



Malta Report

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Sustainable Governance
Indicators 2018

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Executive Summary

Malta's 2004 accession to the European Union (EU) acted as a catalyst for social, economic and political transformation. The EU's liberal ethos propelled the 2011 introduction of divorce to one of the last bastions of catholic zealotry. Since 2013, the Maltese government has fueled this liberal current. Malta has considerably relaxed its censorship laws and extended rights to people with diverse gender identities and sexual orientations, including civil marriage. Recent legislation on domestic violence and reproductive rights have given practical expression to women's right. The right to employment for disabled persons has also been codified, with employers penalized with fines for ignoring equality of opportunity laws. Since accession, Malta has extended maternity benefits and provided free child-care centers, enhanced pension rights and increased assistance for the elderly, upgraded health services, and embarked on a €50 million social housing project. The government is implementing recommendations on migrant integration by introducing reception centers, allowing migrants to register for work and setting up an integration program.

In terms of good governance, new measures have been introduced to enhance accountability and transparency. Demands under the Freedom of Information Act have multiplied and the ombuds office has been granted new areas of competence. These measures have effectively ensured greater scrutiny of the government. For its part, the National Audit Office has become more proactive. Legislation intended to regulate and improve the 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. One of the first acts of the current government was to remove statutes of limitations in cases of alleged corruption by politicians and senior officials. Also, legislation to increase efficiency within the judicial system has been introduced.

Malta's economy continues to thrive, recording growth rates of up to 6% annually – among the highest in the EU – and obtaining generally positive

ratings from credit agencies. The result is an economy that has shifted from a significant public deficit to a first time surplus; the debt-to-GDP ratio has been meaningfully reduced. Malta is experiencing an unprecedented upsurge in tourism, surpassing the two million inbound trips milestone in 2017. Despite implementing a hefty reduction in tariffs, the government also turned around the fortunes of the country's sole energy provider, Enemalta, by attracting foreign investment and prompting greater efficiency within the corporation. Enemalta has transitioned to a gas-fired power station and increased the use of solar energy technologies.

Socioeconomic and political developments have transformed the Maltese landscape. Rising economic wealth is impacting population and class structures as imported labor and refugee flows create a more diverse population. This has driven the expansion both of the middle class and a new underclass with little social capital. The four freedoms (i.e., free movement of goods, capital, services, and labor), open borders, and globalization have facilitated interactions between the domestic and international economy, bringing in big business. In concert, inevitably corollary practices of patronage and clientelism have also become internationalized. Widespread clientelism and corrupt practices are not a new phenomenon, but access to greater resources make them more lucrative. Construction, the industry that traditionally drives the Maltese economy, has long been a nexus of corrupt practices; the economic boom and soaring population, however, have increased the demand for real estate, exacerbating the problem. The splitting of the Malta Environment and Planning Authority (MEPA) into two authorities has not helped, instead attracting enormous criticism. Angered environmental groups are concerned that this will threaten what remains of Malta's "green lungs." A drive to render key service providers (e.g., in energy and health care) sustainable has facilitated a government program of privatization. While many stakeholders have been consulted, this process of privatization has been criticized for its lack of public consultation, transparency and accountability. The recent sale of several government hospitals to an international private health care provider is undergoing parliamentary scrutiny. Evidence of mismanagement in the tendering process along with decision-makers sidestepping formal procedures is fueling this reexamination.

Illustrations of this political corruption include the current investigation of a minister and the prime minister's chief of staff for receiving kickbacks from government business (revealed in the Panama Papers) as well as the car bomb murder of Maltese journalist Daphne Caruana Galizia, who had been working on a number of leads involving alleged government corruption. These events led to a European Parliament fact-finding mission in January 2018.

Domestically, there is a growing intolerance of corruption; political maturity and economic wellbeing have increased the demand for democratic oversight. EU membership has meant multi-level governance – a power shift weakening the national executive, but strengthening oversight mechanisms and civil society.

In 2017, we also witnessed what may be the beginning of the party system fragmenting. Two MPs left the party of government, were reelected on the opposition party ticket and now sit in parliament under the newly constituted Democratic Party. For the first time in thirty years, three parties sit in parliament. Conflict in the main opposition party between liberal and conservative factions may lead to the fracture of the party and a new configuration of the party system. Despite the party of government maintaining a sizable majority of seats in parliament, the recent disarray in the party system has witnessed a rise in private members' bills and increased the tendency for MPs to ignore the party whip when voting on controversial issues.

Following allegations, strenuously denied, that the prime minister's wife held a secret overseas bank account, the governing party called early national elections in 2017. The prime minister's party was returned to power with the largest majority since independence. The results indicated public confidence in the government's economic and social policies as well as liberal ethos. Notwithstanding, demands from the president, judiciary, ombudsman and opposition for the government to honor its pledge to begin a process of constitutional reform continue unabated. Such a reform would give birth to a second republic and could facilitate the drive for good governance.

Key Challenges

In 2016, several good governance reforms were introduced; this process, however, was cut short by the early elections in 2017. The electoral campaign provided an opportunity for all political parties to promote further reforms, including an overhaul of the constitution. Talk on the need for institutional reform is widespread, but there is no consensus on how to go about it. The present electoral system does not include a minimum national threshold for a party to send members to parliament. This has enabled the two major political parties to utilize patronage and clientelism to retain their grip on power. Consequently, there is little faith that they will weaken their own political position by reforming the electoral system. Reform through a civil society compact is regarded as unwieldy. A third option is a council of state composed

of key stakeholders representing elites. To date, no process has been decided upon. Nevertheless, a public debate on the necessary changes has been ongoing. A piecemeal process to reform may prove to be the way forward. The public debate may generate consensus and provide principles which can be taken up by the government and opposition and implemented through parliament.

Whatever process is adopted, there is agreement that the point of departure should be the shoring up of the separation of powers. Such a reform could counter the prevalent political model where a single party government retains a majority in parliament. Parliament has been strengthened by the introduction of the ombuds office and yearly increase of parliamentary committees as well as the empowering of the speaker's office to draw up reform plans and oversee parliament's budget. Nonetheless, Malta's part-time MPs continue to demonstrate a lack of expertise on many policy issues. MPs generally prioritize their private careers over parliamentary business, lowering their contribution to government and the public's opinion of them. Especially over the last twenty years, this has given rise to a dangerous blurring of lines between many MPs' private interests and public service. Overall, parliament contributes very little to policymaking in Malta. MPs should be transitioned to full time. Electoral reforms and the introduction of a minimum threshold are sorely needed to facilitate the entry into parliament of political parties representing minority interests. The two-party system has not encouraged a bipartisan approach. Instead, the winner-takes-all approach has bred a destructive politics of division and mutual distrust. A shift from a two-party to a multi-party system may erode this us-against-them polarization.

The government has adopted some recommendations from the Bonello report it commissioned to address shortcomings in the judiciary. These have increased the efficiency of the judiciary. The recent creation of a judicial appointments committee is the first step toward increasing the independence of the judiciary. However, present reforms do not go far enough. A new process is needed for the selection of the chief justice. The role of the Attorney General has also come under scrutiny. The position's dual role as legal counselor to the government and public prosecutor is no longer suitable and should be wielded separately. Also, the introduction of courses for lawyers pursuing the judicial track is long overdue and the nomination of court experts needs to be formalized.

With regard to the executive and its civil service, the appointment of the Commissioner for Standards in Public Life, an office approved by parliament in 2016, remains urgently needed. Additionally, the ombuds office should be afforded the same powers as the audit office and given the remit to annually

review the efficiency of government ministries and departments. When not implemented by the government, the recommendations of the ombuds office should be placed before parliament for further discussion. The long-standing practice of employing political appointees in the public service must be reviewed as it undermines transparency and accountability. The parliamentary appointments committee, recently established to assist in the selection of ambassadors and commission heads, will strengthen consensual politics, but the procedure needs to be further developed. The recommendation that a council of state, composed of key stakeholders, should be involved in the selection of heads of authorities, commissions and boards should be studied. Auditing the work of the executive and its civil service in procedures such as tendering could be further facilitated by an amelioration of the freedom of information act. There is also a need to establish an independent ethics committee to oversee the various ethics codes that regulate public servants. The Permanent Commission Against Corruption must be better staffed, meet more frequently and ensure that all cases are satisfactorily concluded. The opposition party's delay tactics in nominating members to the commission does not bode well. While accusations of corruption have been a common method of attacking the government of the day since 1921, it is also evident that accusations made by opposition parties are rarely investigated, suggesting that there is no real commitment to fight corruption.

Recent reforms that decoupled the planning and environmental authorities must be reassessed to ensure both authorities fully participate in decisions related to development planning and the protection of Malta's natural habitats.

Measures to address the integration of migrants have been drawn up and must now be implemented. In an island country the size of Malta, integration is a *sine qua non* for future stability.

Finally, Malta's police force must be afforded the necessary competences and resources to fulfill their duty to secure the EU's most southern border. Malta's economy is now heavily enmeshed in the international economy and, in consequence, is confronted with levels of international crime unprecedented for the small island country.

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, the economic planning ministry and social partners exist through the Malta Council for Economic and Social Development (MCESD). This system has provided the ideal foundation for strong economic performance. Indeed, provisional GDP estimates for the second quarter of 2017 indicate an 8.5% increase over the same period in 2016 and a 6.4% increase in real terms. Strong export growth particularly in services and a fall in imports related to a contraction in investment is pushing up the current account surplus, which is forecast to approach 10% of GDP in 2017. Real GDP growth is projected to slow somewhat in 2018 to 4.9%. Private consumption is expected to become the main driver of growth due to the increasing population and growing disposable income. 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 few co-determination structures. Unit labor costs have remained moderate, but are projected to rise faster than the euro zone average in 2018 and 2019.

