. Indeed, provisional GDP estimates for the second quarter of 2016 indicate a 4.7% increase over the same 2015 period and a 3% increase in real terms. Furthermore, Malta's labor market remains resilient and currently has one of the lowest unemployment rates in the EU. Current industrial legislation provides protection against dismissals and allows for open bargaining between employers and their unions, but little co-determination structures.

During 2015, Malta's economic growth rate and labor market performance were among the best in the EU. Moreover, the European Commission no longer deemed Malta at risk of unsustainable economic imbalances in terms of the Macroeconomic Imbalance Procedure, although it warns of an erosion of competitiveness due to losses in the export market. Nonetheless, the latest EU forecasts project that Malta's robust economic performance will continue in 2016 and 2017. Investment is forecast to stabilize at a relatively high level while strong labor market fundamentals are expected to underpin a healthy increase in household consumption. Moody's Investors Services has confirmed Malta's A3 rating with stable outlook – the credit rating agency gave the island an A+ rating. Meanwhile, the World Economic Forum's 2016-2017 Global Competitiveness Index identified the inadequately educated workforce and the inefficiency of government bureaucracy as the most significant obstacles to doing business in Malta. Other limitations included an insufficient capacity to innovate, difficulties to access financing and a poor work ethic in the national labor force. Nonetheless, the country ranked in the

top 20 in terms of technological readiness and 40th overall, which represents an improvement over the preceding reporting period where Malta ranked 48th. The World Bank's Doing Business Report 2016 ranks Malta's ease of doing business at 80 out of a total 189 countries, an improvement from the preceding year's rank of 94. This year's report notes improvements for the time needed to establish an electricity connection, but still does not classify Malta favorably when it comes to starting a business, obtaining credit and registering properties. In response, government departments have signed an agreement pledging to reduce the administrative burden for investors setting up businesses in Malta. And, the tendering process will be simplified as a new EU directive on public procurement comes into force. This is coupled with the introduction of regional one-stop shops, mystery shoppers to assess government department services and the introduction of a government services app next year. Continued dependence on financial services and property development, and the widening of the trade deficit in 2016 highlight the need to further diversify the economy. The precarious situation of the national airline unless resolved may also negatively impact the economy. Finally, according to an EU poll, 81% cited corruption as a problem when conducting business.

Citation:

National Statistics Office (NSO) News Release 142/2016  
 Times of Malta 05/08/2015 Malta with highest growth in GDP  
 Times of Malta 03/06/2015 Malta's unemployment rate second lowest in Euro Zone  
 EU Commission Alert Mechanism Report 2016 COM (2015) 691 final p.33  
 Times of Malta 27/11/2015 EU Alerts Malta to 'competitive erosion'  
 Malta Today 04/02/2016 Malta registers second largest economic growth in Eurozone  
 European Economic Forecast Spring 2016 p.100  
[https://www.moodys.com/research/Moodys-affirms-Maltas-A3-rating-stable-outlook-PR\\_354214](https://www.moodys.com/research/Moodys-affirms-Maltas-A3-rating-stable-outlook-PR_354214)  
 World Economic Forum Global Competitiveness Report 2016-2017 p. 254  
 Doing Business – Measuring Regulatory Quality and Efficiency 2016 p. 5, p.176, p.218  
 Doing Business – Beyond Efficiency 2015 p. 4  
 Times of Malta 03/06/2016 Public sector pledges to reduce red tape  
 Times of Malta 30/11/16 Malta Gets A+ rating on credit  
 Times of Malta 18/03/15 Tendering process to be simplified next year.  
 Times of Malta 07/12/16 Trade Deficit Widens by 208.4 million  
 European Commission Flash Eurobarometer 428 Businesses' Attitudes towards corruption in the EU

## Labor Markets

Labor Market  
 Policy  
 Score: 9

Unemployment rates are at historically low levels in Malta. Eurostat figures for July 2016 indicated that Malta had the lowest unemployment rate and one of the lowest youth unemployment rates in the EU. Indeed, the national unemployment and youth unemployment rates stood at 3.9% and 7.1% respectively in comparison to the EU averages of 8.6% and 18.8%. Subsequent figures for August 2016 ranked Malta's unemployment rate third at 4.8%. The labor market participation rate increased marginally, through the introduction

of free child-care centers in 2014 and other fiscal incentives including reforms to the maternity system, tax incentives and wage subsidies for women over 40 entering the labor market. The 2016 budget introduced a pilot scheme to subsidize care workers for the elderly. This pilot may enable more women to enter the labor market, as women are disproportionately more likely to care for elderly relatives. Already, these initiatives have resulted in an increase of 1.6 percentage points in the female participation rate. However, overall labor market participation remains low due to the low participation rates of women, older people and people with disabilities. Indeed, Malta currently has the widest labor market gender gap in the EU, which is a key reason why employment opportunities are increasingly filled by a growing migrant workforce. The government is attempting to address this challenge through its Strategy for Active Ageing, Youth Employment Guarantee Scheme and extended training programs. While Malta possesses a consolidated support system for the unemployed in terms of social benefits and retraining opportunities, schemes to help low-skilled individuals find employment are only now being introduced. In 2016, the government signed an agreement with the General Workers Union to manage a job plus scheme for the long-term unemployed. In the 2015 budget, a number of incentives were introduced to increase the rate of employment for individuals with disabilities. A new government organization, The Lino Spiteri Foundation, has been set up to facilitate the process. A follow-up report by the Malta Employers Association rated these measures as positive in facilitating integration of this cohort and over 200 individuals have been placed in the job market. The figure should rise now that the foundation is active. However the 2016 EU Commission report indicate that education and training outcomes are still below target, affecting the quality of labor supply and labor market participation rate.

Citation:

Eurostat News Release Euro Indicators 163/2016

Eurostat News Release Euro Indicators 186/2016

Budget Speech (English) 2016 p. 21

Pre-Budget Document 2016 p. 13

[http://ec.europa.eu/eurostat/statistics-explained/index.php/Gender\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_statistics)

Times of Malta 29/11/16 Job Schemes may be cut

EUROPEAN COMMISSION Brussels 18.05.2016 COM (2016) 338 Final

Equipping Employers for a more equal and inclusive labour market Service related ESF/MEA/2015/01 Research Study

Interview with Mr Natan Farrugia Executive director of The Lino Spiteri Foundation

## Taxes

Tax Policy  
Score: 7

Malta's income tax system ensures that a portion of income is non-taxable for all three tax categories (€1,100 for single individuals, €2,700 for married individuals and €10,500 for parents). Parents also receive a tax rebate on school fees, cultural activities and creative education. No sales or inheritance



tax is levied on a person's primary residence. Moreover, young first-time property buyers have been benefiting from a capped duty waiver since 2014. Other measures that contribute to greater equity include the extension of the favorable 15% income tax rate enjoyed by pensioners working part-time in the private sector to pensioners working part-time in the public sector. In addition, there has been an annual increase in the income ceiling for those paying the 35% tax rate. A flat rate of 15% was introduced for income from all residential rentals.

However, the burden of taxation falls mainly on people in fixed and registered employment. Malta's informal economy is almost equivalent to 25% of GDP and its tax evasion controls are ineffective. A number of mitigating measures have recently been introduced to consolidate previously introduced actions in this area. Among others, these include possible measures to reduce the use of cash and continued work to merge revenue departments into a single authority. The 2017 budget announced the setting up of a new unit to target tax evasion.

With a corporate taxation rate of 35%, Malta has one of the highest tax rates applicable to companies in the EU. However, as a result of the full imputation system and the tax incentives provided to companies registered in Malta, the actual tax rate is estimated to be as low as 5%. Moreover, the Maltese tax policy does not include additional taxes on dividends paid to shareholders, apart from the fact that they are entitled to tax credits. The EU's proposed Anti-Tax Avoidance Package, aiming to level the playing field in corporate taxation, has raised concerns that this might have implications for Malta's full imputation system. Nonetheless, the Ministry of Finance has confirmed that any potential negative effects on Malta's competitive tax regime have been averted. Fiscal incentives enhance the competitiveness of various economic sectors and attract foreign direct investment. Special tax incentives are also available for industrial research and development projects, experimental development and the registration of intellectual property.

For the 2017 budget, the government announced several measures to promote competitiveness, including incentives for those investing in SMEs, start-ups launched by recent graduates, and income tax waivers on dividends paid to investors on the Malta Stock Exchange.

Citation:

<https://ird.gov.mt/services/taxrates.aspx#2016>

Budget Speech 2013 p. 14

Times of Malta 04/11/2013 Tax exemption for first-time property buyers announced

Times of Malta 13/10/2015 Changes in income tax

European Semester Thematic Fiche – Undeclared Work (Updated May 2016) p. 11

Tax Reforms in EU Member States 2012 Report p.75

Commission Staff Working Document - Country Report Malta 2016 SWD (2016) 86 final p. 14, p. 15

[https://ec.europa.eu/taxation\\_customs/business/company-tax/anti-tax-avoidance-package\\_en](https://ec.europa.eu/taxation_customs/business/company-tax/anti-tax-avoidance-package_en)

Malta Independent 09/07/2016 EU anti-tax avoidance directive: Measures to be introduced aimed at curbing abuse

Malta A Regional Center for Strategic Investment and Doing Business p.4, p.5

Budget 2017 Speech (Maltese) p. 98, p. 99, p. 106

## Budgets

Budgetary Policy  
Score: 6

Developments since 2013 have demonstrated that fiscal policy is now expected to meet most standards of sustainability. In 2014 the deficit fell to 2.0% of GDP, to 1.5% of GDP in 2015 and is estimated to fall to 0.7% of GDP in 2016 and 0.6% of GDP in 2017. In June 2015, Malta was no longer subject to the EU's Excessive Deficit Procedure and was placed under the preventive arm of the Stability and Growth Pact. The November 2016 EU Commission report stressed that both revenue and expenditure have been revised upwards for 2017 and should contribute to a deficit reduction in 2016 and 2017. Government gross debt ratio is expected to decrease to 61.9% of GDP by 2017. However, the EU's recommendation on the 2016 Maltese National Reform Program and Stability Program continues to stress that age-related expenditure and health care costs could pose a threat to the long-term sustainability of public finances. The introduction of legislation to enhance the transparency of government finances also represents a step forward. The Malta Fiscal Advisory Council advised the government to introduce an appropriate framework for the monitoring and issuing of government guarantees. The 2016 European Commission Staff Working Document on Malta's Country Specific Recommendations also notes the fact that public expenditure as a share of GDP was below the euro-area average. Nonetheless, the document noted that higher average wages and higher employment rates (particularly in the education and health sectors) led to an increase of 6.1% in compensation during the period 2012-2014. Measures to improve pension income and the sustainability of the health sector may ameliorate the situation but are not considered adequate as yet. This is coupled with the fact that the average subsidy rate increased by an average of more than 28% as a result of increasing subsidies to the energy and public transport sectors. State-owned enterprises, namely Enemalta and Air Malta, were also regarded as a source of concern that pose a significant risk to the government's deficit target. It was also noted that Malta had not made progress with the structural part of the fiscal recommendations issued by the Council in 2016.

Citation:

The Politics of Public Expenditure in Malta in *Journal of Commonwealth & Comparative Politics*, Vol. 46, No. 1, February, 2008, Routledge, U.K. Maurice Mullard, University of Hull & Godfrey Pirota.

European Economic Forecast Spring 2016 p.100, p.101

European Commission Recommendation for a COUNCIL RECOMMENDATION on the 2016 national reform programme of Malta and delivering a Council opinion on the 2016 stability programme of Malta, SWD (2016) 86 final p. 4

Commission Staff Working Document Country Report Malta 2016 COM (2016) 338 final p. 15, p.17

Commission Opinion of 16/11/2016 on the Draft Budgetary Plan of Malta C(2016) 8013 final

## Research and Innovation

R&I Policy  
Score: 5

Innovation, research and development are regarded as key drivers for economic growth in the EU as reflected in the European Commission's recently launched 'Open Innovation, Open Science, Open to the World' strategy. Nonetheless, the business R&D sector in Malta still requires substantial development. The National Strategic Plan for Research and Innovation 2011-2020 highlights the challenges that hinder growth in this area, mainly the relatively low percentage of science and technology graduates. The Union Scoreboard 2016 describes Malta as a Moderate Innovator with weaknesses related to venture capital investments, non-EU doctorate students and public-private scientific co-publications. The 2016 European Commission Staff Working Document also notes that a "relatively young and underdeveloped framework for research and innovation constrains the potential for knowledge-driven growth." The same document also highlights the fact that the country's public R&D expenditure is significantly low and a subpar level of scientific excellence. As a response to this situation government has devised a rolling R&I action plan that aims to reduce fragmentation and overlap in this area. This is complemented by the launch of the FUSION program focused on the analyses of companies' or researchers' ideas for commercial viability purposes, the introduction of the Reach High Scholars program for post-doctoral grants and the completion of the Malta Life Sciences Park.

Citation:

<https://ec.europa.eu/research/openvision/index.cfm>

National Strategic Plan for Research and Innovation 2011-2020 (Draft for Public Consultation - 2011) p.9, p.12, p.13

European Innovation Scoreboard 2016 p.64

Commission Staff Working Document Country Report Malta 2016 COM (2016) 338 final p. 2, p.35

Malta National Reform Programme 2016 p.5

## Global Financial System

Stabilizing  
Global Financial  
Markets  
Score: 7

Malta is a small economy and as such is not a principal actor in the regulation of financial markets. However, it possesses consolidated links with regional and international organizations which help it, through shared intelligence, to combat high-risk or criminal financial activities, ensuring fair cost- and risk-sharing among market actors when market failure occurs or is likely to occur, and to enhance information transparency in international markets and financial movements. The Central Bank of Malta, the Malta Financial Services Authority (MFSA) and the Ministry of Finance collaborate closely with

similar bodies abroad. Since 2014, the MFSA operates under the supervision of the European central bank. Maltese banking regulations are highly influenced by supranational regulatory regimes, and the 2014 bank recovery and resolution directive was made into law in 2015. In the same year the central bank introduced the concept of a central credit register, and under the recent CBM directive 2016, are required to report any exposure exceeding 5000 euros.

The government established the Financial Intelligence Analysis Unit (FIAU), under the Prevention of Money Laundering Act, to help combat high risk or criminal financial activities. The FIAU is responsible for the collection, collation, processing, analysis and dissemination of information with a view to combating money laundering and the funding of terrorism. The unit is also responsible for monitoring compliance with the relevant legislative provisions as well as issuing guidelines to curb money laundering. Although the FIAU forms part of the Ministry for Finance, the unit functions autonomously and has a separate judicial personality. Throughout its years of operation, the FIAU has signed 14 MoUs with other FIAUs, most recently in 2015 with Panama. Moreover, the Economic Crimes Unit and the National Counterfeit Unit within the Maltese Police Force are responsible for the investigation of criminal activities related to forgery, embezzlement and counterfeit currency.

The Malta Competition and Consumer Affairs Authority is also active in strengthening consumer rights and protections.

Citation:

[www.mfsa.com.mt/pages/viewcontent.aspx?id=136](http://www.mfsa.com.mt/pages/viewcontent.aspx?id=136)

<https://www.centralbankmalta.org/relations-with-international-institutions>

<http://www.fiumalta.org/about>

<http://www.pulizija.gov.mt/en-us/economiccrimesunit.aspx>

<http://mccaa.org.mt/>

Malta Banking Regulations 2016 [globallegalinsights.com](http://globallegalinsights.com)

Financial Intelligence Analysis Unit Annual Report 2015

## II. Social Policies

### Education

Education Policy  
Score: 5

The Maltese Islands lack natural resources and consequently, economic growth is intrinsically linked to human resources. The ability to attract investment and sustain employment depends very much on the skill, quality and education levels of the workforce. In this, the results are mixed.

Since 2013, the government has implemented a number of programs, some with fiscal support, to encourage more students to pursue further education. They include free support for students at risk of failing and/or who have failed their exams for admission to higher-education institutions and the extension of services and facilities for the Malta College of Arts, Science and Technology (MCAST) with the introduction, in 2015, of three sub-colleges (the Foundation College, the Technical College and the University College) to better address the learning challenges at different educational levels. Extra summer classes for those wishing to retake regular-level exams and a new alternative-learning program were introduced. A pilot project to provide tablet computers for school children was concluded in October 2016. New schools are being built and others modernized.

Nonetheless, the latest Trend in International Mathematics and Science Study (TIMSS) ranked Malta 40 out of 50 countries, while the Progress in International Reading Literacy Study (PIRLS) ranked Malta 35 out of 45 participating countries. Furthermore, Malta has the third lowest tertiary education attainment level in the EU. In 2015, 27.8% of the Maltese population had attained a tertiary level of education compared to an EU-28 average of 38.7%. As well, Malta has the second highest school drop-out rate in the EU (at 19.8%). However the PISA 2015 survey finds that Maltese students have improved their ranking in math, reading and science, and it notes an improved performance by immigrant children and a narrowing of the academic achievement gender gap.

The education system's limitations exist in spite of the system's high level of equitable access to education at all levels. A total of 80% of all schools are free, while there are various measures available to support students. Access to higher education remains open for all due to the absence of tuition fees and stipends for students. The provision of free preschool state facilities for children three years and over has been greatly expanded. Changes to the education system outlined in the last quarter of 2016 attempt to address remaining concerns. These include a restructuring in secondary schools away from a one-sided approach to allow students to choose between academic, vocational or applied subjects streams, and changes to university entry requirements to improve access for students with learning difficulties.

Citation:

<http://www.mcast.edu.mt/92>

Times of Malta 13/07/2016 SEC results similar to previous years', Education Ministry says

Youth Guarantee Malta Implementation Plan p.22

Malta Independent 15/10/2015 One tablet per child pilot project concluded; roll-out to start in October 2016

Times of Malta 10/03/2015 Educators will be able to apply for sabbaticals

Malta Today 02/06/2016 €15 million invested in construction of new schools

TIMSS 2011 Malta Report (2013) p. vii

PIRLS 2011 Malta Report (2013) p. vii  
 European Semester Thematic Fiche – Tertiary Education Attainment (Updated May 2016) p.7  
 European Semester Thematic Fiche – Early Leavers from Education and Training (Updated May 2016) p.7  
 Claudia Vallejo and Melinda Dooly, (2008) Educational Policies that address Social Inequalities: Country Report Malta p. 16  
 PISA 2015 Survey  
 Independent 23/11/2016 Educational Reform will see vocational and applied subjects offered for O Level  
 Times of Malta 28/11/2016 Minister calls for easing of university entry requirements for students with learning difficulties

## Social Inclusion

Social Inclusion  
 Policy  
 Score: 6

Malta has a consolidated social benefits system that supports those with low incomes; in addition, health care and education for everyone is available free of charge. However, the high risk of poverty among the unemployed and the elderly suggest that welfare benefits and pensions have not been consistently adequate. This was partially addressed in the 2015 and 2016 budgets when lower pension bands were raised and incentives to help people return to work introduced. Social security expenditure amounted to €23.2 million during the first half of 2016, 3.8% higher than the expenditure for the same period in 2015. In 2015, the at-risk-of poverty or social exclusion rate was 22.4%, with the at-risk-of-poverty threshold increasing by 5.5% over the previous year. The 2016 Commission Staff Working Document indicated that Malta is still lagging behind in terms of its Europe 2020 poverty target. The at-risk-of-poverty and social exclusion for particular groups in Malta remains exceedingly high, including 24.1% for children and 16.9% for the elderly (compared to the EU average of 13.8%). Moreover, Eurostat data for 2015 indicates that 43.4% of Maltese children whose parents had a low level of educational attainment were at risk of poverty. However Eurostat data also shows that for children exposed to the triple burden (ARP) risk of poverty, severe material deprivation and low work intensity, there are encouraging signs. There was a huge decrease of single parents with dependent children (from 30.3% in 2012 to 17.1% in 2015), indicating that family friendly measures put in place are having positive results.

Disabled persons remain relatively marginalized. In the second quarter of 2015, there were 20,000 disabled persons of working age in Malta, but only 1,450 were in employment. A number of measures aimed at mitigating this situation have already generated positive results with 24 disabled persons finding employment each month as opposed to the previous figure of 100 annually. These measures include an obligatory contribution from employers who do not employ disabled individuals, and tax credits and incentives for employers who employ disabled individuals. Disabled individuals who are in employment are entitled to receive full benefits irrespective of their salary.

Several measures have been introduced over the last few years to address social problems. These include supplementary benefits for children, the provision of breakfast at school, greater support for low-income working parents through the creation of after-school clubs for their children, fiscal incentives for people to invest in pensions programs and an annual bonus for senior citizens over the age of 75. These social measures are being consolidated further in the 2017 budget with the launch of a €50 million social housing project and the establishment of a fund for disadvantaged students. Raising the minimum wage over a three-year period has been recommended by certain groups but remains controversial – some fear that it would undermine Malta’s competitive edge.

Citation:

National Statistics Office (NSO) News Release 120/2016  
 National Statistics Office (NSO) News Release 152/2016  
 Commission Staff Working Document Country Report Malta 2016 COM (2016) 338 final p.27  
[http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_li60&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_li60&lang=en)  
 Malta Independent 02/06/15 95% of persons with disability unemployed, employers will have to start paying contributions.  
 Budget 2016 Speech (English) p. 31  
 Budget 2015 Speech (English) p. 49  
 Malta Independent 13/10/2015 Budget 2016: What’s in it for you – point by point, how the budget will affect you.  
 Budget 2017 Speech (Maltese) p. 134, p. 138  
 A Minimum essential budget for a decent living. Caritas Malta 2016  
 Times of Malta 24/11/2016 Child poverty is expensive

## Health

Health Policy  
 Score: 7

Malta provides quality health care to all its citizens, with quality inpatient and outpatient hospital services offered for free. This is reinforced by agreements with the United Kingdom and Italy to service patients in need of special treatment not available locally. A 2015 survey conducted by the independent research center Numbeo stated that Malta had the second-best health care in Europe. The Euro Health Consumer Index 2015 claimed, however, that Malta had decent access to health care, but its performance lagged when it comes to treatment results, emergency cardiac care flagged in particular. This is coupled with the fact that only a third of Maltese citizens had a proportionate body weight in 2016 even though a healthy weight strategy has been in place since 2012.

Vulnerable groups are entitled to state support for a list of prescription medicines, and all citizens are entitled to free medicine in relation to specified chronic diseases (high blood pressure and diabetes). However, other more expensive treatments – for instance, those required by oncology patients or necessitated by certain eye conditions – are given only limited coverage, and

treatment costs can be thousands of euros. Much has been done to reduce patient waiting times and dependence on private hospital care. The government has addressed the general hospital's limited bed capacity by building new wards and devising plans to add new buildings to the existing infrastructure. It also opened a new Oncology Hospital on the same site. The new general hospital opened in 2008 with fewer beds than the previous hospital. Joint projects with the private sector should result in the upgrading of Karen Grech Hospital, St Luke's Hospital and the Gozo General Hospital in 2018. The government contracts signed with Vitals Global Healthcare are presently being scrutinized by Parliament. A recently launched patients' rights charter by the government, which includes the right to access one's medical files should improve access to medical care. However the charter remains non-binding. Additionally the Ombudsman has pointed out that the partial privatization of three state hospitals would impair patients' rights by precluding complaints to his office.

The private sector accounts for approximately two-thirds of the workload in primary health care; however, health care delivery in Malta is dominated by the public sector, with 96% of hospital beds publicly owned and managed, with only a small number of private hospitals. Malta has fewer hospital beds per 100,000 inhabitants than its European counterparts, but also shorter hospital stays than the EU average.

In 2013, Malta's public health care expenditure amounted to 5.7% of GDP, which is lower than the EU average of 6.9% of GDP. Nonetheless, this expenditure is expected to increase to 7.8% of GDP in 2060 on par with the EU average, particularly since Malta has one of the highest life expectancy rates in the EU. In the 2017 budget, funding for health care increased including funding for a new in-vitro fertilization program.

Citation:

Times of Malta 05/09/2012 Three health agreements signed with Italy

Malta Today 25/01/2015 Malta's health care ranked second best in Europe

Euro Health Consumer Index 2015 p. 13

Times of Malta 09/10/2016 70 per cent of Maltese are too fat for their own good

A Healthy Weight for Life: A National Strategy for Malta 2012-2020

Commission Staff Working Document - Country Report Malta 2016 SWD (2016) 86 final p.20

Times of Malta 18/10/2015 Two new wards to open

TVM 27/01/2015 Government to announce development of new buildings at Mater Dei

Malta Independent 20/09/2015 Sir Anthony Mamo oncology center officially inaugurated

Healthcare Delivery in Malta 2012 p. 13

A National Health Systems Strategy for Malta 2014-2020 p.22

Malta Independent 29/09/2016 Maltese people aged 80 have life expectancy of more than 9 years - Eurostat

Malta Today 25/11/16 Parliament's health committee to examine hospital contracts

Independent 21/11/16 Health minister Chris Fearne launches patients charter

Times of Malta 03/12/16 Parsing the patients charter



## Families

Family Policy  
Score: 7

With a difference of approximately 30% between female and male employment rates, Malta has the widest gender employment gap in the EU and a female employment rate that is more than 10% lower than the EU average (53.6% vis-à-vis 64.3%). Nonetheless one should note that female participation in the informal economy (which accounts for almost 25% of GDP) may make this somewhat inaccurate.

A breakdown of activity rates by age showed that the number of women active in the labor market was comparable to that of men during the ages of 15-24, but the gap widens in subsequent age brackets. In recent years, new workplace policies were designed to try to ensure that employed women retain their jobs, and those wishing to return to their former positions can do so. These include maternity leave, parental leave, paternity leave, reduced working hours, career breaks and in 2011, the introduction of financial incentives for mothers returning to work. These policies are traditionally more likely to be found in the public sector. However, the introduction of free child care centers, breakfast and after-school clubs in 2014 ensured that a number of measures were also accessible for individuals employed in the private sector. This is coupled with the introduction of the Maternity Leave Trust Fund in 2015. The 2017 budget included a consultation process on the proposal for a parent to use sick leave when a child is ill. Following the fund's establishment, employers became legally obliged to contribute the equivalent of 0.3% of each employee's salary, irrespective of the employee's gender. These measures are enabling more women to enter and remain in the labor market, with Malta experiencing the highest female activity rate increase in the EU since 2008.