The latest EU forecasts project that Malta's robust economic performance will continue in 2017 and 2018, driven primarily by external demand. Investment levels remain above historical averages, while declining unemployment rates and increased disposable income have encouraged economic growth. Moody's Investors Services also confirmed Malta's A3 rating with a stable outlook in September 2017. However, the World Economic Forum's Global Competitiveness Report 2017-2018 identified the inefficiency of government bureaucracy and the insufficient capacity to innovate as the most significant

obstacles to doing business in Malta. Other limitations included suboptimal infrastructure, difficulties in accessing financing and an inadequately trained workforce. Nonetheless, the country ranked 22nd in terms of technological readiness and 37th overall, which represents an improvement over the preceding reporting period where Malta ranked 40th.

The World Bank's Doing Business Report 2017 ranks Malta's ease of doing business at 76th out of 190 countries, an improvement from the preceding year's rank of 80th. This year's report notes improvements in relation to business registration with the Inland Revenue Department and improved access to credit information through the launching of a new credit registry; Malta is, however, viewed unfavorably when it comes to increased costs associated with tax and social security contributions. In an effort to reduce red tape, government has created the position of Commissioner for Simplification and Reduction of Bureaucracy with the aim of, among others, reducing the administrative burden for investors setting up businesses in Malta. A total of 500 simplification measures have been implemented over a period of five years. The government has stated that it is working to make the islands a center of excellence for block chain technology, which it believes will be the leading engine for growth in the future.

Rapid economic growth has brought to the fore several challenges. First, the continued dependence on financial services and property development along with the widening trade deficit in 2017 highlight the need to further diversify the economy. Second, this growth has depended on massive building programs and the import of labor, while also increased demands on infrastructure and social services to a degree unsustainable for an island country that measures 316 square kilometers.

Citation:

National Statistics Office (NSO) News Release 141/2017

Times of Malta 05/08/2015 Malta with highest growth in GDP

Times of Malta 31/05/2017 Malta's jobless rate remains among EU's lowest

EU Commission Alert Mechanism Report 2016 COM (2015) 691 final p.33

Times of Malta 27/11/2015 EU Alerts Malta to 'competitive erosion'

European Economic Forecast Spring 2017 p.96

<https://www.moodys.com/credit-ratings/Malta-Government-of-credit-rating-6000129477>

World Economic Forum Global Competitiveness Report 2017-2018 p. 196

Doing Business – Equal Opportunities for All (Economy Profile 2017 Malta) p.6

Doing Business – Equal Opportunities for All 2017 p. 7, p.179-180

<https://simplification.gov.mt/en/Pages/home.aspx>

The Malta Independent 05/04/2017 Government implements 500 simplification measures over a period of three years

Times of Malta 11/09/2017 Trade deficit widens by €100m in July

European Commission Autumn 2017 Economic Forecast - Malta

Labor Markets

Labor Market
Policy
Score: 9

Unemployment rates are at historically low levels in Malta. Eurostat figures for August 2017 indicated that Malta had the third lowest unemployment rate in the EU and a below EU-average youth unemployment rate. Indeed, the national unemployment and youth unemployment rates stood at 4.2% and 11.9%, respectively, in comparison to the EU averages of 7.6% and 11.9%. The overall labor market participation rate was estimated at 68.7% during the first quarter of 2017 and represents the highest rate recorded among persons 25 to 54 years old. This is largely attributable to a broad range of measures undertaken by the government to reduce unemployment. These include a Strategy for Active Ageing, the Youth Employment Guarantee Scheme, extended training programs, a reduction in income tax, tapering of social benefits and an in-work benefit scheme. While Malta possesses a consolidated support system for the unemployed consisting of social benefits and retraining opportunities, schemes to help low-skilled individuals find employment are only now being introduced. Within this context, in 2016 the government signed an agreement with the General Workers Union to manage a scheme for the long-term unemployed on behalf of the national employment agency, Jobsplus. The 2015 budget included provisions for the enforcement of a positive quota in relation to the employment of persons with disabilities. As a result, the employment of persons with disabilities has more than tripled since 2014. Moreover, the recently set up Lino Spiteri Foundation is playing a significant role in integrating vulnerable individuals into gainful employment.

Various measures have also been introduced to increase female participation rates. These include 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 also introduced a pilot scheme to subsidize care workers for the elderly and, thereby, reduce the burden on the careers of family members, a burden disproportionately felt by women. Collectively, these initiatives resulted in a 4.5 percentage point increase in the female participation rate during 2016. Nonetheless, Malta still has the widest labor market gender gap in the EU, which is directly related to the traditionally lower participation rate of women in the labor market.

The government must address several anomalies in the workforce: a female participation rate of 50%, shrinking workforce (by 2035 there will be 20,000 fewer workers), skills mismatch leading to a shortage of suitable labor, 16% of part-time workers wishing to upgrade to full time and a growing reliance on foreign labor. In 2016, 11,000 new jobs were created of which only 2,500 were filled by Maltese. Foreign workers were found to not be putting down roots on

the island country; only 45% staying longer than two years – a constant hemorrhaging of the labor force. It is estimated that in 2018 2,000 jobs will remain unfilled; government is seeking to facilitate work permits for third country nationals. Employers continue to exploit gaps in the law, retaining workers on less than minimum wage. Unit labor costs have remained moderate, but are projected to rise faster than the euro zone average in 2018 and 2019.

Citation:

Eurostat News Release Euro Indicators 145/2017

Budget Speech (English) 2016 p. 21

Pre-Budget Document 2018 p. 13

National Statistics Office (NSO) News Release 103/2017

National Reform Program 2017 p.3

2017 Report on Equality between Women and Men in the EU p. 55

<https://jobsplus.gov.mt/employers-mt-MT-en-GB/employing-persons/employing-persons-disability>

Times of Malta 17/01/2017 Working disabled up, more than triple 2014

<http://linospiterifoundation.org/our-vision/>

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Economy will need 12,500 workers next year, Times of Malta 26/10/17

New deals to import non-EU foreign workers to Malta, Times of Malta 18/11/17

Taxes

Tax Policy
Score: 7

Malta's income tax system ensures that a portion of income is non-taxable for all three tax categories (€9,100 for single individuals, €12,700 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, first-time property buyers have been benefiting from a capped duty waiver since 2014, while similar benefits for second-time property buyers will be available beginning in 2018. 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 as well as the staggered removal of taxation for some working pensioners in the 2018 budget. In addition, there has been an annual increase in the income ceiling for those paying the 35% tax rate. An optional flat rate of 15% was also introduced for income from residential and commercial property rentals.

However, the burden of taxation falls mainly on people in fixed and registered employment. Malta's informal economy is almost equivalent to 26% of GDP, estimated to have exceeded €280 million in 2016, though economists contend that the actual percentage is much higher. A 2016 ECB study shows that Malta has the highest number of cash transactions in the EU, in all likelihood resulting from rampant tax evasion. Tax evasion controls remain 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. A new joint task force that encompasses the Inland Revenue, VAT and Custom departments along with the Tax Compliance Unit has been established with the aim of ameliorating information sharing. In addition, property lease and renewal agreements are now subject to registration with the Inland Revenue Department.

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. 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.

The 2018 budget, while not introducing any new direct or indirect taxes, introduces new tax reduction incentives for SMEs and schemes for Malta-based companies.

<https://ird.gov.mt/services/taxrates.aspx#2017>

Budget Speech 2013 p. 14

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

Malta Independent 10/10/2017 Budget 2018: Housing - Second time buyers' scheme launched

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

Budget Speech 2018 (English) p.17, 20, 61

<https://ird.gov.mt/faq/rentalfaq.aspx>

Times of Malta 09/10/2017 No new taxes or tax increases in Budget 2018

European Semester Thematic Factsheet – Undeclared Work (Updated 2016) p. 3

Times of Malta 09/10/2017 Undeclared economy 'much larger' than €280m

Tax Reforms in EU Member States 2012 Report p.75

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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

Times of Malta 28/11/17 Malta is European Cash Capital says European Central Bank

Budgets

Budgetary Policy
Score: 7

Developments since 2013 have demonstrated that fiscal policy is now expected to meet most standards of sustainability. Indeed, deficit levels have been decreasing steadily; the deficit fell to 2.0% of GDP in 2014 and to 1.5% of

GDP in 2015. Significantly, a surplus equivalent to 1.0% of GDP was registered in 2016 and a more moderate surplus of 0.5% is being forecasted for 2017.

As of 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 government is expected to maintain a surplus between 2017 and 2020. However, the EU's recommendation on Malta's 2017 National Reform 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. In its Second Annual Report, the Malta Fiscal Advisory Council advised the government to broaden its strategic focus beyond traditional headline targets to include numerical fiscal rules and the European Commission's expenditure benchmark. The 2017 European Commission Staff Working Document on Malta's Country Specific Recommendations also notes that public outlays have increased at a fast pace. The European Commission document also highlights the fact that wage expenditure in both the education and health sectors has increased over the last five years, while it has remained stable or declined slightly across the EU. A comprehensive spending review is currently ongoing with the aim of analyzing expenditure in various government departments and entities. A number of recommendations made through this process have already been implemented with the aim of generating short-term savings and effectiveness in public spending. A 2016 IMF report raises similar issues, stressing the public sector's wage bill and spending on goods and services as relatively high, having increased rapidly in recent years. The 2017 IMF report also indicated some reliance on international investment position (IIP) revenues which may be temporary and, therefore, recommended identifying further structural measures to strengthen the state's fiscal position.

Meanwhile, the struggling, state-owned enterprise Air Malta is no longer entitled to state subsidies and extensive reforms have been recently made to reduce its effects on government expenditures. Though the company continues to generate losses, it is projected that it should break even by the end of the next fiscal year. At the same time, the energy provider Enemalta's elevated level of government guaranteed debt (about 6% of GDP in 2015) calls for continued close monitoring of its operations, as does the recent government deal to privatize several state hospitals.

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 Pirotta.