Citation:

Eurostat News Release 80/2016

European Semester Thematic Fiche – Undeclared Work (Updated May 2016) p.11

NSO News Release 156/2016

<https://education.gov.mt/en/resources/News/Pages/News%20items/2,700-Children-attending-free-childcare-as-government-facilitates-access-to-work-for-women.aspx>

Malta Today 02/09/2014 Primary schools to offer Breakfast Club during coming school year

Times of Malta 21/07/2015 New Maternity Leave Trust Fund launched in bid to end gender discrimination

Commission Staff Working Document - Country Report Malta 2016 SWD (2016) 86 final p. 5, p. 22

[http://ec.europa.eu/eurostat/statistics-explained/index.php/Gender\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_statistics)

Malta Independent 23/01/2015 10,631 single parents living in Malta and Gozo - Minister Michael Farrugia says

## Pensions

Pension Policy  
Score: 6

Government expenditure on contributory benefits amounted to €330 million during the first six months of 2016 with an increase of €4.7 million in retirement pensions alone. Indeed, pensions represent a substantial public

expenditure with projections indicating that pension-related expenditure will amount to 12.8% of GDP by 2060. Pension-related expenditure has been a major concern at EU level, with the European Commission 2014 and 2015 Country Specific Recommendations for Malta both noting the need to consolidate the pension system, particularly by increasing further the statutory retirement age to reflect life expectancy changes. Nonetheless, older people are more likely to be at risk of poverty than the rest of the Maltese population (17.2% vs. 15.9%) and 3.9% higher than the EU average.

The Maltese pension system could be described as an exclusive form of public pensions. It is based on a pay-as-you-earn system, as well as a means-tested non-contributory system. Until recently pensions were not linked to inflation and considerable erosion in real value occurred and, although partially rectified, the real value of pensions cannot make up for decades of loss. Low tax ceilings also meant that pensioners were required to pay income tax on their pensions. The 2013 budget, which raised the tax ceiling and revised supplementary assistance for those aged 65 and older, has gone some way to help to redress this situation.

Subsequent measures sought to consolidate shortcomings in this area. For instance, in 2014, parliament voted to introduce a third pillar to the pension system. This third pillar provides fiscal incentives to encourage people to invest in private-sector pension schemes. However, it will be some time before this reform will reduce the stress of pension costs on public finances. Second pillar pensions have not yet been introduced though a government task force to study this issue is likely to occur.

The 2015 budget removed income tax for pensioners whose pension does not exceed the minimum wage. During the same year, the Pensions Strategy Group 2015 report provided a detailed overview of possible scenarios up to 2060, and identified a number of guiding principles for developing a flexible and sustainable pension system. The report was, however, criticized for not addressing the issue of how to get people to voluntarily save and being weak on defining what constitutes a strong scheme system and what benchmarks should be used.

The government's commitment towards adequate and sustainable pensions have also been illustrated in the 2016 budget with increments for pensioners who receive less than €40 per week and no tax increases for pensioners. However the new minimum of €60 a month will need to be increased further to provide the pensioner with a living income. Significantly, the 2017 budget introduced a two-year plan for the removal of all income tax on all pensions (public, private or foreign) up to a maximum of €13,000. It is envisaged that

approximately 22,000 pensioners will benefit from this measure. The carers' benefit in the 2017 budget has also been increased to €140 per week, and financial assistance of €200 per year is allocated for care workers for those choosing not to enter a retirement home. NGOs have flagged the issue of lack of pensions for migrants working in undeclared jobs, which will impact these individuals and the economy in years to come.

Citation:

National Statistics Office (NSO) News Release 120/2016  
 Malta Independent 21/08/2015 Watch: Deficit in 2015 to be 1.6% of GDP, budget 2016 to look at lower income strata  
 Recommendation for a COUNCIL RECOMMENDATION on Malta's 2014 national reform programme and delivering a Council opinion on Malta's 2014 stability programme COM (2014) 419 final p. 6  
 Recommendation for a COUNCIL RECOMMENDATION on the 2015 National Reform Programme of Malta and delivering a Council opinion on the 2015 Stability Programme of Malta COM (2015) 267 final p. 5  
 Commission Staff Working Document Country Report Malta 2016 SWD (2016) 86 final p. 19  
 Malta Today 29/11/2012 Budget 2013 at a glance  
 Times of Malta 04/12/2014 Third pillar pensions: a first step?  
 Strengthening the Pension System – A Strategy for an Adequate and Sustainable Maltese Pension System p. 4  
 The Malta Independent 15/10/2015 Toward a sustainable pension system  
 The Malta Independent 13/10/2015 Budget 2016: What's in it for you – point by point, how the budget will affect you  
 Budget 2017 Speech (Maltese) p. 36  
 Times of Malta 22/06/16 Government will not introduce second pillar pensions by stealth  
 Times of Malta 11/03/16 NGOs warn of problem over lack of pensions for migrants

## Integration

Integration Policy  
 Score: 4

It is only recently that Malta has begun to consolidate its policy approach to integration issues. Under the current government, the Ministry for Social Dialogue, Consumer Affairs and Civil Liberties is the ministry responsible for the integration of migrants. Meanwhile, the Agency for the Welfare of Asylum-Seekers is responsible for the provision of some services, including employment, housing, education, health care, and welfare information. The agency is also a facilitator between public services and serves as a pre-integration functionary. The office of Refugee Commissioner has been established and can be seen in light of new initiatives, such as the new Initial Reception Centers, creation of a work registration system under Jobs Plus and a reform of detention policy. The Prime Minister has also given directions to end current exploitation of refugees by employers through the black market.

The number of migrants granted subsidiary or humanitarian protections is very high and the latest UNHCR figures indicate a rejection rate of 8% for the year ending December 2015. The government introduced a new migration strategy in 2016 ending automatic detention. Refugees and asylum seekers granted protection will now become eligible for unemployment benefits. These

reforms will lessen the hardship on migrants seeking work and their own accommodation. However Malta's policies in terms of integration remain weak. Under the Migrants Integration Policy Index (MIPEX) 2015 Malta ranked 33 out of 38 countries and classified its policies as "Slightly unfavorable" for the purposes of integration, stating that non-EU residents are less likely to reunite with family, become long-term residents with equal rights, and become citizens in Malta than in almost any other MIPEX country. Delaying family reunion delays the integration of these families and their sponsor. These restrictions have the greatest impact on the most vulnerable, such as beneficiaries of international protection, women, youth, the elderly and the ill. Evidence of poverty and homelessness among migrants indicates the need for government to allocate more resources to this group. The issue of citizenship also needs to be reassessed since migrants may fulfill the criteria required to apply however the outcome remains at the minister's discretion. This becomes more urgent for the children of asylum seekers born here who have no right to citizenship. Recent government policy on the forced repatriation of rejected asylum seekers and their families who have been living in Malta for a number of years will further hinder the integration of this group.

Citation:

[http://socialdialogue.gov.mt/en/Pages/The\\_Ministry/Brief.aspx](http://socialdialogue.gov.mt/en/Pages/The_Ministry/Brief.aspx)

<http://homeaffairs.gov.mt/en/MHAS-Departments/awas/Pages/Mission-and-Function.aspx>

<http://www.mipex.eu/malta>

<http://www.timesofmalta.com/articles/view/20161030/local/we-are-dealing-with-humans-not-categories-new-refugee-commissioner.629427>

<http://www.timesofmalta.com/articles/view/20160801/local/refugees-appeal-help-us-access-education.620658>

UNHCR Malta Asylum Trends 2016

Independent 15/11/16 Malian Migrants arrested and facing deportation: Government says they are failed asylum seekers

Times of Malta 10/12/16 Man's death under bridge highlights poverty and homelessness among migrants

### Safe Living

Safe Living  
Conditions  
Score: 6

Malta is generally considered a safe place to live. Crime rates have remained largely stable although from time to time in-fighting escalates between actors involved in drug trafficking and money laundering.

External security threats to the state have been largely absent, making it difficult to assess local readiness or an ability to protect citizens if such threats were to materialize. The U.S. Department of State highlights the fact that like all other European countries, Malta is vulnerable to transnational terrorist groups. This is particularly significant when one considers Malta's geographic location and open borders with other Schengen members. Nonetheless, 2016 data compiled by Numbeo ranked Malta 16th worldwide on its Safety Index. An international comparison shows that Malta is a relatively safe country

having an average of 43 offences per 100 persons as against 102 for Finland.

Malta is affiliated with Interpol and is also party to several cross-border security cooperation efforts, particularly those coordinated by the European Union. Malta is also participating in Operation Triton to secure borders and rescue migrants in the central Mediterranean area. As Malta ensures the security of an external frontier of the European Union, it has received substantial assistance through the External Borders Fund. Through this fund, the Armed Forces of Malta (AFM) have been able to obtain important resources for the enhancement of the existing border control system, which is primarily directed toward policing the island's maritime borders from irregular migration and drug smuggling. Moreover, an additional €2 million in EU funding has been earmarked for Malta for the programming period 2014-2020 through the Internal Security Fund and the Asylum, Migration and Integration Fund.

Malta's Secret Service is small and depends heavily on intelligence from foreign intelligence services. However, its Secret Service has improved its capability, as evidenced by the Secret Service's support in liberating Maltese hostages in Libya. Also its has been strengthened because of Malta's recent involvement as a place for international dialogue and the upcoming EU Presidency. Nonetheless, the current crisis in the Mediterranean remains a big challenge. The need to strengthen external borders and tighten visa regimes has led to the temporary suspension of Schengen in Malta until the beginning of 2016. The drafting of a long-term strategy to reform the police force was ongoing in 2016, however, confidence in the force is generally low. In 2016, the police association has called for major changes to the Police Act.

Citation:

<https://travel.state.gov/content/passports/en/country/malta.html>

[https://www.numbeo.com/crime/rankings\\_by\\_country.jsp](https://www.numbeo.com/crime/rankings_by_country.jsp)

<http://www.police.gov.mt/en-us/interpolmlt.aspx>

<http://frontex.europa.eu/news/frontex-expands-its-joint-operation-triton-udpbHP>

[http://ec.europa.eu/dgs/home-affairs/financing/fundings/mapping-funds/countries/malta/index\\_en.htm](http://ec.europa.eu/dgs/home-affairs/financing/fundings/mapping-funds/countries/malta/index_en.htm)

On Parade Magazine October 2014, Armed Forces of Malta p.17

<https://eufunds.gov.mt/en/Information/Press%20Releases/Pages/PARLIAMENTARY-SECRETARY-FOR-EU-PRESIDENCY-2017-AND-EU-FUNDS,-IAN-BORG-ANNOUNCES-A-FURTHER-%E2%82%AC12,600-000-IN-EU-FUNDS-FOR-THE-P.aspx>

Times of Malta 09/04/2013 Malta Security Service Ignored Invitations for International Collaboration

Times of Malta 29/10/2015 Watch: Abducted Maltese man released in Libya, expresses relief

The Malta Independent 02/01/2016 Schengen rules are back in place, Home Affairs Ministry says; no threats made against Malta

Times of Malta 08/08/2016 Police facing a brain drain

Malta Today 24/08/2015 Online poll | Absolute majority mistrust Malta's Police Force

<http://www.timesofmalta.com/articles/view/20160830/local/malta-is-almost-the-best-place-in-the-world-for-foreigners.623559>

Crimemalta.com

Position paper regarding the Amendments to the police act

Global Social  
Policy  
Score: 4

### Global Inequalities

The Maltese government has very limited opportunities to help shape or advance social inclusion beyond its borders. What little influence of this kind it has acquired is related to its participation in international organizations (such as the UN and WHO) and EU Ministerial Councils. In 2004, Malta committed itself to allocate 0.33% of GNI to Official Development Assistance (ODA) by 2015. Nonetheless, EU data published in the second quarter of 2016 indicates that Malta's commitment in 2015 amounted to €13 million, or 0.15% of GNI, and therefore 0.18% short of the established target. Malta has also received criticism from the European NGO confederation for Relief and Development (CONCORD) regarding the actual portion of the funds that reach these developing societies at the grass-root level. 2015 funds indicate that a large percentage was put towards domestic use. On the other hand, Malta is supportive of EU efforts to address the refugee crisis and has agreed to a refugee quota with the EU. Private sources also contribute significantly to development projects in other countries. Indeed, 12 projects financed and/or implemented on a voluntary basis by Maltese Non-Governmental Development Organizations (NGDOs) have been selected for co-financing by the government in 2016. Malta is also attempting to take the lead in development education and has introduced a master's degree in humanitarian action, targeting field workers in the Middle East, North Africa and the Gulf region.

Malta's development policy attaches special importance to countries in the Horn of Africa and Sub-Saharan Africa, the main source of asylum-seekers and clandestine immigrants to Malta. Malta's development policy seeks to assist with development in Mediterranean states, notably North Africa and the Palestinian territories, providing scholarships and other forms of aid. Malta also actively assists other small states through the Commonwealth by making available its acquired experience and expertise as a developed small island state. In general, Malta follows the lead of the European Union, and its policies on tariffs are in line with those agreed on in Brussels.

However, during the last 14 months, Malta has used its role as Chair of the Commonwealth Head of Governments Meeting to press for development in a number of areas including polio eradication, financial support to poorer Commonwealth states, climate change and women rights.

Citation:

Official Development Assistance Policy and a Framework for Humanitarian Assistance 2014 – 2020 p.8

Annual Report 2016 to the European Council on EU Development Aid Targets - Council Conclusions 8822/16 p.12

The Malta Independent 03/01/2016 Malta 'inflates' official development aid figures by 50%

Times of Malta 22/09/2015 Updated: Malta to get 189 refugees as part of EU relocation plan  
<https://foreignaffairs.gov.mt/en/Government/Press%20Releases/Pages/Official-Development-Assistance-2016.aspx>  
[https://www.um.edu.mt/news\\_on\\_campus/features/2012/mahumanitarianaction](https://www.um.edu.mt/news_on_campus/features/2012/mahumanitarianaction)  
<https://foreignaffairs.gov.mt/en/PDF%20Documents/Scholarship%20Document%20-%20Palestine.pdf>  
<http://www.timesofmalta.com/articles/view/20151126/local/commonwealth-trade-facility-to-be-set-up.593611>  
<http://www.timesofmalta.com/articles/view/20151128/local/commonwealth-can-bridge-divide-on-climate-change.593745>  
<http://www.timesofmalta.com/articles/view/20151125/local/malta-to-host-commonwealth-centre-to-help-small-states-contribute.593523>  
<http://www.timesofmalta.com/articles/view/20151127/business-news/Financial-services-some-of-best-growth-opportunities-in-Commonwealth.593686>  
<http://www.timesofmalta.com/articles/view/20151127/business-news/Financial-services-some-of-best-growth-opportunities-in-Commonwealth.593686>

### III. Environmental Policies

#### Environment

Environmental  
Policy  
Score: 4

Malta's environmental challenges are complicated by large population density, and a constant challenge to create employment opportunities, attract foreign investment and improve standards of living. As an EU member state, Malta is bound to fulfill key climate targets within the context of the Europe 2020 Strategy. Indeed, 10% of Malta's gross final energy consumption should come from renewable energy sources by 2020. In 2014, 4.7% of Malta's energy consumption was obtained from renewable energy sources but ongoing efforts are required to ensure that the established national target is met.

High electricity tariffs have historically hampered the competitiveness of small and medium-sized enterprises. The government reduced energy tariffs for households in 2014, before extending this reduction to the business sector in 2015. Several initiatives aimed at fulfilling targets have been undertaken though, including the generation of photovoltaic power including the setting up of photovoltaic farms, the construction of an electricity interconnection system with Sicily, the promotion of fuel-efficient cars and the construction of a gas-fired power station. The impact of these initiatives will primarily be felt in the future since to date Malta still remains nearly 100% dependent on fossil fuels.

Fresh water is a scarce resource in Malta, yet until recently the government's approach to this important issue was inconsistent and in general inadequate to protect the island's water reserves. The production of water for domestic and commercial use is heavily dependent on reverse-osmosis plants. To relieve

pressure from reverse-osmosis water generation, a National Flood Relief Project has been concluded at the end of 2015 with the aim of increasing the amount of water collected annually.

The Maltese countryside is protected from unsustainable development through a regulatory process of permits and enforcement. Proposed amendments to the environment impact assessment regulation in order to correct identified and persistent shortcomings have been made. Nonetheless, EU data extracted in 2016 highlighted the fact that Malta (together with Belgium) had the highest proportion of developed areas, coupled with the highest population density among the EU Member States. The Malta Environmental and Planning Authority (MEPA) has recently been restructured, and now two separate entities (the Planning Authority and the Environment & Resource Authority) are respectively responsible for planning and environmental issues. However, this split and many of the related changes have generated considerable controversy, including increased ministerial powers in the selection of board members, reducing the autonomy and independence of these boards and the strange anomaly that allows a representative of the environmental authority to sit on the planning authority boards only when invited to do so.

The government has introduced various policies to preserve Malta's biodiversity, as the small island is home to a "varied and interesting array of habitats and hosts endemic, indigenous, and migratory species," as stated in the National Environment Policy. Yet Malta's biodiversity continues to be threatened through land development, invasive species, overexploitation of species and climate change. The policy outlines measures aimed to halt the loss of biodiversity by 2020. These include the compiling of a dedicated National Biodiversity Strategy and Action Plan, the creation of additional marine protected areas and strengthening the management of existing protected areas.

Citation:

[http://ec.europa.eu/europe2020/pdf/annexii\\_en.pdf](http://ec.europa.eu/europe2020/pdf/annexii_en.pdf)

Commission Staff Working Document - Country Report Malta 2016 SWD (2016) 86 final p.30

The Malta Independent 06/11/2013 Most families to get 30% reduction in utility bills

Times of Malta 19/06/2014 Electricity tariff reduction will save businesses €50m

Times of Malta 31/12/2015 Work on national flood relief project concluded

[http://ec.europa.eu/eurostat/statistics-explained/index.php/Land\\_cover,\\_land\\_use\\_and\\_landscape](http://ec.europa.eu/eurostat/statistics-explained/index.php/Land_cover,_land_use_and_landscape)

TVM 04/04/2016 Split of MEPA into two independent authorities comes into effect

Times of Malta 12/07/2015 Mepa split: 'We're all in for a rough ride'

National Environment Policy 2012 p.76-77

Times of Malta 03/12/16 Renewable energy in Malta

Consultation session on proposed Revision of EIA Regulations

<http://www.meusac.gov.mt/newsdetails?ns=2386>



Global  
Environmental  
Policy  
Score: 6

### Global Environmental Protection

Malta's small size has traditionally hindered it from being a key player in international global policy fora. Nonetheless, since independence, it has been influential in the Law of the Sea and was instrumental in the adoption of the Protection of Global Climate for Present and Future Generations of Mankind resolution, which gave rise to the United Nations Framework Convention on Climate Change and the Kyoto Protocol in 1988. Moreover, Malta has played a dynamic role in efforts to meet climate resolutions agreed to in Copenhagen in 2009 with U.N. Secretary-General Ban Ki-moon describing Malta as a key player in the efforts to "seal the deal."

Malta is party to a large number of multilateral environment agreements. As an EU member state, Malta is bound by the obligations of the EU's extensive environmental acquis. When Malta joined the European Union, it adopted some 200 environmental laws, which are now part of the overall Maltese legal framework. Malta has attempted to play a part in formulating a Mediterranean strategy for sustainable development.

In the run-up to the Paris Summit on Climate Change, Malta's prime minister hosted a special session on Climate for Leaders during the 2015 Commonwealth Heads of Government Meeting (CHOGM) in Malta. More than a quarter of the 2015 CHOGM participants attended the Paris Summit and the 2015 CHOGM was used as a forum within which support was consolidated. In 2016, Malta became one of the first countries to complete domestic preparations for the ratification of the Paris Agreement and subsequently deposited its Instrument of Ratification to the UN together with other EU member states.

Nonetheless, Malta remains an insignificant, if active, player in global environmental protection.

Times of Malta 12/12/2008 UN Secretary General recalls Malta's climate change initiative  
<http://www.un.org/apps/news/story.asp?NewsID=30544&Cr=Somali&Cr1=#.WBT4qfl95PY>  
The Art of Doing Much with Little (MEPA News Article)

The Malta Independent 07/09/2015 CHOGM 2015 to give final push to Paris climate change Summit – Environment Minister

The Malta Independent 30/09/2016 Malta among first countries to finalise preparations for ratification of Paris Agreement

<http://foreignaffairs.gov.mt/en/Government/Embassy%20Press%20Releases/Pages/Instrument-of-Ratification-declaring-that-the-Government-of-Malta-has-ratified-the-Paris-Agreement-on-Climate-Change-of-Dec.aspx> Environment and development in the Mediterranean [planbleu.org](http://planbleu.org)

# Quality of Democracy

## Electoral Processes

Candidacy  
Procedures  
Score: 9

Elections are regulated by the constitution and the General Elections Act. The system used in Malta is the Single Transferable Vote (STV). Candidates can stand either as independents or as members of a political party. Parties can field as many candidates as they wish, and candidates may choose to stand in two electoral districts. If elected in both districts, a candidate will cede their second seat. The vacated seat is then assigned to the candidate with the most second preference votes on the ballot. The system allows for a diversity of candidates and restrictions are minimal, though legal restrictions based on residency, certain official functions and court judgments exist. There have been persistent calls for the reform of the electoral system on the basis of a number of issues including that there is no official minimal threshold, no national quotas for parties to gain access to parliament, and that multiple candidates from the same party can be elected in the same district places too much power in the hands of canvassers.

Media Access  
Score: 5

Malta has both state and private media. The Maltese constitution provides for a Broadcasting Authority (BA) to supervise broadcasting and ensure impartiality. During elections, the BA provides for equal time for the two major political parties on state television on its own political debate programs as well as airtime for political advertising. However, smaller parties or independent candidates do not receive equal treatment on state media. The lack of impartiality of the public broadcasting service (PBS) also hinders equal treatment for all political parties. The two major political parties also have their own radio and television stations, which give them an advantage over smaller parties. The BA requires party-run media to allow for a right of reply to an aggrieved party or individual. In general, the print media is regulated by the Press Act. The two major parties also run or control a number of newspapers. While the act does not override editorial discretion in granting access to political candidates, it does provide for a similar right of reply mechanism, as is the case with broadcasters. However access to newspapers becomes increasingly restricted at election time and unrestricted access is obtained at a cost.

Due to increased competition and the proliferation of privately-owned radio and television stations, all candidates can now obtain airtime to present their views,

albeit at a cost. Social media networks have provided individuals and non-political groups with an important platform independent of the party media.

Citation:

<http://www.ba-malta.org/prdetails?id=246>

Social Media during the 2013 General Election in Malta. Department of Information Malta

[www.consilium.europa.eu/media/.../1st-panel-oswald-main-slide-speaker...](http://www.consilium.europa.eu/media/.../1st-panel-oswald-main-slide-speaker...)

Sammut, C (2007) Malta and the Media Landscape

Voting and  
Registrations  
Rights  
Score: 7

Malta's electoral laws are for the most part effective and impartial, and are controlled by a constitutionally-constituted designated Electoral Commission. While there is no legal obligation to vote, turnout at general elections is high at over 90%. Maltese law states that any individual sentenced to a minimum prison term of one year cannot vote in elections. As well, persons convicted of a crime, regardless of the length of prison term, are forbidden from holding civil or public office. Residency qualifications also create obstacles to voting: citizens who are away from Malta for six consecutive months during an 18-month period may forfeit their right to vote if this right is successfully challenged in court. Citizens who are abroad but are legally qualified to vote face other obstacles, as Malta does not have a system of postal or electronic voting. To vote, the citizen must return to Malta, and state-subsidized airfare from some countries is made available; also, a citizen may make arrangements to vote prior to traveling. Amendments to the Electoral Law 2012 have strengthened the voting rights of some citizens, primarily those who celebrate their 18th birthday after the publication of the electoral register. At the local level, the vote has now been extended to 16 year olds. Other changes have helped patients to cast their votes during a hospital stay. Residents who are not citizens may not vote in national elections, yet in line with EU law, they may participate in local or European Parliament elections, though there have been registration problems. Immigrants and refugees, however, do not enjoy the right to vote.

Citation:

<http://www.timesofmalta.com/articles/view/20130115/elections-news/ad-on-voting-rights-for-maltese-abroad-party-financing.453281>

<http://www.timesofmalta.com/articles/view/20130220/local/Should-prisoners-in-Malta-be-allowed-election-vote-.458430>

Should Migrants have the Right to Vote? Times of Malta 23/06/14

Party Financing  
Score: 3

Malta passed its first party financing law in July 2015, which requires that political parties should be subject to international standards of accounting and auditing; cannot accept donations from companies associated to the government; cannot accept donations from entities, foundations, trusts and nominees whose beneficiaries are unknown; donations in excess of €7,000 must be recorded online and reported to the Electoral Commission; and donations from individuals must be capped at €25,000. The effectiveness of this legislation has been challenged by a loan scheme launched in 2016 by the opposition party,

which it claims allows it to keep the names of donors secret. Indeed the GRECO report had highlighted the Electoral Commission's lack of power in being unable to control other sources of income aside from donations. Other criticisms of the new legislation, include the appointment of an Electoral Commission regulated by the political parties and for not capping spending at €2 million.