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 Commission Staff Working Document - Country Report Malta 2017 SWD (2017) 83 final p.12, p.13, p.14
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 The Malta Independent 19/09/2017 Nearly all Air Malta flights will cost €9 after change in luggage policy, Mizzi announces
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 Times of Malta 28/11/17 IMF sounds warning on IIP and rising property prices
 International Monetary Fund Malta 17/11/17

Research and Innovation

R&I Policy
 Score: 6

Given Malta's finite natural resources, the country's business R&D sector continues to require substantial development. Public funding must also be boosted. Malta has one of the lowest invest levels in the EU; currently only 0.7% of GDP is spent on research, far below the EU average of 2%. Though in real terms spending has doubled from €1 million (2006) to €1 million (2016), in percentage terms spending has dropped (0.61% of GDP, 2016). 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 European Innovation Scoreboard 2017 describes Malta as a Moderate Innovator with weaknesses related to linkages, finance and support, and sales impacts. The 2017 European Commission Staff Working Document however notes that "[i]mportant steps have been taken to strengthen the research and innovation (R&I) system. R&I performance has improved, leading to a narrowing of the innovation gap with the EU average," and an increase in intellectual property licenses signals a rise in innovation. Nonetheless, the document also highlights that the country's public R&D expenditure and scientific output are significantly low. As a response to this situation, government has devised a rolling R&I action plan that aims to reduce fragmentation and overlap. Esplora, Malta's Interactive Science Center, aims to instill a broader interest in science and innovation. Other significant actions include the FUSION program, which focuses on the analyses of companies' or researchers' ideas for commercial viability purposes, the introduction of research clusters (e.g., Malta Marittima), the research framework administered by the Malta College of Arts, Science and Technology, the MITA Innovation Hub, and a newly established migration hub.

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 2017 p.59

Commission Staff Working Document Country Report Malta 2017 SWD (2017) 83 final p.26

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

Malta National Reform Program 2017 p.39

Times of Malta 01/12/17 “Very little being spent on research despite surplus”

Malta Independent 02/12/17 Malta holds position as one of lowest spenders on R&D in the EU

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 a market failure occurs or is likely to occur, and to enhance information transparency in international markets and financial movements. The Central Bank of Malta, Malta Financial Services Authority (MFSA) and Ministry of Finance collaborate closely with similar bodies abroad. Moreover, the Central Bank of Malta operates within the European System of Central Banks. Supranational regulatory regimes highly influence Maltese banking regulations. For instance, the 2014 European Bank Recovery and Resolution Directive was transposed into Maltese law in 2015. In the same year, the Central Bank of Malta introduced the concept of a Central Credit Register, which is “a database which contains non-anonymous information, debtor exposure-by-exposure, of both legal and natural persons, provided by resident credit institutions (banks) licensed by the MFSA” and requires Maltese banks to report end-of-month balances of exposures exceeding €5,000.

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 and is currently spearheading the transposition of the EU’s Fourth Anti-Money Laundering Directive to Maltese law, including new legislation setting up a registry of companies’ beneficial owners.

In 2017, the MFSA engaged Promontory, an international regulatory consultancy firm, to carry out an overview of the MFSA. The report makes a number of recommendations on the MFSA’s supervisory resources which are

now being implemented by the authority's management. The authority is constantly recruiting and training staff on the various areas which fall under its responsibility. Malta is also a member of MONEYVAL, a European committee of experts evaluating anti-money laundering measures. In its last report (2015), Malta had reached a satisfactory level of compliance comparable to a LC rating. The MFSA recently organized trainings in relation to the MONEYVAL assessment. Recommendations have also been made for tightening oversight of the regulator. However, the Economic Crimes Unit and National Counterfeit Unit within the Maltese Police Force remain relatively weak and the number of convictions and sanctions for money laundering have been low.

Citation:

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The Malta Independent 16/04/2015 Central Credit Register to become operational by October

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Financial Intelligence Analysis Unit Annual Report 2015

The 4th Anti-Money Laundering Directive, An Academic Analysis. A Policy paper by ELSA Malta's Social Policy Organizing Committee

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II. Social Policies

Education

Education Policy
Score: 5

In Malta, because of a lack of natural resources, economic growth is intrinsically linked to human resources. Attracting investment and sustaining employment depend very much on the skill 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. These include free support for students at risk of failing and/or who have failed admission to higher-education institutions and the extension of services and

facilities at the Malta College of Arts, Science, and Technology (MCAST) to better address 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. In 2017, the Malta Visual and Performing Arts School was opened to cater to secondary level students with special talents in the arts. A pilot project to provide tablet computers for school children was concluded in October 2016. New schools are being built and others modernized. A staggered removal of exam fees was announced in the 2018 budget.

Nonetheless, the 2016 Trends in International Mathematics and Science Study (TIMSS) ranked Malta 20th for mathematics and 22nd for science from a total of 39 participating countries, while the 2016 Progress in International Reading Literacy Study (PIRLS) ranked Malta 40th out of 50 participating countries. Furthermore, 27.8% of the Maltese population had attained a tertiary level of education compared to an EU-28 average of 38.7%. In 2016, Malta also had the highest school drop-out rate in the EU (at 19.6%), the position remained the same in 2017, though locally there was a marginal improvement of 0.1%. The PISA 2015 survey found that Maltese students improved their ranking in mathematics, reading, and science and noted improved performance by immigrant children and a narrowing of the academic achievement gender gap.

Malta provides a high level of equitable access to education at all levels. A total of 80% of all schools are free, while various measures exist 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 2017 attempt to address remaining concerns. These include the setting up of the consultative National Board for Compulsory Education, enhanced services for children who require additional support, increased investment in applied learning and scholarships for post-graduate studies. A proposed new Malta University Act (still in the consultation phase) aims at making the university more solvent and its structures more efficient and transparent, though contemplated changes to its governing bodies are deemed to threaten the autonomy of the institution. A number of administrative challenges have also slowed down reforms. These include problems within the newly established Institute for Education, difficulties with teacher recruitment, high student-teacher ratios and delays in the building of new schools. Further reforms are also needed in the education sector as it has long failed to meet the needs of the economy in various sectors.

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

The 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
 Budget Speech 2018 (English) p.71-76
 TIMSS 2015 Malta Report (2016) p. vii
 PIRLS 2016
 European Semester Thematic Factsheets – Tertiary Education Attainment (Updated 2016) p.7
<http://ec.europa.eu/eurostat/web/products-eurostat-news/-/EDN-20170908-1>
 Claudia Vallejo and Melinda Dooly, (2008) Educational Policies that address Social Inequalities: Country Report Malta p. 16
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Social Inclusion

Social Inclusion
 Policy
 Score: 7

Malta has a consolidated social benefits system that supports those with low incomes; in addition, health care and education are 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 €479.8 million during the first half of 2017, 13.4% higher than the expenditure for the same period in 2016. In 2016, the at-risk-of poverty or social exclusion rate was 20.1%, which represented a 2.3% decrease over the preceding year. The 2017 Commission Staff Working Document highlighted that poverty and social exclusion risks are declining but remain significant for children, the elderly, and the low-skilled. Eurostat reports that in 2017 24% of persons 17 years of age and younger were at risk of poverty, down from 26.7% in 2010. Moreover, Eurostat data for 2016 indicate that 42.4% 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 of risk of poverty, severe material deprivation and a household with low work intensity, there are encouraging signs. This is coupled with the fact that data are indicating a continuous decrease in the yearly numbers of Maltese teenage mothers. Young people aged 15 to 25 neither in employment nor education stood at 10.4% below the EU mean.

Disabled persons remain relatively marginalized, but unemployment levels are decreasing yearly. A number of significant measures introduced in the 2015 and 2016 budgets contribute to this trend. These measures included an obligatory contribution from employers who do not employ disabled individuals as well as tax credits and incentives for employers who do employ

disabled individuals. Disabled individuals who are in employment are also 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, 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. A food laboratory for early school leavers and teenage parents is also in the pipeline. These social measures have been 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. Moreover, government signed an agreement in 2017 that foresees an increase of the minimum wage by € per week by 2019. A new survey also indicates that only 1.3% of the population live in substandard accommodation (the EU average is 5.1%). The same survey found that over half of poor households in Malta own their own property without a mortgage compared to 38.7% across the EU as a whole. Also, only 4.3% are private tenants compared to 29.3% EU-wide. The income quintile share ratio which measures inequality of income distribution at 4.2% is less than the EU average.

Citation:

National Statistics Office (NSO) News Release 069/2017

National Statistics Office (NSO) News Release 151/2017

Commission Staff Working Document Country Report Malta 2017 SWD (2017) 83 final p.2

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_li60&lang=en

The Malta Independent 13/08/2017 Number of Maltese teenage mothers remains in decline, EU reports show

National Statistics Office (NSO) News Release 152/2017

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

Caritas Malta 2016 A Minimum essential budget for a decent living.

Times of Malta 24/11/2016 Child poverty is expensive

Times of Malta 27/04/2017 Minimum wage to go up € per week by 2019

EU Commission 2017 Social Scoreboard

Times of Malta 23/11/17 Quarter of children are at risk of poverty

Times of Malta 23/11/17 Maltese in Squalid housing is one-quarter of EU average

Health

Health Policy
Score: 7

Malta provides quality health care to all citizens, with extensive 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 treatments unavailable locally. The Euro Health Consumer Index 2016 found,

however, that despite Malta's decent access to health care, performance lagged when it comes to treatment results and that there are gaps in the public subsidy system. In 2017, measures were put in place to expand current subsidies. The government now supports oncology patients, providing otherwise expensive treatments for free.