Citation:

<http://www.timesofmalta.com/articles/view/20150721/local/pns-conditional-yes-to-party-funding-bill.577469>  
[http://www.maltatoday.com.mt/news/national/55315/party\\_financing\\_bill\\_passes\\_into\\_law\\_both\\_parties\\_vote\\_in\\_favour#.ViNkq34rKM8](http://www.maltatoday.com.mt/news/national/55315/party_financing_bill_passes_into_law_both_parties_vote_in_favour#.ViNkq34rKM8)

Party Financing a lost opportunity Malta Today 23/07/2015

<http://www.timesofmalta.com/articles/view/20160917/local/pn-refusing-to-disclose-cedoli-scheme-donor-details.625240>

<http://www.timesofmalta.com/articles/view/20160911/local/cedoli-make-3m-as-pn-prepares-for-an-election.624637>

[tvm.com.mt 09/12/15 Malta off GRECO blacklist thanks to legislation on party financing](http://www.timesofmalta.com/articles/view/20160911/local/cedoli-make-3m-as-pn-prepares-for-an-election.624637)

Popular Decision-Making  
Score: 3

The constitution of Malta allows for three types of referendums: constitutional, consultative and abrogative. None of these types however fulfill the criteria for popular decision-making defined by the SGI. However, Malta has had several consultative referendums, the most recent in 2011 on the introduction of divorce, and an abrogative referendum on the issue of spring hunting. In the latter case, the referendum was triggered by a citizens' initiative. Some local councils have also resorted to referenda, but while this may influence central government decisions, they are not binding.

Citation:

[http://www.maltatoday.com.mt/lifestyle/environment/38168/spring\\_hunting\\_referendum\\_is\\_revolutionary#.ViNoVn4rKM8](http://www.maltatoday.com.mt/lifestyle/environment/38168/spring_hunting_referendum_is_revolutionary#.ViNoVn4rKM8)

The Constitution of Malta

<http://www.timesofmalta.com/articles/view/20140330/local/-Spring-hunting-in-dustbin-of-history-.512723>

<http://www.timesofmalta.com/articles/view/20140328/local/signatures-for-referendum-to-abolish-spring-hunting-presented-to.512579>

<http://www.timesofmalta.com/articles/view/20160710/letters/Perseverance-and-tenacity.618307>

<http://www.timesofmalta.com/articles/view/20160826/local/help-us-oppose-pas-firework-factory-plans-gharb-local-council.623151>

### Access to Information

Media Freedom  
Score: 6

Private media operates free from government interference. While mechanisms exist to ensure that the state media operates independently from government interference, these mechanisms do not always work well. Some attempts to improve this process have been made. The prime minister appoints all the directors of the State Media Board, as well as all the members of its editorial board. That journalists can and often do show a clear attachment to the party in government also undermines media independence. Since the general election on 9 March 2013, the government has allowed for a greater diversity of program

producers on state broadcasters. Even though state institutions dominate the media, existing media diversity and a recent increase in competition ensures that the system is essentially pluralist and a range of opinions are still available. However, journalists continue to claim that the existing draconian libel laws unduly restrict them. The first reading leading towards the revision of such laws took place on 10 October, however it does not seem to have progressed any further. In 2016, Malta reformed its vilification laws in order to allow for greater freedom from prosecution. In the 2016 World Press Freedom Index Malta climbed from 48 out of 180 countries to 46.

Citation:

Journalists' institute calls for reform of libel laws. Times of Malta 18/07/2015

Cabinet mulls brave new defamation law. Malta Today 11/11/2015

<http://www.timesofmalta.com/articles/view/20161001/local/institute-of-maltese-journalists-calls-for-decriminalisation-of-libel.626631>

<http://www.timesofmalta.com/articles/view/20160713/local/justice-minister.618702>

<http://www.timesofmalta.com/articles/view/20160714/local/repealing-blasphemy-law-a-victory-for-freedom-of-speech-says-humanist.618859>

<https://rsf.org/en/ranking>

Media Pluralism  
Score: 6

Maltese media outlets, including visual media, electronic media and print publications, are primarily owned by a mix of actors: political parties, the Catholic Church, private entrepreneurs and the General Workers' Union (GWU), a major left-wing trade union. Thus Malta's media landscape reflects a plurality of ownership. Pluralism of opinion within the media depends entirely on the willingness of ownership to allow the publication or dissemination of opposing viewpoints or dissent from current orthodoxy. The state media, by extending access to private media outlets, has expanded plurality of viewpoints and has had few legal cases brought against it. The state fulfills its obligations better now than in the past. However, competition for market share has forced both privately-owned and politically-owned media to publish dissenting opinions more readily. A report on media pluralism in Malta shows a high score in terms of basic protection and market plurality, but a lower score for political independence and social inclusiveness. It also pointed out that Malta is the only EU country where the two political parties own TV stations, radio stations and newspapers.

Citation:

<http://www.timesofmalta.com/articles/view/20130428/opinion/Making-PBS-a-fit-national-entity.467423>

<http://www.timesofmalta.com/articles/view/20130423/local/new-pbs-chairman-t-hanks-the-pm.466622>

<http://www.timesofmalta.com/articles/view/20130425/local/Time-for-changing-of-the-guard-at-PBS.467040>

Media Pluralism in Malta, A Test Implementation of the Media Pluralism Monitor 2015

Access to  
Government  
Information  
Score: 4

The Freedom of Information Act was passed in 2008 and only came into force in September 2012. Since this time journalists have had better access to information from government bodies. However, exemptions compromise the

bulk of the legislation. Under Article 5(4), no Maltese citizen is entitled to apply to view documents held by the Electoral Commission, the Employment Commission, the Public Service Commission, the Office of the Attorney General, the National Audit Office, the Security Service, the Ombudsman Office and the Broadcasting Authority, when the latter is exercising its constitutional function. Under Article 3, only Maltese and EU nationals who have been resident in Malta for a minimum of five years may access information. The prime minister also holds the power to overrule the Information and Data Protection commissioner, despite the latter's declaration that a request for information should be approved. Moreover, there are a number of laws that still contain secrecy provisions to which the act does not apply. This undermines the essential workings of the act, as it could be in the political interest of the prime minister to suppress the publication of documents, which might embarrass or undermine his administration. The act does not meet the standards of the Council of Europe's Convention on Access to Official Documents.

Citation:

Aquilina, K, Information Freedom at Last. Times of Malta, 22/08/12

Freedom of Information Act Comes Fully into Force. The Independent 02/09/12

In spite of fines ministry offers no reply to Times FOI request Times of Malta 9/5/2015

<http://www.timesofmalta.com/articles/view/20160827/local/has-the-freedom-of-information-act-worked.623201>

Government says no to most Times of Malta requests for information Times of Malta 11/06/16

### Civil Rights and Political Liberties

Civil Rights  
Score: 7

The state in general respects human rights, and human rights issues have judicial protections. The integration of the European Convention on Human Rights into Maltese law has strengthened protection of human rights, and decisions by the European Court of Human Rights are normally implemented; however, experts have criticized general practices saying that court procedures for the protection of rights are often arcane and convoluted, presenting a situation where such protections appear more a bother than a right. This appears to be the case for human trafficking where Malta is still said not to meet minimum standards. However, the extension of rights to members of the LGBT community has improved civil rights protection. There has been a similar development regarding disabled persons in Malta. Reforms concerning civil rights of immigrants and asylum-seekers, including the removal of automatic detention, have also been implemented, but according to the UNHCR they need greater clarification before they can be reviewed effectively. The removal of THPN status for migrants that have been in Malta for a number of years can be seen as a non-renewal of rights previously granted. Furthermore, the prime minister has declared that the government will tackle the exploitation of refugees by employers, while a Human Rights and Equality Commissioner has also been appointed.

## Citation:

The Malta human rights report 2015 The people for change foundation.

<http://www.timesofmalta.com/articles/view/20160713/editorial/Spotlight-on-human-trafficking.618620>

<http://www.timesofmalta.com/articles/view/20160819/local/maltas-laws-on-detention-are-still-unclear-says-unhcr.622400>

<http://www.timesofmalta.com/articles/view/20160914/life-features/malta-and-lgbtq-equality-one-year-on.624868>

<http://www.timesofmalta.com/articles/view/20160818/local/transgender-policy-for-prisons-launched.622376>

<http://www.timesofmalta.com/articles/view/20160803/local/fewer-complaints-filed-with-commission-for-people-with-a-disability.620908>

<http://inewsmalta.com/article.php?ID1=39241>

The Guardian 07/12/16 Malta becomes first European Country to ban gay cure therapy

Amnesty International Annual Report Malta 2015/16

Times of Malta 03/01/16 New Migrant strategy is a step in right direction

Times of Malta 19/11/16 No More temporary humanitarian protection N for failed asylum seekers

Political Liberties  
Score: 7

The constitution of Malta and its chapter on fundamental human rights provide for a broad range of political and civil liberties. The incorporation of the European Convention on Human Rights into the Maltese constitution as well as membership in the European Union has also enhanced political liberties in Malta. Maltese citizens have the right to take a case before the European Court of Human Rights (ECHR), and several individuals have done so with success. However, a traditionally clientelistic approach to politics sometimes hinders the political liberties of individuals, forcing them to refrain from associating with political parties, non-government organizations and/or trade unions for fear of being discriminated against by the government in office or after a change of government. Excessive delays in the deciding of court cases and the costs of such delays often deter people from seeking legal solutions, although the picture has improved sharply regarding the former issue. In 2013, a commission charged with reforming the judicial system was established and although it has presented a number of reports, it remains subject to criticisms regarding the delayed implementation of its recommendations. The right to a lawyer during police interrogation is still absent however. Legislation to rectify this is being debated in parliament. An EU directive requires enforcement of such an act.

## Citation:

Migrant Integration Policy Index. <http://www.mipex.eu/malta>

Freedom in the World 2015 Malta

COM (2014) 419 Final COUNCIL RECOMMENDATION on Malta's 2014 National Reform Programme

Judiciary criticizes proposals for reform of commission for the administration of justice Times of Malta 1/10/13

Justice Reform Commission makes 450 proposals Times of Malta 2/12/13

<http://www.timesofmalta.com/articles/view/20160411/local/european-commission-justice-scoreboard-results-welcomed.608529>

Times of Malta 28/09/16 Lawyers to be present during interrogation

Legal and Reformers Network Malta: parties agree on legal aid for suspects facing police interrogation

Non-discrimination  
Score: 5

The Maltese constitution's chapter on fundamental human rights forbids discrimination on the basis of race, color, gender or politics. Other laws forbid

discrimination on the basis of physical disability or handicap. In Malta, the civil courts and the Constitutional Court are staunch defenders of anti-discrimination legislation. Since 2013, the government has strengthened the rights of gay, lesbian and transgender people through the establishment of civil unions and a gender identity act. Malta also has a number of independent commissions to protect the rights of vulnerable groups, such as children and disabled people. In the last budget, the government increased the fine for employers who discriminate against disabled people.

Women are generally underrepresented in the social, economic and political life of Malta. There is little political consensus concerning the introduction of positive discrimination measures to address this problem, though much has been done over the last two years to promote gender equality in the work place. Discrimination on grounds of political affiliation remains a problem, a direct result of the electoral system used in Malta. Aggrieved ordinary citizens may take their case to the Constitutional Court, the Employment Commission or the Ombudsman Office, while public servants may also bring a case before the Public Service Commission. Many do so with mixed outcomes. Nevertheless, allegations of discrimination on political grounds remain common. In addition, it has been alleged that many cases of discrimination remain unreported.

EU nationals living in Malta have complained of discrimination in the form of fees for water and electricity higher than those paid by locals, but this was remedied in 2016. Similar discrimination with regard to public transport use has been eliminated. Migrant workers experience discrimination in accessing employment and within employment.

Citation:

Carabott, S. Expats Petition against Malta Discrimination. Times of Malta 12/04/13

Ellul, T. REPORT ON MEASURES TO COMBAT DISCRIMINATION Directives 2000/43/EC and 2000/78/EC

COUNTRY REPORT 2011 MALTA

Unreported discrimination cases causes concerns Di Ve 24/05/13.

<http://www.timesofmalta.com/articles/view/20160615/local/agreement-reached-on-electricity-tariffs-for-rented-properties.615486>

### Rule of Law

Legal Certainty  
Score: 6

The Maltese constitution states that the parliament may make laws with retrospective effect, although acts are not permitted to impose obligations on citizens retroactively. Court judgment upholding this principle have been particularly common in areas dealing with taxation and social services. However, governments do generally respect the principles of legal certainty, and the government administration generally follows legal obligations; the evidence



for this comes from the number of court challenges in which government bodies have prevailed. However, reports from public bodies, such as the Ombudsman and the Auditor General, demonstrate that government institutions do sometimes make unpredictable decisions. In 2014, the National Audit Office further criticized a ministry's intervention in a tender process for a legal-services contract related to concessions for the operations of casinos. Parliament is also slow to legislate on articles of the law that have been declared unconstitutional and need to be revised. Since Malta joined the European Union, however, the predictability of the majority of decisions made by the executive continues to improve as discretion becomes more constrained.