Vulnerable groups are entitled to state support for a list of prescription medications and all citizens are entitled to free medicine for specified chronic diseases (e.g., high blood pressure and diabetes). Malta has one of the lowest percentages in the EU of self-reported unmet need for medical care at 0.8% of the total population. Much has been done to reduce patient waiting times and dependence on private hospital care. The most recent NAO report stated that there was a 22% decrease in patient waiting time for elective operations. Notwithstanding, the average patient waits eight months for their first outpatient appointment, double that of the United Kingdom. However, between 20% and 50% of these first appointments could have been treated by regional units, indicating that primary care is not acting as an effective gatekeeper to secondary care. The report also indicates that the main hospital had improved outpatient services. 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. A new outpatient block should be completed by 2020. Joint projects with the private sector to upgrade Karen Grech Hospital, Saint Luke's Hospital and the Gozo General Hospital in 2018 have stalled; the public has called for a reassessment of the project, which is now being scrutinized by parliament. There have been repeated demands for reform of the mental health sector and for a new mental health hospital. Meanwhile, it was recently announced that Malta will be one of the first countries to meet its Hepatitis C elimination target and a campaign for the legalization of medical cannabis is ongoing.

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. Health care as a percentage of GDP has increased from 8.1% in 2003 to 9.8% in 2014 (the 2014 EU average was 10%). Health-related expenditure amounted to more than €407 million between January and September 2017. The European Commission has expressed concerns about Malta's ability to meet growing long-term care demands.

Citation:

Times of Malta 05/09/2012 Three health agreements signed with Italy
 Euro Health Consumer Index 2016 p. 16
 Times of Malta 20/10/2016 Maltese fattest in Europe... by a wide margin
 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
 Budget Speech 2018 (English) p.80-81
 Times of Malta 01/11/2017 Malta will be one of first countries to eliminate Hepatitis C
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 A National Health Systems Strategy for Malta 2014-2020 p.22
 Commission Staff Working Document - Country Report Malta 2017 SWD (2017) 83 final p.16
 National Statistics Office (NSO) News Release 174/2017
 Malta Independent 29/09/2016 Maltese people aged 80 have life expectancy of more than 9 years - Eurostat
 National Audit Office Performance Audit: Outpatient Waiting at Mater Dei Hospital 2017
 Doctors may strike over hospital deal Times of Malta 28/01/18

Families

Family Policy
 Score: 7

With a difference of approximately 25% between female and male employment rates, Malta has the widest gender employment gap in the EU (78.9% for males vis-à-vis 54.4% for females). Nonetheless, one should note that female participation in the informal economy (which accounts for almost 25% of GDP) may make this figure somewhat inaccurate. Figures released by the European Commission show that women in Malta earn about half of what men earn, constituting the second highest pay gap in the EU.

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 ensure that employed parents retain or are able to return to their jobs. This has included parental leave (both maternity and paternity leave), reduced working hours, career breaks, the introduction of financial incentives for mothers returning to work, free child-care centers, school breakfasts, and after-school clubs. 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. Data published by the National Statistics Office in 2017 indicate that a total of 13,306 children aged five or younger are enrolled in some form of non-compulsory early childhood education. The figures for children under three remain at a low 18% compared to a high of 77% in Denmark. Since 2015, the Maternity Leave Trust Fund legally obliges employers to contribute the equivalent of 0.3% of each employee's salary, irrespective of the employee's gender. Notwithstanding, the share of family/child benefits as a share of total social

benefits remains low at just over 6%. Discussions are currently ongoing as to whether parents should be able to utilize their sick leave for instances when their children are unwell.

Citation:

Eurostat News Release 80/2016

European Semester Thematic Factsheet – Undeclared Work (Updated 2016) p. 3

National Statistics Office (NSO) News Release 155/2017

<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>

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National Statistics Office (NSO) News Release 147/2017

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

Television Malta 18/11/2016 PM: Parents with sick children should have right to sick leave

Times of Malta 4/11/17 Women in Malta earn almost half of what men get

Eurostat 12/05/17, Share of family/children benefits in the EU member states

Pensions

Pension Policy
Score: 6

Government expenditure on contributory benefits amounted to €479.8 million during the first six months of 2017 with an increase of €46.7 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; this has been a major concern at the EU level. The European Commission's 2014 and 2015 Country Specific Recommendations for Malta both noted the need to consolidate the pension system. This concern was restated in the 2017 European Commission Country Specific Recommendations for Malta. Nonetheless, older people are more likely to be at risk of poverty than the rest of the Maltese population (21% versus 15.3%).

The Maltese pension system 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. Measures taken in the 2013 and 2017 budgets, which raised the tax ceilings for pensioners 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. 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 labor unions have been calling for greater government support for work-based pensions.

The Pensions Strategy Group 2015 report provided a detailed overview of possible scenarios up to 2060 and identified several 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. Within this context, a recently launched government scheme is aiming to encourage increased voluntary saving through a system of occupational pensions.

The government's commitment toward 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 care-persons' benefit has also been increased to €40 per week in the 2017 budget and financial assistance of €5,200 per year is allocated for care workers for those choosing not to enter a retirement home. The government also plans to reform pensions for those with disabilities and a new social security benefit scheme for vulnerable workers has been introduced.

NGOs have also 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 123/2017

Malta Independent 21/08/2015 Watch: Deficit in 2015 to be 1.6% of GDP, budget 2016 to look at lower income strata

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Recommendation for a COUNCIL RECOMMENDATION on the 2017 National Reform Program of Malta and delivering a Council opinion on the 2017 Stability Program of Malta COM(2017) 517 final p.4

Commission Staff Working Document Country Report Malta SWD(2017) 83 final p. 15

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Strengthening the Pension System – A Strategy for an Adequate and Sustainable Maltese Pension System p. 4

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pension

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

The Malta Independent 18/10/16 Budget 2017: Pensions and Pensioners Given a boost
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

Times of Malta 15/11/17 Social Security Benefits for Vulnerable workers unveiled

Integration

Integration Policy

Score: 4

It is only recently that Malta has begun to consolidate its policy approach to integration. Indeed, in 2017 the EU singled out four states – one of them Malta – for having no integration action plan for non-Europeans. Under the current government, the Ministry for European Affairs and Equality is 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 also spearheads important initiatives, such as the new Initial Reception Centers, creation of a work registration system under Jobsplus and detention policy reform. A new integration unit will offer courses to migrants in Maltese and English as well as social culture. The unit will also accept and facilitate integration requests. The courses will make participants eligible for a “pre-integration” certificate that will facilitate their request for long-term residency. Government has pledged to publish a national strategy on integration within a year.

In his recent address to the UN General Assembly, the prime minister stressed the importance of a broader global response toward human trafficking networks in the Mediterranean.

The number of migrants granted subsidiary or humanitarian protections is very high and UNHCR figures indicate a rejection rate of 13.5% for the period ending August 2017. In 2016, the government introduced a new migration strategy which terminated the practice of automatic detention. Moreover, refugees and asylum-seekers granted protection are eligible for unemployment benefits. These reforms aim to lessen the hardship on migrants seeking work and their own accommodation. Furthermore, the Malta Declaration was signed by all EU state leaders in February 2017 as the first step toward concrete solutions to combat illegal migrant routes in the Mediterranean.

Nonetheless, integration policies 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. Evidence of poverty and homelessness among migrants indicates the need for government to allocate more resources to this group, as the percentage of the foreign population in Malta at risk of poverty and social exclusion increased between 2005 and 2013. The issue of citizenship also needs to be urgently reassessed for the children of asylum-seekers born in Malta, these children currently have no right to citizenship. Malta has signed but not ratified the European Convention on Nationality to address the acquisition of citizenship through naturalization.

A recent protest in a Maltese locality with a large migrant presence sheds light on the difficulties of community integration as ethnic and racial discrimination remains rife.

Citation:

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<https://homeaffairs.gov.mt/en/MHAS-Departments/awas/Pages/AWAS.aspx>

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<http://www.unhcr.org/mt/charts/>

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Television Malta 17/09/2017 UPDATED: Protest in Marsa against criminality by immigrants

The Malta Independent 15/08/2017 Malta listed as one of 20 EU countries where risk of modern slavery is rising

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The People for Change Foundation, Briefing Note: How to Score Better on MIPEX

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Aditus, NGO Submissions to the Public Consultation on National Migration Integration Strategy 2015 -2020

Safe Living

Safe Living
Conditions
Score: 6

Malta is generally considered a safe place to live. Crime rates have remained largely stable with crime increasing by only 0.9% in 2016, though from time to time in-fighting escalates between criminal organizations involved in drug-trafficking and money laundering. Malta has one of the lowest murder rates. Notwithstanding, the recent car bombing of a well-known Maltese journalist garnered intense international attention.

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, mid-2017 data compiled by Numbeo ranked Malta 29th worldwide on its Safety Index.

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) continue to obtain important resources for the enhancement of the existing border control system, which is primarily directed toward policing the island country's maritime borders from irregular migration and drug smuggling. Moreover, an additional €3 million in EU funding has been earmarked for Malta for the programming period from 2014 to 2020 through the Internal Security Fund and the Asylum, Migration, and Integration Fund. Of these funds, 80% were committed to projects as of December 2016.

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. It has been strengthened due to Malta's recent role in the EU presidency, particularly during high profile events attended by EU heads of state. Nonetheless, the current crisis in the Mediterranean remains a major challenge.

The drafting of a long-term strategy to reform the police force was ongoing in 2016. An internal audit and investigation unit recommended by the audit office has yet to be established. As Malta's economic and social structures have undergone rapid change, institutional capacity to deal with organized crime has not kept pace. A 2017 assessment by the United States found that Malta has not met the minimum requirements to combat human trafficking, though the government has increased resources to identify and assist victims. With regard to homicides, recent data show that Malta has a clearance (i.e., closure) rate of 70%, well below the European average of 85%. None of the car bomb assassinations in recent years, including the three in 2016, have been solved. Confidence in the force is generally low and four commissioners have resigned

in the last five years. Pressure has also been mounting for the resignation of the current Police Commissioner. These demands overshadow recent successes scored by the police against smuggling, drug trafficking and robbery.

Citation:

The Malta Independent 16/10/2017 Updated: Daphne Caruana Galizia killed as vehicle blows up in Bidnija; bomb not in cabin - expert

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

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Reuters 27/01/2017 EU border controls could be extended in crisis, Commission says

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

Times of Malta 30/08/2016 Malta is (almost) the best place in the world for foreigners, says Expat Insider Crimemalta.com

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The Malta Independent 22/10/2017 Protesters sit down on road in front of police HQ to demand commissioner's resignation

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Times of Malta 29/06/17 US Report says Malta failing to take necessary action to fight crime

Times of Malta 03/11/17 One in three murders remain unsolved.

Times of Malta 21/02/17 Cracking Malta's Latest Spate of Car Bombs

Global Inequalities

Global Social
Policy
Score: 4

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. However, Malta's foreign affairs minister recently stated that Malta was

pledging only €900,000 in 2017, even though the 2016 national contribution should have been around €30 million. Malta has also received criticism from CONCORD (a European confederation of Relief and Development NGOs) regarding the actual share of the funds that reach these developing societies at the grassroots level. An analysis of the 2016 funds indicates that a large percentage was put toward domestic use. Transparency in the distribution of funding may decline with the recent disbanding of the ODA advisory board. On the other hand, Malta is supportive of EU efforts to address the refugee crisis and is the only EU member state to have fulfilled its asylum relocation commitments, accepting 131 refugees and asylum-seekers. Moreover, through the EU, Malta contributes to the EU Emergency Trust Fund supported by the Joint Valletta Action Plan and the Malta Declaration during Malta's EU presidency in 2017. 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 also 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 country. In general, Malta follows the lead of the European Union; its policies on tariffs are in line with those agreed to in Brussels.

Since 2015, Malta has used its role as Chair of the Commonwealth Heads of Governments Meeting to press for development in a number of areas, including polio eradication, financial support for poorer Commonwealth states, combating climate change and women rights. Malta also hosted the Commonwealth Local Government Forum in November 2017.

Citation:

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

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 European Council 03/02/17 Malta Declaration by members of the European Council on the external aspects of migration

III. Environmental Policies

Environment

Environmental
 Policy
 Score: 4

Malta's environmental challenges are complicated by large population density, 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. Only 5% of Malta's energy consumption was obtained from renewable energy sources; ongoing efforts are required to ensure that the established national target of 10% is met. An EU report on climate and energy targets indicates that Malta is one of the members states that is experiencing difficulties in staying on track on renewable energy, energy efficiency and emissions not covered by the EU Emissions Trading Scheme. This is largely a result of the continued high dependence on cars, the growing dependency on air conditioning and the slow reduction of the island country's green lung. Consequently, Malta is buying Bulgaria's extra emission allowances.

Several initiatives aimed at fulfilling the targets have been undertaken. These include the generation of photovoltaic power, setting up of photovoltaic farms, construction of an interconnected electricity system with Sicily, promotion of fuel-efficient cars and construction of a gas-fired power station. Also, the building of a new waste management plant, projected to cost €150 million, is in the pipeline. New regulations have been introduced to strengthen the environmental impact assessment (EIA) procedure. The effect of these initiatives will primarily be felt in the future. Also, an assessment of government spending indicates that less is being spent on the environment than in previous years.

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 country'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 was concluded at the end of 2015 with the aim of increasing the amount of water collected annually. Government re-piping has also reduced loss of water from leaky pipes by 35%, though theft still accounts for a loss of between a 1/5 and 1/4 of total production. Moreover, the 2015-2021 Water Catchment Management Plan for Malta identifies several key measures that need to be implemented if optimal water conservation is to be attained.

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 number of building permits has increased in the last two years, though it has not reached the high of 2007. However, the number of outside development zone (ODZ) permits granted by 5 April 2017 was up 74% over the previous year. The Malta Environmental and Planning Authority (MEPA) has been restructured and is now divided into two separate entities (Planning Authority and Environment and Resource Authority) which 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 country 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. However, a recent decision to extend the hours for hunters to 12:00 in the Majjistral Nature and History Park, Malta's first national park, against the unanimous objection of the advisory board undermines these policies. Also, the introduction of a fuel service station policy deemed to be negatively impacting virgin land is now being reassessed.

Citation:

https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-your-country/malta/europe-2020-targets-statistics-and-indicators-malta_en
 Times of Malta 14/03/2017 Malta with lowest share of renewables among EU countries
 Trends and projections in Europe 2016 - Tracking progress toward Europe's climate and energy targets p.11
 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
 Commission Staff Working Document - Country Report Malta 2017 SWD (2017) 83 final p.31
 Times of Malta 31/12/2015 Work on national flood relief project concluded
 The 2nd Water Catchment Management Plan for the Malta Water Catchment District 2015 - 2021
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>
 Malta's National Biodiversity Strategy and Action Plan (2012-2020)
 Times of Malta 29/11/17 Heavy Traffic is stalling targets on emissions.
 Times of Malta 03/12/17 Emission Impossible? Malta pays for Bulgarian Energy
 Times of Malta 16/08/17 Leaky Pipes would fill 1,600 pools each year
 Times of Malta 30/03/17 Residential building permits rose by over a third in 2015
 Eurostat figures -Malt building permits 2017 -
http://sdw.ecb.europa.eu/quickview.do?jsessionid=E257B5C9E05E3D7B517912DB6B2D0DB4?SERIES_KEY=132.STS.M.MT.S.BPER.CC1109.4.000
 Malta Today 12/04/17 ODZ Permits already up by over 74% over last year
 Whichever way you measure it government spending is less green than ever Times of Malta 30/01/18

Global Environmental Protection

Global
 Environmental
 Policy
 Score: 6

Malta's small size has traditionally hindered it from being a key player in international global policy forums. 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 former 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.

In October 2017, Malta hosted the EU's Our Ocean Conference. The conference led to the adoption of 437 tangible and measurable commitments, among other deliverables. Nonetheless, Malta remains an insignificant, if active, player in global environmental protection.

Citation:

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=#.W BT4qfl95PY>

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 finalize 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](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://ourocean2017.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 electoral system reform on the basis of several issues. These include the lack of an official minimum threshold, absence of national quotas for parties to gain access to parliament, candidates are listed alphabetically, lack of correctives to encourage the election of female candidates and multiple candidates from the same party can be elected in the same district, the latter placing too much power in the hands of canvassers. The present electoral law also does not allow a formal coalition of parties to contest the election. Recent provisions to ensure proportionality only increase bipartisanship; ballots only include colored logos for the two main parties. There is also no state funding for parties, though the two main parties receive €100,000 annually, which may be used for campaigning. Meetings of the electoral commission are closed and there is an absence of representatives from non-parliamentary parties.

Citation:

Malta Today 05/07/17 Now is the time for Electoral reform

OSCE/ODIHR (2017) Election Assessment Mission Final Report - Malta

Media Access
Score: 5

Malta has both state and private media. The Maltese constitution provides for a Broadcasting Authority (BA). Owing to its composition and appointment procedure, the BA is not perceived as an independent regulator. Its job is to supervise broadcasting and ensure impartiality. However, the BA focuses on the PBS (public broadcasting service) and not private outlets. It also does not monitor campaign coverage but rather acts on complaints. 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. In the 2017 elections, the small parties were not able to participate in the main pre-election debates on the PBS; several formal complaints were filed by the smaller parties. The PBS management is appointed by government, which is said to negatively impact its independence. Complaints to the broadcasting watchdog have dwindled and no fines were levied in 2017. The two major political parties also have their own media outlets, which gives them an advantage over smaller parties and has a restrictive effect on genuine debate. The BA and the Press Act require party-run media to allow for a right of reply to an aggrieved party or individual. Access to newspapers becomes increasingly restricted at election time; unrestricted access is obtainable 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. However, the 2017 OSCE election assessment mission report stated that independent candidates and small parties enjoyed little visibility apart from on social 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/.../1-st-panel-oswald-main-slide-speaker...

Sammut, C (2007) Malta and the Media Landscape

Voting and
 Registrations
 Rights
 Score: 8

Malta's electoral laws are effective and impartial, and are controlled by a constitutionally-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. In the absence of postal or electronic voting mechanisms, residency qualifications are an obstacle to voting since voters are required to physically cast their ballots in Malta. However, Maltese citizens living abroad can access highly subsidized airfares to Malta for the purpose of voting. 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. The island country is currently debating a similar extension for general elections. Other changes have helped patients cast their votes during a hospital stay. Notwithstanding, legislation must be harmonized to ensure full voting rights for individuals with mental disabilities. 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. Recommendations have been made to

increase transparency in the system. These include a secrecy mechanism for assisted voters as well as laws enabling international observers to examine the election process, the setting of deadlines and publishing of all records of complaint.

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

<https://www.timesofmalta.com/articles/view/20171015/local/counting-halls-electronic-voting-and-legal-changes-on-electoral.660402>

Party Financing
Score: 4

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 with 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. As a consequence of this legislation, political parties in 2016 were forced to publish details on the financing of their electoral campaigns. However, 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. The electoral commission lacks the power to ensure compliance since it is unable to control sources of income beyond donations. Other flaws of the new legislation include the absence of a requirement to use a designated bank account or to disclose donations to entities owned by political parties as well as an excessive disclosure threshold, a failure to cap spending at €2 million, and a lack of detailed and timely reporting. It has also been noted that there is insufficient harmonization of the regulations relating to the Financing of Political Parties Act (FPPA) and General Elections Act, raising concerns over which act would take legal precedence. The role of the electoral commission as the appropriate body to act as investigator and adjudicator with regard to the FPPA has also been questioned.

<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

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

Times of Malta 07/11/17 Four Electoral Commission Members opted not to apply party financing law fearing human rights breach

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 referendums, 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

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. Mechanisms exist to ensure that state media operate independently from government interference; since 2014, we have witnessed further progress on this issue. The prime minister appoints all the directors of the State Media Board, as well as all the members of its editorial board. Journalists do often display a clear party preference, which sometimes 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 activities dominate the media, existing media diversity and a recent increase in competition ensures that the system is essentially pluralist and a range of opinions remain available. The 2016 World Press Freedom Index placed Malta 46th, two points higher than in the previous year. However, a number of surveys show that public trust in the media ranks among the lowest in the EU. In a 2016 European Commission report on media pluralism, 76% of respondents stated that the media provides a diversity of views and opinions, but only 28% thought that the media provided information free from political or commercial pressure. In the same survey, 44% believed that the media provided trustworthy information, with the lowest scores assigned to newspapers and social media. Also, only 39% viewed the national regulator as free and independent.