Citation:

<http://www.timesofmalta.com/articles/view/20150224/local/210000-commission-paid-in-cafe-premier-buyback-audit-office-slams.557475>

<http://www.timesofmalta.com/articles/view/20150104/local/Dalli-case-prompts-Ombudsman-action.550497>

<http://www.timesofmalta.com/articles/view/20150813/local/updated-some-diabetes-patients-denied-treatment-ombudsman.580496>

Minister reacts as auditor criticizes re ranking of bidding firms Times of Malta 5/03/14

Updated; Government asks AG to amend unconstitutional industrial tribunal law Independent 12/02/16

Judicial Review  
Score: 7

Malta has a strong tradition of judicial review, and the courts have traditionally exercised restraint on the government and its administration. Judicial review is exercised through Article 469A of the Code of Organization and Civil Procedure and consists of a constitutional right to petition the courts to inquire into the validity of any administrative act or declare such act null, invalid or without effect. Recourse to judicial review is through the regular courts (i.e., the court of civil jurisdiction) assigned two or three judges or to the Administrative Review Tribunal and must be based on the following: that the act emanates from a public authority that is not authorized to perform it; or that a public authority has failed to observe the principles of natural justice or mandatory procedural requirements in performing the administrative act or in its prior deliberations thereon; or that the administrative act constitutes an abuse of the public authority's power in that it is done for improper purposes or on the basis of irrelevant considerations; or as a catch-all clause, when the administrative act is otherwise contrary to law.

Both the 2013 and 2015 EU Justice Scoreboard ranked Malta's judicial system the least efficient in the EU with regard to the duration of cases. The justice scoreboard (JS2016) stated that only 42% of the public perceive the judiciary as independent. At the same time, the number of cases in need of resolution has fallen substantially, and the rate of resolved cases versus incoming cases remained constant, except for administrative cases where a vast improvement was recorded. Online procedures for small claims was greatly improved as was access to judgments online. Malta was one of the few states where no specialized training occurs for judges. Malta climbed three steps from 40th to

37th place in the World Economic Forum global ranking on the independence and impartiality of the judiciary. The appointment of more judges, improved planning processes and increased use of ICT have had a visible effect on the judicial process. Increased scrutiny of the bench by the Commission for the Administration of Justice has helped increase public confidence in the courts.

Citation:

[http://ec.europa.eu/justice/effectiv-justice/files/justice\\_scoreboard\\_communication\\_en.pdf](http://ec.europa.eu/justice/effectiv-justice/files/justice_scoreboard_communication_en.pdf)  
<http://www.timesofmalta.com/articles/view/20130506/local/european-commission-says-malta-judicial-reform-must-be-made-a-priority.468460>  
 Malta with the worst record in European Union justice score board Independent 23.03.2015  
<http://www.timesofmalta.com/articles/view/20160411/local/european-commission-justice-scoreboard-results-welcomed.608529>  
 The 2016 EU Justice Score board  
 Malta's Justice System Times of Malta 18/04/16

Appointment of  
Justices  
Score: 3

Superior Court judges are appointed by the president, acting in accordance with the advice of the prime minister. The system followed that used in the UK until it was reformed in 2006. Malta is the only EU member state in which the government appoints the judiciary and the prime minister enjoys almost total discretion on judicial appointments. The only restraints are set in the constitution, which state that an appointee has to be a law graduate from the University of Malta with no less than 12 years of experience as a practicing lawyer. Magistrates need to be similarly qualified, but are required to have only seven years of experience. The independence of the judiciary is safeguarded through a number of constitutional provisions.

The prime minister may seek, although he is not legally or constitutionally obliged to do so, the advice of the Commission for the Administration of Justice for its opinion on the suitability of his nominees, but the final decision lies with the prime minister. In 2014, the European Council called on Malta to revise the appointment and dismissal procedures for judges in order to ensure transparency and selection based on merit. In 2015, a government-appointed commission recommended reforming the appointment process. In 2016, Parliament unanimously passed a law reforming the process, however the absence of formal calls to fill judicial positions, and the absence of a ranking system to assess applicants impede the process.

Citation:

European Council calls on Malta to improve transparency of Judicial Appointments. Independent 10/02/14  
<http://www.timesofmalta.com/articles/view/20150517/local/government-ignored-bonello-commission-recommendations-on-appointments.568405>  
<http://www.timesofmalta.com/articles/view/20150819/local/minister-warns-against-reforming-judicial-appointments-system-for-the.581166>  
<http://www.timesofmalta.com/articles/view/20150518/local/bonnici-we-will-reform-way-judiciary-appointed.568596>  
 Judicial appointments and the executive: Government cannot continue to delay reform Independent 2/10/2015  
<http://www.timesofmalta.com/articles/view/20160225/local/judicial-commission-to-vet-nominees-to-bench.603674>  
<http://www.timesofmalta.com/articles/view/20160718/local/historic-constitutional-amendments-on-judicial->

appointments-discipline.619296  
<http://www.timesofmalta.com/articles/view/20160720/local/judiciary-welcomes-judicial-reform-legislation.619498>  
 Interview with Professor Kevin Aquilina

Corruption  
 Prevention  
 Score: 5

A number of institutions and processes work to prevent corruption and guarantee the integrity of government officials, including the Permanent Commission Against Corruption, the National Audit Office, the Ombudsman Office and the Public Service Commission. The government also abides by a separate Code of Ethics, set out for ministers, members of parliament and public servants. Ministers and members of parliament are also expected to make an annual asset declaration. The Public Accounts Committee of the unicameral House of Representatives can also investigate public expenditure decisions to ensure that money spent or contracts awarded are transparent and conducted according to law and general financial regulations.

Until recently, with the exception of the National Audit Office and the Ombudsman Office, these mechanisms provided insufficient guarantees against corruption. The Permanent Commission Against Corruption remains ineffective and, despite declarations to this effect, unreformed. The 2015 report of the audit office also highlighted regulatory abuse regarding procurement, inventory inadequacies, and non-compliance with tender requirements and ministries' fiscal obligations. Both the National Audit Office and the Ombudsman Office are independent, but neither enjoys the necessary executive powers to follow up on their investigations. The Public Service Commission has consistently lacked sufficient resources for it to work effectively.

In 2013, the government strengthened the fight against corruption by reducing elected political figures' ability to evade corruption charges, and introduced a more effective Whistleblower Act. Nonetheless, conflicts of interest remain prevalent. These are a result of the face-to-face relationships common in micro-states and the fact that Malta's members of parliament work part-time and have private interests.

Citation:

Transparency International: The 2014 Corruption Perceptions Index CPI. [Transparency.org/](http://Transparency.org/)  
 Audit office finds lack of adherence to procurement regulations by the office of the prime minister Times of Malta 14/12 2015  
 Audit office flags unauthorised payments by science council Times of Malta 14/12/2015  
 No independent testing of concrete at child development center in Gozo Times of Malta 14/12/2015  
 Audit office calls for better verification of applications for social assistance Times of Malta 14/12/2015  
<http://www.timesofmalta.com/articles/view/20160503/local/minister-to-keep-pressure-on-mfsa-independent-regulator.610814>  
<http://www.timesofmalta.com/articles/view/20160928/local/government-statement-pm-has-no-clue-if-chief-of-staff-will-benefit.626373>  
<http://www.timesofmalta.com/articles/view/20160510/local/zammit-dimech-cachia-caruana-deny-panama-papers-links.611633>  
<http://www.timesofmalta.com/articles/view/20151129/local/minister-tells-his-business-partners-to-obey-the->

law.593836

<http://www.timesofmalta.com/articles/view/20160407/local/konrad-mizzi-to-address-labour-conference-as-pressure-over-panama.608123>

<http://www.timesofmalta.com/articles/view/20161008/local/does-keith-schembris-opm-contract-contain-conflict-of-interest-rules.627308>

Canvasser made delivery of 9 million euros in checks Sunday Times of Malta 11/12/16

Transparency International Corruption perception index 2015

# Governance

## I. Executive Capacity

### Strategic Capacity

Strategic Planning  
Score: 6

Each government ministry has a director and unit responsible for strategy and planning. These are strongest in the Ministry of Finance, the Malta Planning Authority, the Malta Transport Authority, the Ministry of Justice and Home Affairs, and the Education Ministry. Strategic planning has been boosted by the government's efforts to reduce public debt. The National Statistics Office has also been reformed. Over the last year, the influence of strategic planning units over fiscal, domestic and education policy has increased. This is a result of Malta's preparations for the EU Presidency (beginning January 2017), which it has been planning for since 2014. The government also seeks to remedy deficits in the education system.

Within ministries, the permanent secretary is responsible for developing strategy, including identifying key performance indicators, and determining timeline and budgets. In some cases, ministries employ consultants to produce reports on current policy issues, a practice that may be regarded as forward planning. The Management Efficiency Unit coordinates separate ministry plans and the Malta Information Technology Agency (MITA), which reviews government IT requirements, also assists.

Citation:

<http://www.timesofmalta.com/articles/view/20150823/local/malta-keeps-a-rating-deficit-is-down-economy-stronger.581555>

<http://www.timesofmalta.com/articles/view/20151002/local/dbrs-confirms-maltas-long-term-rating-at-a-stable.586719>

<http://www.timesofmalta.com/articles/view/20151004/business-news/ey-predicts-malta-gdp-growth-of-39-in-2015-29-in-2016.586905>

Scholarly Advice  
Score: 5

Consultation processes involving academic experts has always been rather intermittent, but since 2013, such experts have been involved in a greater number of areas including family issues, gay rights, care of the elderly, health issues such as diabetes, IT in schools, and others. With the exception of standing

parliamentary committees, which regularly consult with academic experts, the government tends to consult with outside experts in an issue-based and ad hoc manner. Policy issues have at times been the focus of studies directly commissioned from faculties, institutes and other bodies. Information required by the government may also be contracted out on an individual basis.

The government has increasingly used policy documents when inviting consultation with NGOs and experts. In other cases, calls for expression of interest have been the method. However, Malta does not have a formalized process of consultation and this makes the process rather patchy, with one ministry consulting regularly and others rarely. However, consultation with experts sometimes gives rise to accusations of conflicts of interest.

Citation:

<http://www.timesofmalta.com/articles/view/20160908/local/gozo-ministry-ordered-to-publish-consultancy-deals.624367>

<http://www.timesofmalta.com/articles/view/20160818/local/chamber-of-pharmacists-not-consulted-on-move-to-electronic.622392>

<http://www.timesofmalta.com/articles/view/20161007/local/delimara-power-station-ippc-application-to-get-public-consultation.627239>

<http://www.timesofmalta.com/articles/view/20160816/local/era-chairman-denies-conflict-of-interest-in-townsquare-application.622170>

PA Chief insists Paceville consultants had no conflict of interest Malta Today 02/11/16

Paceville Master plan: Mott Macdonald should refund payment after alleged conflict of interest Independent 23/11/16

### Interministerial Coordination

GO Expertise  
Score: 5

Government ministries in Malta enjoy almost complete autonomy, with limitations only in the form of budgetary constraints imposed by the Ministry of Finance and cabinet approval. The Prime Minister's Office (PMO) relies largely on the attorney general's office to evaluate draft bills, while consulting specialists on non-legal issues. Before going to the Attorney General's Office, draft laws and policies are scrutinized in cabinet. The employment of more sectoral policy experts has added to this improvement.

In March 2013, the government appointed a minister, as part of the PMO, to oversee the implementation of the government's manifesto. Furthermore, the PMO has demonstrated a greater ability to respond to policy implementation failures more recently. However, a number of policy failures indicate that more needs to be done.

Citation:

Sansone, K Justice to be transferred to OPM - Labor MP is Commissioner Against Bureaucracy Times of Malta 18/06/13

<http://www.timesofmalta.com/articles/view/20151029/local/over-32m-in-government-consultancies-in-one-year.590017>

GO Gatekeeping  
Score: 9

Malta's system of government is based on the Westminster system, and the Prime Minister's Office (PMO) can return most items on policy grounds. In practice, policies are adopted or rejected following cabinet discussions. Although the PMO has not established procedures for sectoral policy overviews, it now employs a number of offices to achieve this, including the Policy Efficiency Unit and Internal Audit Offices. Much also depends on the powers of persuasion of the prime minister among his cabinet colleagues. The cabinet has a great deal of leverage, and its members are the most likely to object to policy or a draft bill.

Line Ministries  
Score: 5

Since 2013, a sustained effort at coordination has subsequently been made in the Prime Minister's Office (PMO) and in line ministries. During the period under review, the government established an office within the PMO to coordinate the policies contained in the ruling party's electoral manifesto. Decisions taken by ministries have more than once been rescinded by the PMO, a practice less common in the past. The PMO may also seek to review its own policies with the help of the Management Efficiency Unit and occasionally employs consultants. Cabinet meetings have allowed experts to give direct advice to ministers, a departure from the past. From time to time, cabinet meetings are held in different regions for the purpose of consultations.

Citation:

[http://www.maltatoday.com.mt/news/national/33324/prime-minister-holding-cabinet-meeting-in-mellieha-20140121#.V\\_uQfvI96M8](http://www.maltatoday.com.mt/news/national/33324/prime-minister-holding-cabinet-meeting-in-mellieha-20140121#.V_uQfvI96M8)

[http://www.maltatoday.com.mt/news/national/48377/cabinet\\_meeting\\_in\\_gozo\\_cost\\_taxpayers\\_7000#.V\\_uQpfI96M8](http://www.maltatoday.com.mt/news/national/48377/cabinet_meeting_in_gozo_cost_taxpayers_7000#.V_uQpfI96M8)

<http://www.timesofmalta.com/articles/view/20160223/local/cabinet-meeting-in-birzebbuga.603449>

Cabinet  
Committees  
Score: 5

While government officials do organize cabinet committees to assist in clarifying issues prior to full cabinet meetings, these do not necessarily correspond to line ministries but to individual issues. Occasionally ministers form cabinet subcommittees to coordinate policies between ministries. The chair of the subcommittee, however, would not be from the ministry from which the policy originated. Although plans to set up cabinet committees on EU affairs, including the EU's Common Foreign and Security Policy, were announced, little has been achieved. However, a cabinet committee was established to prepare for Malta's presidency of the EU in 2017.