In 2016, Malta reformed its vilification laws to allow for greater freedom from prosecution. Prior to this reform, Malta overhauled its censorship laws, allowing for near zero control on the media and the arts. Journalists continue to claim that existing draconian libel laws undermine their work. Malta's press laws are, however, being overhauled. Proposed reforms include the removal of criminal libel and the restriction on defamation of the president, a cap on libel damages (including a clause stating that courts needs to take into account the impact that financial damages may have on a media outlet), and voluntary registration of media outlets. The OSCE welcomed recent changes made to the proposed legislation, but offered additional recommendations, including that a more balanced approach is needed with regard to the defense of truth.

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-decriminalization-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>

Standard Eurobarometre 84 Autumn 2015

Malta Today 29/11/17 OSCE analysis of Malta's upcoming media law

Legal analysis of the draft law of the Republic of Malta to provide for the updating of the regulation of media and defamation matters and for matters consequential or ancillary thereto, Commissioned by the office of the OSCE Representative on freedom of the media from Dr. Joan Barata November 2017

Draft law of the Republic of Malta to provide for the updating of the regulation of media and defamation matters and for matters consequential or ancillary thereto 2017

Special Eurobarometer 452. Media Pluralism and Democracy November 2017

World press freedom index of reporters without borders 2016

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 major political parties own television and radio stations as well as newspapers. According to

the Media Pluralism Monitor 2016, media ownership is transparent but data on revenues are not available. Most of the risk-increasing factors relate to the lack of data on the media market, lack of protection for and self-regulation by journalists, and the lack of a media literacy policy. In a 2016 European Commission report on media pluralism, 76% of respondents stated that the media provide a diversity of views and opinions, 48% thought the media was more free and independent than five years ago; Malta showed the most improved score over the past five years in both cases. Notwithstanding, only 28% thought that the media provide information free from political or commercial pressure.

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-thanks-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

Media Pluralism in Malta, A Test Implementation of the Media Pluralism Monitor 2016

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. In 2016, the government received 175 requests for information, a considerable increase over the 62 filed between 2013 and 2015. Just over half of the requests in 2016 were fully or partially replied to.

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
 Times of Malta 12/08/17 Freedom of information requests tripled in three years
 Times of Malta 27/08/16 Has the Freedom of information Act worked?
 Times of Malta 30/11/17 Over 400 Freedom of information requests in 3 years

Civil Rights and Political Liberties

Civil Rights
 Score: 7

The state generally respects human rights and human rights issues have judicial protection. 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 take far too long. This appears to be the case with human trafficking, where Malta is still said to not meet minimum standards. However, recent reforms in the courts have improved matters. The extension of rights to members of the LGBT community has improved civil rights protections. An increased focus on gender equality has improved matters considerably as has the transposition into domestic law of the Council of Europe Convention on Preventing and Combating Violence Against Women and Domestic Violence (Istanbul Convention). There has been a similar development regarding disabled persons in Malta. Reforms concerning the civil rights of immigrants and asylum-seekers, including the removal of automatic detention, along with the high numbers of asylum-seekers being accorded humanitarian protection status has been noted. Nonetheless, the recognition rate of refugee status remains low. Better access to housing and support for migrants to integrate with the community needs to be made available. The prime minister has declared that the government will tackle the exploitation of refugees by employers, while a Human Rights and Equality Commissioner has been appointed and a new integration policy is being launched. Malta has not, however, ratified the relevant conventions on statelessness. The dereliction of the rights of prisoners confined in overcrowded and substandard conditions has also been noted. On a recent visit to Malta, the Council of Europe's commissioner for human rights noted the introduction of the morning after pill, but stressed the lack of debate on access to safe abortions; the island country continues to have one of the most restrictive abortion regimes in Europe. In the Freedom in the World Report 2017, Malta's score remained unchanged at 96 out of 100.

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
 Times of Malta 14/10/17 No flushing toilets for 120 prisoners
 Times of Malta 11/11/17 Commissioner Taken aback by non-debate on abortion
 Freedom of the World 2017
 Council of Europe, Commissioner for human rights, country Visit Malta 2017: Malta should step up efforts to enhance protection of women's and migrant's rights

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 and partisan 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. In the World Economic Forum's Global Competitiveness Index 2017-2018, Malta's ranking fell in terms of public trust in politicians and favoritism in decisions by government. However, there was an improvement in the score for transparency of government policymaking. The 2017 Eurobarometer, in contrast, reported an increased trust in government in 2016 (55%) over 2012 (34%). 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 on this 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 has now been fully implemented. Malta, however, has one of the lowest allocations of legal aid in the EU. In addition, legal aid lawyers are very poorly paid. Legal aid needs to be provided for pre-litigation advice, mediation and out-of-court settlements. The current threshold to be eligible for legal aid is also very low.

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 Program
 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
 Access to Legal Assistance in Malta, Aditus 2017
 Times of Malta 27/10/17 Malta's Tribal Politics
 Times of Malta 11/11/17 Permanent secretary to be compensated because of political discrimination
 Global competitiveness report 2017-2018 World Economic Forum
 Malta Independent 31/07/16 55% of Maltese trust government in 2016 compared to 34% in 2012

Non-
 discrimination
 Score: 5

The Maltese constitution's chapter on fundamental human rights forbids discrimination on the basis of race, religion, 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; although much progress has been made in recent years, there remains a lack of consensus concerning the introduction of positive discrimination measures to address this problem. In the latest Gender Equality Index, composed of several indicators of equality, Malta scored 60% out of 100% overall and only 27.4% in the indicator of power. In the workplace, women earn about half of what men receive. 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. Nevertheless, allegations of discrimination on political grounds remain common. In addition, it has been alleged that many cases of discrimination remain unreported. Migrant workers experience discrimination in accessing employment and within employment.

Citation:

Carabott, S. Expats Petition against Malta Discrimination. Times of Malta 12/04/13
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 Times of Malta 04/11/17 Women in Malta earn half of what men get

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. The use of direct orders in ministries has also been prevalent. In one instance from the first half of 2017, direct orders totaling €640,000 were made by the European Affairs Ministry. 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. Overall, legal certainty is robust, though there continue to be instances where the rule of law is misapplied by state institutions. Several laws and practices are in breach of the Maltese constitution or the European Convention on Human Rights: the Justice Sector Act 2016, Standards in Public Life Act 2017, continued use of direct orders by public administration, passing of subsidiary laws that breach primary laws, lack of a sentencing policy to ensure legal certainty in the application of punishment, and ignoring clear provisions in the constitution and instead basing judgments on inferior laws. The Coordination of Government Inspections Act 2017 restricts the number of inspections undertaken by government departments. The act does not exempt independent institutions such as the auditor general and data protection office, potentially restricting these institutions. The recent practice of placing members of parliament on regulatory boards is also unconstitutional.

Citation:

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The Independent 20/12/17 Kevin Aquilina, The Rule of Law a La Maltaise

Malta Today 9/10/17 Former Planning and lands minister is now lawyer for both planning and lands authority

Times of Malta 7/10/17 Ombudsman queries positions of trust

Times of Malta 11/11/17 Ministry spends almost 30,000 euros on Liquor for EU Presidency

Interview with Prof Kevin Aquilina Dean of Law 12/17

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. In a 2017 case, Judge Wenzu Mintoff ruled against the ruling Labor party in a case involving the ombudsman. 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.

There have been calls to reform certain aspects of the process. Changes have been recommended with regard to the role of the attorney general who is the chief prosecutor but also acts as a legal adviser to the government. These two roles would be decoupled and instead an individual would serve as an independent prosecutor general and a second individual would take on the role of the attorney general, acting as the government's advocate. The process through which court experts are chosen should also be revised to be more transparent.

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 2017 Justice Scoreboard noted that more cases were being dealt with, the time needed to resolve cases had fallen drastically, the percentage of resolved cases had increased and the number of pending cases had fallen. Of those surveyed, 50% rated the independence of the courts and the judiciary as good or very good, an improvement over 2016. In 2017, no judges were transferred except for by the judiciary council and there were no dismissals. In the World Economic Forum's global ranking for 2017 on the independence and impartiality of the judiciary, Malta was ranked in 51st place among 137 states,

falling from 44th place in 2016. 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. The number of judges as a percentage of the population remains low, indicating difficulty in finding suitable candidates to take up the post; this may be linked to inadequate salaries and or the responsibilities that judges bear. Online information on published judgments are available, but there is no online information on the preliminary stages of a case. Delays and deferments may count against the process, but have fallen in number in recent years.

Citation:

http://ec.europa.eu/justice/effectiv-justice/files/justice_scoreboard_communication_en.pdf

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

The 2016 EU Justice Score board

[http://www.maltatoday.com.mt/news/national/76165/maltese_perceive_judicial_independence_to_be_fairly_good#.WesFh1uCyM8a's Justice System Times of Malta 18/04/16](http://www.maltatoday.com.mt/news/national/76165/maltese_perceive_judicial_independence_to_be_fairly_good#.WesFh1uCyM8a's%20Justice%20System%20Times%20of%20Malta%2018/04/16)

Appointment of
Justices
Score: 4

Superior Court judges and magistrates are appointed by the president, acting in accordance with the advice of the prime minister. The independence of the judiciary is safeguarded through a number of constitutional provisions. The prime minister enjoyed almost total discretion on judicial appointments. The only restraints are set in the constitution, which states that an appointee must 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. In 2015, a government-appointed commission recommended reforming the appointment process. In 2016, parliament unanimously passed a law reforming the process. The law did not fully take on board the commission proposal that a six-member autonomous authority carry out a selection process to choose and advise on suitable candidates for the bench, with the final decision remaining with the government. However, all candidates who apply for the post are now vetted by the Commission for the Administration of Justice. Notwithstanding, the absence of formal calls to fill judicial positions and ranking system to assess applicants impedes the process. A recent law on the suspension of judges has been criticized by the dean of the law faculty at the University of Malta on the basis that suspended judges have no right to challenge the suspension and that the removal or dismissal of a judge should not be done by a body that is part of the legislature.

Citation:

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Judicial appointments and the executive: Government cannot continue to delay reform Independent 2/10/2015

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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. Internal audit systems can also be found in every department and ministry, but it is difficult to assess their effectiveness. The 2016 report of the audit office also highlighted regulatory abuse regarding procurement, inventory inadequacies, and non-compliance with tender requirements and ministries' fiscal obligations. A recent academic report has shown decades long corruption at the planning authority. In the 2016 Corruption Perceptions Index, Malta slipped one point from 5.6 to 5.5. In the Global Competitiveness Index 2017, Malta obtained the following scores in a ranking of 1 to 7 (7 being the best score): public trust in politicians (2.9), irregular payments and bribes (4.7), and favoritism in decisions of government officials (2.8). However, the overall score for functioning institutions was 4.5, yielding an overall ranking of 38th out of 137. 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. The Permanent Commission Against Corruption was setup in 1988. Since then, over 300 cases has been investigated, though none have been prosecuted. Since the 2017 election, the commission has not been reconstituted as a result of the opposition party not yet having selected their candidate. In

2018, the ombudsman called for greater government transparency and accountability. The setting up of a new parliamentary committee to scrutinize public appointments is a move in the right direction, though it has been criticized for not going far enough and ensuring that all candidates be grilled by the board. The 2017 ombudsman's report mentioned the need for legislation to regulate lobbying and how this relates to the right of individuals to receive correct and timely information on the activities of government. This is especially important in light of the link between lobbying and corruption.

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 small countries and the fact that Malta's members of parliament work part-time and maintain private interests. Presently, a number of magisterial inquiries are ongoing on alleged cases of corruption in government.

Citation:

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- Audit office flags unauthorized 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
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- <http://www.timesofmalta.com/articles/view/20160407/local/konrad-mizzi-to-address-labor-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>
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- Transparency International Corruption perception index 2016
- Study shows political corruption at the PA *Times of Malta* 29/10/17
- The Global Competitiveness Report 2017-2018
- Will the chickens come home to roost in 2018 *Times of Malta* 08/01/18
- Ombudsman Report 2016

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 7

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. In 2015, a new unit focused on information and the implementation of standards was introduced in the office of the prime minister to facilitate coordination between various stakeholders when implementing projects. 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 and education policy has increase. The success of Malta's EU presidency, supported by a four-year program that upgraded coordination vertically and horizontally across government entities, has shown the substantive improvements that have been achieved.

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. Usually when a policy is to be reformed or updated a strategic plan is released for consultation.

Citation:

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<http://www.politico.eu/article/maltas-eu-presidency-how-did-it-go/>

<https://www.timesofmalta.com/articles/view/20170701/local/eu-presidency-a-fantastic-experience-has-come-to-an-end-pm.652048>

Caleja Ragonesi I, Maltese Presidency aims to make the ordinary extraordinary. Europe's Word January 2017

Strategic Plan 2017-2020 Academy for disciplined forces Malta

Mobile Government Strategy 2017-2018ffdddf

Ufficcju tal - prim Ministru, Rapport Annwali 2015

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. Academic input is at the line ministry level. 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. In 2017, two academics were consulted during the drafting of a white paper on a new inspections process. When drawing up new key policy indicators (KPIs) on public administration academics from across Europe were commissioned to prepare the report. Malta's EU presidency served to bring academia closer to government policymaking with many academics providing support during the six-month presidency.

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:

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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 and more recently introduced a specific strategy to implement the government's program. This strategy operates on a three-year planning cycle in conjunction with the budgetary cycle implementation program. In this context, every policy measure in the budget is assigned to a ministry. The ministry then has full responsibility for the policy and draws up an action plan, which is monitored on a monthly basis by the OPM; areas of concern are flagged and brought to the attention of the public service and cabinet. The PMO has more recently demonstrated a greater ability to respond to policy implementation failures. Malta's EU presidency has also contributed strongly toward ministerial coordination. Great efforts are also being made to upgrade the capacity of the public service through the recruitment of graduates with specialized training. In collaboration with the University of Malta, MCAST and other bodies, the government has recently established the Institute for Public Service (IPS) to coordinate training at all levels. However, a number of policy failures indicate that more time is required for these reforms to bear fruit.

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. The NAO also monitors policies and gives feedback; government has pledged to implement all recommendations. Much also depends on the powers of persuasion of the

Line Ministries
Score: 5

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.

Since 2013, a sustained effort at coordination has 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. In a new review strategy, ministries monitor the outputs of policies previously discussed with the cabinet; the OPM then monitors policies until they are implemented and supports the ministries in their implementation. Coordination meetings are also organized by the OPM bringing together the various ministries. 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:

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

Cabinet
Committees
Score: 6

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. Cabinet committees on EU affairs, including on the EU's Common Foreign and Security Policy, have been appointed. In addition, an ad hoc cabinet committee oversaw the preparations and running of Malta's presidency of the EU in 2017.

Citation:

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

Ministerial
Bureaucracy
Score: 6

Civil servants from a ministry typically coordinate policy proposals with other line ministries before a 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 to implement reforms across government. These have been introduced horizontally (e.g., delegating staff recruitment to departments and agencies) and vertically (e.g., engaging ministries to improve efficiency). The permanent secretaries have requested that all departments examine current processes and consider methods of simplification. One result is the introduction of push service delivery, whereby individuals do not apply for social benefits but rather receive them automatically. Every year a report is published and made available to the public on the simplification systems that have been introduced.

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 Heads of State Summit in Malta, an EU-Africa summit, and Malta's presidency of the EU in 2017. These activities have shown a marked increase in effective coordination by the ministries and civil servants.

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. Furthermore, the principal permanent secretary has introduced frequent coordination meetings seeking to enhance the process.

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; recent reports from the EU confirm steady progress. To ensure detail to the system, an IAF process was introduced. Each ministry is responsible for drawing them up, assisted by their legal office and program implementation policy directorate (a unit found in

each ministry). Nonetheless, the attorney general's office, which also has a legislative unit, does much of the work.

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

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<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. Government has increased consultation and dissemination of information; nonetheless, in small states such as Malta "independent" bodies are generally absent or rare. Furthermore, civil society groups must become more constructive in their assessment and approach to government policies.

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

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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: 4

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, progress has continued, manifested, for example, in the decision to increase subsidization of public transport schemes and improve the efficiency of electricity generation. However, a clear way forward has been lagging in the provision and sustainable use of water resources.

Citation:

http://ec.europa.eu/europe2020/making-it-happen/index_en.htm

Societal Consultation

Negotiating
Public Support
Score: 6

The government has an obligation to consult. In addition, a ministry for dialog has been established. New policies and legislation must be published for consultation. 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. NGOs concerned with social policy tend to be regularly consulted while a huge divide separates environmental NGOs from the policymaking process. Overall, Malta has seen a substantial increase in the number of policy areas open for public consultation. Malta today has a proliferation of NGOs and increased consultation has created wider scope for them to act. However, greater progress can be achieved if NGOs become more professional and officialdom less sensitive to criticism. Key policy areas such as health care were not opened up to consultation (e.g., on the sale of government hospitals); medical professionals are now threatening strikes in order to be heard.

Citation:

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<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>
http://www.maltatoday.com.mt/news/national/69495/green_ngos_to_get_collective_50000_in_government_funds#.We2bzVuCyM8
http://www.maltatoday.com.mt/lifestyle/health/69774/watch_conference_highlights_ngos_contribution_in_health_sector#.We2cCluCyM8
http://www.maltatoday.com.mt/news/national/64883/social_dialogue_minister_stresses_role_of_ngos_in_ou_treach_programmes#.We2ciluCyM8

Policy Communication

Coherent
Communication
Score: 6

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 the government. Also, the run-up to the EU Presidency has demanded better communication strategies and these have been adopted. Individual ministers hold daily press briefings and occasionally engage public relations firms. Despite progress, no studies exist to assess the impact. At times, it appears that the message has failed to get through. In 2016, the government spent €200,000 on advertising 2017 budget measures. Between 2013 and 2017 the government spent €2.5 million on social media, with the office of the prime minister being the biggest spender.

Citation:

How the Maltese government spend over 2.5 million in social media ads. Malta Today 07/11/17

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 upon

KPIs and benchmarks, policies are monitored and shortfalls highlighted. Templates are sent out to ministries with deadlines and then assessed and reviewed. Every February, the first round of audit closing meetings commence. The preparations over the last year for the EU presidency has improved public service efficiency. Ongoing training has been key. However, problems remain. Recent National Audit Reports have highlighted gross inefficiencies under the previous administration. Current assessments continue to point to persistent failings, including on inventory management, control over service providers and controls related to personal emoluments. They also note missing documentation, deficiencies in stock management and lack of adherence to public procurement regulations. 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." Nonetheless, OPM has been working on these issues and the NAO has indicated improvements.