Citation:

Harwood Mark, Malta in the European Union 2014 Ashgate, Surrey

Ministerial  
Bureaucracy  
Score: 5

Civil servants from a ministry typically coordinate policy proposals with other line ministries before policy is officially drafted. During the review period a new system was established. The cabinet director general is in charge of administrative decisions, and ensures that cabinet decisions are implemented in

the different ministries. On Mondays, the chiefs of staff meet to draft memos for the cabinet. On Tuesdays, the cabinet meets and makes a decision. On Wednesdays, the permanent secretaries meet to decide on how to implement the cabinet's decisions. A commissioner for the simplification and reduction of bureaucracy has been established.

Occasionally interministerial committees help coordinate policy before the drafting process is started. Increasingly this has become normal practice as a number of interministerial committees were created to support Valletta's campaign to be the 2018 European Capital of Culture, and prepare for the Commonwealth Head of State Summit in Malta, an EU-Africa Summit and Malta's presidency of the EU in 2017.

Informal  
Coordination  
Score: 6

The government tendency toward informal coordination mechanisms has increased since Malta joined the European Union in 2004. Many directives from Brussels cut across departments and ministries, and this encourages ministries to talk to each other and work more closely together. Preparations for the EU Presidency in January 2017 has raised this informal coordination to unprecedented levels. Currently, the PMO exercises an expanded coordinating role which has advanced progress on some domestic issues and policies. Overall, this is the result of establishing the Ministry for European Affairs and Implementation of the Manifesto. Nevertheless coordination between ministries remains suboptimal, with a lot of room for improvement.

### Evidence-based Instruments

RIA Application  
Score: 6

Malta's policy on regulatory impact assessments (RIA) is not fully developed and the process of filing is also not fully integrated in Maltese policymaking; however, a RIA process does exist, with the cabinet required to approve RIAs for government notices, regulations and by-laws. This process is detailed in the Small Business Act, Chapter 512 in Maltese law. Nonetheless, since the European Union utilizes RIAs as part of all major regulatory projects, the government has had to improve its RIA process. While some progress has been made, further improvements remain necessary.

Citation:

OECD (2007), "Regulatory Management Capacities of Member States of the EU that Joined the Union on 1 May

2004: Sustaining Regulatory Management Improvements through a Better Regulation Policy", Sigma Papers, No. 42, OECD Publishing. <https://www.mepa.org.mt/permitting-ea-eiaprocess>

Operational Programme II 'Empowering People for More Jobs and a Better Quality of Life', July 2012, p.28

<http://www.bru.gov.mt/wp-content/uploads/2011/01/ESF-4-87-Launch-Speech-by-Mr-J-Aquilina.pdf>

<http://www.bru.gov.mt/administrative-burdens/>

<http://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/OPM-Portfolio.aspx>



Quality of RIA  
Process  
Score: 4

Malta's policy on regulatory impact assessments (RIA) is still evolving. In some areas, the process of consultation is superficial, based mostly on public reaction to published consultation papers or a dedicated government website created for the purpose. In others it is more sophisticated. When regulations deal with economic or labor issues, consultation prior to implementation is more extensive. In such cases, the government usually consults key economic actors through the Malta Council for Economic and Social Development. Thereby, the RIA process allows for the possibility of informal evaluation by independent bodies.

Consultation activities were best codified for environmental impact assessments. Guidelines allowed for a more open, transparent and inclusive consultation process. However, in April 2016, the Planning Authority was separated from the Environmental Authority. It remains to be seen what impact this new setup and new mechanisms, for instance the summary procedure, will have on transparency and consultation. In the case of a new plan for Paceville, consultation allegedly occurred after the plan was formatted, leading to claims that plans are made on an ad hoc basis involving only selected interest groups.

Citation:

<http://www.mcesd.org.mt/mcesd/content.aspx?id=101553>

OECD (2007), "Regulatory Management Capacities of Member States of the EU that Joined the Union on 1 May

2004: Sustaining Regulatory Management Improvements through a Better Regulation Policy", Sigma Papers, No. 42, OECD Publishing.

<https://gov.mt/en/Government/Public%20Consultations/Pages/Public-Consultations.aspx>

Hospital development impact assessment waiver may breach EU law Times of Malta 26/08/2015

<http://www.timesofmalta.com/articles/view/20150430/local/mepa-is-seeking-views-of-public-on-stadium.566146>

<http://www.timesofmalta.com/articles/view/20150511/local/mepa-issues-consultation-document-on-selmun-palace-hotel.567744>

<http://www.timesofmalta.com/articles/view/20160404/local/mepa-becomes-the-planning-authority-once-more.607804>

More development to be included in planning process, Times of Malta 19/04/2016

A Master Plan in Reverse Times of Malta 10/10/2016

Sustainability  
Check  
Score: 3

While regulatory impact assessments are a compulsory regulatory tool in Malta, the government has no formally adopted sustainability strategy. Sustainability checks that do exist are often found only in areas involving planning and the environment. The effectiveness of key regulations and policy initiatives are assessed mainly through Malta's National Reform Program, the annual report that Malta (like all other EU member states) submits to the European Commission. This report is like a progress check, where Malta provides detailed updates relating to its Europe 2020 targets as a result of its policies. These reports include quantitative impact indicators that can illustrate the effectiveness (or failures) of regulatory projects that touch on social, environmental and economic issues. Overall some progress has been made, but for some more

challenging policy areas which require urgent action, notably health care and public transport, the government has tried to bypass such sustainability checks.

Citation:

[http://ec.europa.eu/europe2020/making-it-happen/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/index_en.htm)

### Societal Consultation

Negotiating Public  
Support  
Score: 6

A formal consultative structure, called the Malta Council for Economic and Social Development, works well in facilitating consultation between business associations, trade unions and government. The government has also setup a separate Council for Economic and Social Development for Gozo and a consultative council for the South of Malta. While NGOs concerned with social policy tend to be consulted more than those concerned with environmental policy, despite an increase in the number of policy areas open for public consultation. Such NGOs have benefited from this strategy, but they still experience difficulties. Generally they lack professionalism and organizational capacity, but enjoy greater media exposure. Consultation with civil society has steadily improved and reforms in some areas have opened formal space for consultation with NGOs. Meetings between ministries and civil society have greatly expanded consultation, one example being LGBT issues. However, in some areas more needs to be done. Regulatory impact assessments require a consultation process, but these consultations have occasionally been superficial.

Citation:

<http://www.timesofmalta.com/articles/view/20151005/local/second-public-consultation-on-regulation-of-drones.587085>

<http://www.timesofmalta.com/articles/view/20150909/local/policy-launched-to-facilitate-use-of-tables-and-chairs-in-public.583770>

<http://www.timesofmalta.com/articles/view/20150910/local/energy-rules-consultation.583796>

<http://www.timesofmalta.com/articles/view/20151028/local/consultation-document-on-language-policy-for-early-years-launched.589986>

<http://www.timesofmalta.com/articles/view/20150918/local/consultation-document-on-free-access-to-bills-published.584900>

<http://www.timesofmalta.com/articles/view/20151010/business-news/Final-consultation-on-green-economy.587604>

<http://www.timesofmalta.com/articles/view/20150829/local/white-paper-on-schools-role-in-alleviating-traffic-congestion-launched.582378>

<http://www.timesofmalta.com/articles/view/20150915/local/white-paper-to-reduce-inspections-bureaucracy-launched.584533>

<http://www.timesofmalta.com/articles/view/20160203/local/green-ngos-have-open-invitation.601085>

<http://www.timesofmalta.com/articles/view/20160114/local/700000-scheme-for-ngos-launched.598666>

### Policy Communication

Coherent  
Communication  
Score: 5

The Department of Information is responsible for providing public information on, among other things, government policies and plans. Each ministry has its own communications office to keep the public informed. Regular meetings of

the permanent secretaries have enhanced communication procedures within government. Also the run-up to the EU Presidency has demanded better communication strategies and these have been adopted. On important policies, individual ministries occasionally engage public relations companies. Communication is also seen as a public relations exercise however, and in some cases the information released is superficial in nature.

### Implementation

Government  
Efficiency  
Score: 6

Government efficiency has continued to improve. Central to this improvement has been the Prime Minister's Office and the work of the Principal Permanent Secretary's Office. Policy implementation is measured against agreed benchmarks. The preparations over the last year for the EU Presidency has improved public service efficiency. Ongoing training has been the key. However, problems remain. The government was able to back track on reforms between 2008 and 2013, but now problems are being addressed. The Auditor General's 2015 report identified some persistent failings, including spending in excess of budgets, inventory management, lack of control over service providers, unreliable attendance records, controls related to personal emoluments, missing documentation, deficiencies in stock management and lack of adherence to the Public Procurement Regulations (with respect to Direct Orders obtained retroactively for a number of services). Local councils' performance was suboptimal, with the Auditor's report stating that "accounts lacked documentation, were improperly recorded, missing key components and sometimes contained conflicting figures. Effectively, this prohibited the NAO from analyzing their performance."

Gozo projects lacking good-governance rules Times of Malta 16/12/2015  
Briguglio, M An F for Local Councils Times of Malta 12/12/16  
Report by the Auditor General Public Accounts 2015

Ministerial  
Compliance  
Score: 6

The cabinet is the most important organizational device at the disposal of the government providing incentives to ensure ministers implement the government's program. Second to this are the weekly meetings of Permanent Secretaries. Meanwhile, the powers of the Prime Minister's Office have increasingly been used to drive policy implementation. The ministerial secretariat is generally responsible for overseeing the implementation of a program. In addition, the Management Efficiency Unit in the PMO provides ministries with advice and capacity-building tools. Informal coalitions, such as those between civil society groups and individual ministries, can drive implementation in certain policy areas, such as the extension of LGBT rights. Government has touted the idea of appointing ministers who are not members of parliament in order to improve efficiency in program implementation, However, this would require a constitutional amendment.

Monitoring  
Ministries  
Score: 5

Citation:

PM wants powers to appoint ministers who are not MPs Times of Malta 15/02/16

The Prime Minister's Office (PMO) monitors the implementation activities of most line ministries and the structures for doing so effectively are being continually refined. The PMO now has an office dedicated to monitoring. Furthermore, the cabinet office, which is part of the PMO, monitors policy implementation by line ministries and ensures that the respective ministry implements the decisions of the PMO. There are constant attempts to improve coordination, and the upcoming EU Presidency has accelerated this. However, competition between ministries hinders some efforts.

Citation:

<http://www.timesofmalta.com/articles/view/20151010/local/around-70-per-cent-of-last-budget-measures-implemented-pm.587638>

Bartolo insists that ministries should support each other, pull the same rope Independent 10/06/15

Monitoring  
Agencies,  
Bureaucracies  
Score: 5

Malta is a unitary state. As such monitoring of bureaucratic agencies is undertaken by, for example, parliamentary oversight, such as during parliamentary committee sessions or annual budget debates. A Parliamentary Public Accounts Committee (PAC) also exists. The National Audit Office produces an annual report on all public service entities (departments, agencies, etc.). The Ombudsman also produces a procedural audit, while the Department of Local Government assesses the performance of local government bodies. There is also an internal audit office within ministries. The Prime Minister's Office, through the Principal Permanent Secretary's Office, has become more involved in monitoring processes. Follow-up of reports remains problematic, though government has pledged to address administrative shortcomings identified by the Audit Office.

Citation:

73% of budget measures to be implemented by the end of 2016 Malta chamber of commerce

Task Funding  
Score: 5

Local councils in Malta are primarily municipal bodies, and cannot raise revenue through local taxes. Nearly all funding for local-government activities comes from the central government, with a small fraction sourced from local traffic fines. The funding formula for local councils is based on geography and population, but – despite legal provisions – local councils run budget deficits, both because of inadequate funding and mismanagement by the councils themselves. At the beginning of 2015, the government launched a fund for local councils' capital projects however it remains inadequate. Regional committees were generating revenue from contraventions through the local enforcement system, however this task was taken over by a central government agency in 2014.

## Citation:

44 local councils request devolution of government property Malta Today 11/09/2015

Money for local councils Times of Malta 14/02/2015

<http://www.timesofmalta.com/articles/view/20151228/local/councils-shortcoming-identified-by-nao-unacceptable-parliamentary.597069>

<http://www.timesofmalta.com/articles/view/20160706/local/auditor-general-criticises-funding-scheme-as-hasty.617914>

<http://www.timesofmalta.com/articles/view/20160111/opinion/Auditing-local-governance.598374>

<http://www.timesofmalta.com/articles/view/20151226/local/councils-christmas-dinner-bills-give-auditor-a-headache.596707>

Constitutional  
Discretion  
Score: 3

Local councils have no constitutional right of implementation autonomy, and all their activities and responsibilities are monitored and can be challenged by the Department of Local Government. All by-laws have to be approved by the central government and decisions taken may be rescinded. These constraints are intentional, to prevent local councils from assuming responsibilities independent from the central government or adopting policies which conflict with those of the central government. Consequently local councils intent on taking decisions that conflict with central government, for instance in the area of local planning, have to resort to sui generis tactics, often working with civil society organizations, in order to support the views of the locality.

National Standards  
Score: 6

It is the Department of Local Government and the National Audit Office which seek to ensure standards within local councils. The first is responsible for monitoring and reporting on the performance of individual local councils. Central departments set the benchmarks for services provided by local councils. The second is the National Audit Office, which independently investigates local council activities both from a purely auditing perspective and from a “value for money” perspective. It is the latter that has by and large driven reform of local councils. National standards at the local level are also reinforced through the councilors’ code of ethics and the Local Councils Association.

## Citation:

<http://www.timesofmalta.com/articles/view/20151226/local/councils-christmas-dinner-bills-give-auditor-a-headache.596707>

<http://www.timesofmalta.com/articles/view/20160111/opinion/Auditing-local-governance.598374>

<http://www.timesofmalta.com/articles/view/20160706/local/auditor-general-criticises-funding-scheme-as-hasty.617914>

<http://www.timesofmalta.com/articles/view/20151228/local/councils-shortcoming-identified-by-nao-unacceptable-parliamentary.597069>

Report by the auditor general on the workings of local government for the year 2015

**Adaptability**

Domestic  
Adaptability  
Score: 7

The capacity of government structures to adapt to change improved during the period of EU accession and since membership. Malta’s preparations for assuming the EU Presidency have required further adaption to changing scenarios, especially at ministerial and bureaucratic levels. Consequently, there

International  
Coordination  
Score: 4

is greater awareness of the need to respond to international developments. Better coordination and more extensive training for the bureaucracy has also contributed to improvements.

Parliament has demonstrated a greater willingness to engage with international forums, which has increased the government's capacity to address international issues, such as climate change, security policy and humanitarian issues. An increase in resources for research has improved the capacity of parliamentary committees. but with the part-time nature of parliament's work, its impact remains marginal. This is reflected in the suboptimal performance of the parliamentary committee tasked with scrutinizing EU legislation.

Malta does not have the institutional capacity to actively shape a wide range of international efforts. However, Malta has sought to do this within its immediate Mediterranean region and increasingly within the EU. Since 1975, Malta has been a rapporteur of the UN Committee on the Exercise of the Inalienable Rights of the Palestinian People. It continues to support good-governance efforts in Libya and Tunisia, and co-operates closely on refugee and migration issues with neighboring countries. Malta accepts more asylum-seekers per capital than almost all other countries. As such, it has invested heavily in support services since 2013. In 2015 Malta, hosted Commonwealth Heads of Government Meeting and contributed toward the setting up of a fund to assist small commonwealth island countries with climate change and the fight to eradicate polio. Preliminary discussions also took place in preparation for the Paris Climate Change Summit. Also in October 2015, Malta hosted the EU-Africa Migration Summit. It has been pressing for the implementation of agreements reached at the summit, and is planning a follow-up meeting in 2017. In December 2015, it facilitated talks between Libya's rival factions in support of a UN peace plan. Malta's program for its EU Presidency aims to achieve progress in these areas.

Citation:

Galustain, R., Libya Mediation via Malta, Times of Malta 01/11/16

Malta representative in Palestine visits PLO dignitaries in Ramallah [foreignaffairs.gov.mt](http://foreignaffairs.gov.mt)

### Organizational Reform

Self-monitoring  
Score: 5

Structures for monitoring institutional governance exist, but are often weakened by the existence of large ministerial secretariats staffed with political appointees, which at the end of 2015 totaled 542 – mainly allies of the serving minister. Placing these individuals in the public service can constitute unconstitutional practices. There are suggestions that these positions should be formalized under the constitution in order to improve the selection process for such posts and determining where candidates are placed. This organizational structure emphasizes observance of ministerial policy directives over effective

monitoring. However, since 2013, there have been improvements in the monitoring of institutional arrangements, with some reforms implemented. Changes include the introduction of a new Ministry for European Affairs, a new office to coordinate policy across ministries, a shift to weekly rather than monthly meetings of the commission of permanent secretaries, and changes in the order of the weekly government meetings to facilitate efficiency. There has also been an increase in policy consultations exercises, while greater attention has been given to reforming procedures.

Citation:

Over 450 employed in government positions of trust *The Malta Independent* 20/12/15

Positions of Trust: A Constitutional quagmire *Malta Today* 22/06/16

Unconstitutional Jobs *Times of Malta* 07/10/16

Institutional  
Reform  
Score: 7

Accession to the EU has improved the government's strategic capacity. Furthermore, with support from the University of Malta and Malta College of Arts, Science and Technology, there is now greater emphasis on capacity-building and change-management training for senior public officers. Meeting long-term objectives and adhering to EU directives have given rise to a number of departments and authorities designed to respond to this challenge. Malta still lags behind and enforcement mechanisms remain weak. However there is growing awareness of the problem, and efforts are being made to respond to these challenges, particularly with an eye toward Malta's scheduled EU presidency in 2017.

## II. Executive Accountability

### Citizens' Participatory Competence

Policy Knowledge  
Score: 6

The level of information available for citizens on policies is relatively high and in general easily accessible. The government provides data on policy areas, and if a certain set of data is not available, it can be requested under the Freedom of Information Act. However, the restrictions placed on this act result in information not always being available. Access to contracts between government and private investors remains problematic. The National Statistics Office and the Department of Information regularly make information available to citizens. Some of the more complete reports assessing government policy however come from the European Commission. Competition between media outlets has improved public access to information with leading media outlets hosting their own investigative television series. Although most citizens follow political party-controlled media in their evaluation of policy objectives, political

debate is nevertheless widespread and enables citizens to examine different aspects of policy. Policy discussions happen in regular civil society forums and are reported on by the media. However, local opinion surveys are rarely used to evaluate policy proposals.

### Legislative Actors' Resources

Parliamentary  
Resources  
Score: 4

Members of parliament have little resources to support their legislative work. Staff members are too few in number and occupied by their primary duties. MPs work part time as legislators and typically maintain some form of private employment once elected. Members of permanent parliamentary committees enjoy support from newly appointed research officers as well as academics and specialists. Greater participation of MPs in international conferences has helped bridge the resource gap, but more is required. These developments have improved the process for evaluating EU legislation and other social issues. In 2014, the budget for parliament was increased by €300,000 and new officers were employed in the international relations unit. Meanwhile, a Parliamentary Services Act giving Parliament more control over budget decisions and greater autonomy has been passed and should come into operation over the next few months.

Citation:

Camilleri, I. Parliament is out of touch with Brussels. No feedback to Brussels' documents. Times of Malta 14/06/11

Its too early to talk about what is in store for me Times of Malta 11/10/2015

MPs express different opinions on pay rise for politicians, full-time parliament proposals. Malta Today 6/01/2015

<http://www.timesofmalta.com/articles/view/20160111/local/new-law-will-make-parliaments-administration-autonomous-of-the.598431>

Parliamentary service Act 2016 Government gazette of Malta 19519

Obtaining  
Documents  
Score: 4

Parliamentary committees may request documents from the government, though the government is not obliged to comply. For example, the government could refuse to release documents, because the documents could contain commercially sensitive information or it is too soon to make the information public. The 2015 parliamentary ombudsman report highlighted the need to publish government documents and agreements and for limits of the state's duty to disclose. The ombudsman also stated that in some cases non-disclosure by the executive is totally unjustified citing the example of parliament not being privy to commercial agreements entered into by the public administration.

Citation:

Said Pullicino, J (ed) 2015 The State's Duty to Inform Office of the Parliamentary Ombudsman Annual Report 2015 Parliamentary Ombudsman



Summoning  
Ministers  
Score: 7

A parliamentary committee may call any minister unless precluded from doing so by a vote within the committee. In 2012, the house speaker ruled that committees have the authority to devise their own rules and approved this method. However, since 2013, ministers have freely appeared before various committees to provide explanations or answer questions.

Citation:

<http://www.timesofmalta.com/articles/view/20150824/local/security-committee-to-discuss-visas-scam.581745>  
<http://www.timesofmalta.com/articles/view/20160919/local/public-accounts-committee-expected-to-examine-state-hospital-contracts.625475>  
<http://www.timesofmalta.com/articles/view/20160118/local/committee-wrapping-up-long-oil-procurement-debate.599271>

Summoning  
Experts  
Score: 9

Parliamentary committees may summon experts to make presentations or help committees evaluate policies under discussion or shed light on issues under investigation.

Task Area  
Congruence  
Score: 5

In 2016, there are thirteen standing committees, including a health committee, an environment and development planning committee and a new committee focused on European capital of culture 2018. A new petition's committee is also in the offing. These committees as well as the Foreign Affairs Committee are parallel to individual government ministries. The main monitoring committee is the Public Accounts Committee, which is chaired by a member of the opposition. In 2016, committees have become more involved in monitoring ministries but remain primarily focused on policies.

Citation:

<http://www.timesofmalta.com/articles/view/20160118/local/committee-wrapping-up-long-oil-procurement-debate.599271>  
<http://www.timesofmalta.com/articles/view/20151024/local/zonqor-university-site-selection-to-be-discussed-during-parliament.589443>  
<http://www.timesofmalta.com/articles/view/20150724/local/committee-to-consider-whether-gay-men-should-donate-blood.577877>

Audit Office  
Score: 9

The National Audit Office is an independent office and reports exclusively to parliament. Both the Auditor General and his deputy are appointed by a resolution of the House, which requires the support of no less than two-thirds of all its members. The Public Accounts Committee has limited means at its disposal and depends on the audit office for support. The work of the office in recent years has increased substantially.

Citation:

2013 A Challenging year for the National Audit Office. Malta Today 12/03/14  
<http://www.timesofmalta.com/articles/view/20150731/local/national-audit-office-investigation-requests-quadruple.578701>  
<http://www.timesofmalta.com/articles/view/20151119/local/PM-welcomes-NAO-s-inquiry-on-visa-claim.592668>  
<http://www.timesofmalta.com/articles/view/20160202/local/nao-stands-by-its-findings-in-gaffarena-scandal.600970>  
<http://www.timesofmalta.com/articles/view/20160627/local/spend-more-on-primary-health-care-nao-urges->

government.616991

<http://www.timesofmalta.com/articles/view/20151110/local/NAO-finds-25-permits-issued-just-before-poll.591562>

Ombuds Office  
Score: 7

The ombudsman is elected by a two-thirds majority of the House of Representatives and is held in high esteem with the public. The Ombudsman Office is not empowered however to deal with human rights complaints, and its recommendations are not binding. Existing limitations include the fact that members of parliament do not get to formally debate reports from the ombudsman when they are presented to the House.

Citation:

Aquilina, K. Strengthening the Ombudsman's office. Times of Malta 14/08/12

On the Strengthening of the Ombudsman Institution: A Proposal by the Office of the Parliamentary Ombudsman January 2014 Ombudsman.org.mt

The Parliamentary Ombudsman The Independent 27/11/2016

Ombudsman against making his own recommendations enforceable by law The Independent 04/01/2016

## Media

Media Reporting  
Score: 5

Media outlets are dominated by Malta's two major political parties and published information can often be described as "infotainment," sensational or superficial. Detailed reports on government policy are rarely available. However, increased competition among the independent media has improved the quality of media reporting, as has improvements to the Freedom of Information Act in 2012, though numerous restrictions still exist. Although increased competition has also allowed for more sensational or artificial reporting.

Citation:

Aquilina, K Information Freedom at last, Times of Malta 22/08/12

## Parties and Interest Associations

Intra-party  
Democracy  
Score: 5

Political parties are increasingly coming under pressure to consult beyond party membership. This shift has been driven by voter volatility, with voters less constrained by party loyalties. Nonetheless, participation in elections for party leadership positions is restricted to elected delegates, as are the processes of creating candidate lists and selecting agenda issues. However, in selecting their agenda, parties now consult civil society more widely. This explains the Labour Party's reference to itself as a movement, a sentiment now adopted by the Nationalist Party.

Association  
Competence

Economic interest associations have structures capable of formulating relevant public policies. The greater resources commanded by economic interest

(Business)  
Score: 7

associations enable them to employ highly qualified personnel and consult qualified academics according to the policy issue involved. Trade unions, however, rarely depend on their own research departments, using existing studies or academic and specialist support. However, EU support funds have strengthened non-economic interest associations.

Association  
Competence  
(Others)  
Score: 6

Malta has a large number of non-economic interest associations. Though typically short on resources, they access external support through international membership or regional federations, which helps them, on occasion, to formulate extremely well-informed policy papers. EU funds have also helped them improve their policy capacities. Few organizations employ full-time staff, but many have academics as part of their leadership structure, thereby utilizing their expertise. In some cases, organizations are able to attract research support on a voluntary basis from like-minded academics and other volunteers. Nonetheless, many of them still need to become proactive, rather than reactive to events or government proposals. Having said that, these organizations often provide government with expert support and at times provide resources, support and direction for policy areas for which the government has little input. A case in point is that of support for policies associated with migration, asylum and the politics of integration.

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