Citation:

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

http://www.maltatoday.com.mt/news/national/80417/half_of_ao_recommendations_implemented_auditing_is_not_a_witchhunt#.We2pXVuCyM8

http://www.maltatoday.com.mt/environment/townscapes/79047/no_value_for_money_in_fekruna_bay_expropriation_ao#.We2pt1uCyM8

http://www.maltatoday.com.mt/news/national/79029/labour_urges_pm_to_stop_ignoring_ao_reports_pointing_fingers_at_azzopardi#.We2p4VuCyM8

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. However, this function has become more centralized; the government can now show how much of its program has been implemented. 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 or businesses and individual ministries, can drive implementation in certain policy areas, such as the extension of LGBT rights. The drive to introduce simplification measures across ministries facilitates decentralization (e.g., in recruitment accords), granting ministries greater independence as well as additional incentive to successfully implement policies. The 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 has an office dedicated to monitoring which is increasingly fine-tuning the system. The PMO does not have a unit to assess policies in the ministries. Instead, the ministries themselves must do this work according to impact assessment procedures and the policy cycle. If problems surface in a ministry, the PMO steps in to assist. 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 EU presidency 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.), though the reports are ad hoc, focused on different sections and departments of ministries and agencies every year. The ombudsman also produces a procedural audit, though it has been recommended that the ombudsman be given the same rights of oversight as held by the audit office in order to better review the workings of government. 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. The follow-up of reports remains problematic, though the government has pledged to address administrative shortcomings identified by the National Audit Office. Furthermore, the parliamentary secretary charged with monitoring bureaucracies has strengthened this process.

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. The total budget allocated for local government for 2017 was €35.5 million. There has been a steady, though not particularly substantial, increase in the overall budget (local councils received €32 million in 2015 and €33 million in 2016), distributed across 68 localities throughout the islands of Malta and Gozo. A 2018 to 2020 local council culture fund of €750,000 has been introduced for cultural events.

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>

Local government culture fund 2018 - 2020

35.5 million budget for 68 local councils in 2017 The Malta Independent 04/07/17

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 the central government, for instance in the area of local planning, must 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. The ombudsman’s office has also suggested the introduction of a commissioner for local government within his office.

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 required further adaption to changing scenarios, especially at the ministerial and bureaucratic levels as well as ambassadorial and consulate levels. It also required the expansion and international training of personnel. Consequently, there is greater awareness of the need to respond to international developments. Better coordination among the bureaucracy has also contributed to improvements.

Parliament has demonstrated a greater willingness to engage with international forums. This has increased the government’s capacity to address international issues such as climate change, international financial institutions, security policy and humanitarian crises. The recent decision to provide the parliament with greater autonomy and resources is expected to enhance improvements made over these past four years. Furthermore, a debate has finally begun on whether parliament should become a full-time institution. Indeed, the most sophisticated and complex committee in parliament (with the most subcommittees) is the committee dedicated to foreign policy and European affairs.

International
Coordination
Score: 4

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 and was one of the few EU countries to honor in full the EU relocation program by taking in its full quota (accepting 131 refugees and asylum-seekers). As such, it has invested heavily in support services since 2013. In 2015, Malta hosted the Commonwealth Heads of Government Meeting and contributed toward the setting up of a fund to assist small commonwealth island countries with adapting to climate change and the fight to eradicate polio. Preliminary discussions also took place in preparation for the climate change summit in Paris. In October 2015, Malta hosted a EU-Africa migration conference (i.e., Valletta Summit on Migration). It has been pressing for the implementation of agreements reached at the summit and is planning a follow-up meeting for 2017. In December 2015, it facilitated talks between Libya's rival factions in support of a UN peace plan. Malta's progress in this sphere has also been demonstrated by its success during the EU presidency.

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

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 consultation exercises and greater attention has been given to reforming procedures. In addition, there are calls for a better regulatory framework to be put in place for a number of agencies and commissions.

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. Certain regulatory and enforcement mechanisms remain weak. Some improvement has been registered as a result of the 2017 EU presidency and efforts to improve continue.

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 occur in regular civil society forums and are reported on by the media. However, local opinion surveys are rarely used to evaluate policy proposals. The 2016 Eurobarometer survey found that Maltese respondents do not view local media as truthful when reporting events and that only 28% (the second lowest score) trust the press. Overall, only 15% (the third lowest score) have high trust in the media. The survey also found that 74% of Maltese watch television every day, while only 15% read the written press daily. In addition, 36% look to online social networks to receive national political news.

Citation:

Maltese more likely to trust government than the media study shows, Times of Malta 02/06/17
Standard Eurobarometre 86 Autumn 2016 Media use in the European Union

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. There have been calls for reform from within both government and the opposition to grant parliament more powers to monitor the government. These proposed reforms include a prime minister's question time, the review of political appointments (e.g., ambassadors, chairpersons of public entities and chiefs of police and the military), the appointment of a commissioner for standards in public life, reducing the time needed to introduce a private member's bill, MPs to transition to full time, and for more family friendly hours to be introduced to encourage an increase in female MPs. A new parliamentary committee to scrutinize public appointments is in the process of being established. 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, legislation was passed in 2016 giving parliament financial autonomy over budget decisions (Parliamentary Services Act) and in 2017 €80,000 was allocated for capital expenditure to establish a parliamentary archive, a library and additional committee rooms. Additional resources must be allocated to the parliamentary scrutiny committee dealing with pipeline aquis.

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 Chapter 562 ACTXL11 of 2016

Most PN proposals to improve parliamentary work included in PL manifesto - government Times of Malta 19/08/17

The PN has seven suggestions for a better functioning parliament Times of Malta 18/08/17

Speaker concerned about incomplete security coverage around parliament. Times of Malta 30/11/17

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. The ombudsman's 2018 plan again stressed the need for government transparency and accountability. The freedom of information act must be strengthened.

Citation:

Said Pullicino, J (ed) 2015 The State's Duty to Inform Office of the Parliamentary Ombudsman
Annual Report 2015 Parliamentary Ombudsman
How the rule of law is being undermined Times of Malta 23/10/17

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. In January 2018, the opposition called for stakeholders to testify within the context of scrutinizing a controversial deal that saw government sign a 30-year contract with Vitals global health care to run three state hospitals.

Citation:

Let MPs summon Vitals deal stakeholders. PN tells government, Times of Malta 06/01/1
Standing Orders of the House of Representatives Subsidiary Legislation Const.02 Article 164

Task Area
Congruence
Score: 6

There are presently thirteen standing committees, several of which are fully congruent with ministerial portfolios. These include health, foreign affairs, environment, economic and financial affairs, and social affairs. The main monitoring committee is the Public Accounts Committee, which is chaired by a member of the opposition. Since 2016, committees have become more involved in monitoring ministries, though they also retain an advisory role. In 2013, an ad hoc standing committee was established to monitor progress in

light of Malta hosting the 2018 European Capital of Culture. Two joint committees were also established bringing together social and family affairs, foreign and EU affairs, public accounts, and economic and financial affairs. The standing committee on foreign and EU affairs, among other tasks, scrutinizes pipeline aquis. In 2016, it considered 102 EU legislative proposals. As a result of this onerous task, this standing committee has become quite sophisticated and has three subcommittees: one acting as a clearinghouse and the other two dealing with the various policy areas in line with ministerial portfolios. This standing committee also works very closely with the other standing committees.

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>

<http://www.parliament.mt/standing-committees?l=1>

The Parliament of Malta web page

Parliament Annual Report 2016

Audit Office
Score: 9

The National Audit Office is an independent institution, reports exclusively to parliament and is charged with scrutinizing the fiscal performance of public administration. 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 of its members. The auditor general enjoys constitutional protection. The Public Accounts Committee has limited means at its disposal and depends on the audit office for support. Referrals by the prime minister and parliament to investigate matters that fall into his competence have been regular and increasing in recent years. The office audits all central government ministries and local government as well as publishes special reports on key and often controversial policy areas (currently higher education and health).

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>

Report by the Auditor General on the public accounts 2016

Annual Report on the working of local government 2016

Performance audit: outpatient waiting at Mater Dei hospital

Ombudsman annual report 2016

Ombuds Office
Score: 7

The ombudsman is elected by a two-thirds majority of the House of Representatives and held in high esteem by the public. The appointment of three commissioners (on the environment and planning, health and education) to investigate complaints as well as the office's wide-ranging powers to initiate inquiries considerably increased its standing as a watchdog for good governance. A secondary function of the ombudsman is to act as a catalyst for improving public administration. The ombudsman has stated that in pursuing these initiatives he has generally found collaboration from ministries, government departments and public authorities and that there have even been cases where public authorities have sought his advice. The Ombudsman Office, however, is not empowered to deal with human rights complaints and its recommendations are not binding. A recent clarification confirmed that the office has jurisdiction over complaints emanating from the armed forces of Malta. In his 2017 report, the ombudsman drew attention to the lack of jurisdiction his office has over privatized entities, particularly in the health and energy sectors, and the need for a remedy. He also drew attention to the problem of obtaining information from government on sensitive issues. A case in point are the uncensored texts of the agreements on the privatization of the health sector. The ombudsman recommended the office be granted constitutional protections and the appointment of a deputy ombudsman to strengthen the office and to extend the remit of the office to investigate the administrative actions, inactions, decisions and processes of public administration to further good governance.

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

Parliamentary Ombudsman Annual Report 2016

Media

Media Reporting
Score: 5

According to the Media Pluralism Monitor 2016, television remains the main and most trusted source of news on national political matters. According to the 2016 Eurobarometer, respondents in Malta see their national media as more free and independent and providing more diversity of viewpoints than five years ago. However, the media outlets are dominated by Malta's two major political parties and published information can often be described as "infotainment," sensational or superficial. Detailed reporting on government policy are rare. However, increased competition among independent media has improved the quality of media reporting. Improvements to the Freedom of

Information Act in 2012 have also improved media reporting, though numerous restrictions still exist and often newspapers cannot obtain relevant data. Increased competition has also allowed for more sensational reporting. Journalists have poor protections from owner and advertiser influence and political control over media outlets remains high. Malta is one of the few countries in Europe that has no policy on media literacy to empower citizens with critical skills needed for active participation in the contemporary exchange of information.

Citation:

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

Media Pluralism monitor 2016

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. Recently, the Nationalist Party (PN) decided to open to its members the second phase of voting for the party's leaders. However, these members are only allowed to vote after party delegates have made an initial choice from among the contenders. The result has been the election of a new leader who does not have the support of a number of the old stalwarts of the party. The Labor Party is presently utilizing a top-down approach in the selection of its deputy leaders. In selecting their agenda, the parties do now consult more widely with civil society. This explains the Labor Party's reference to itself as a movement, since it has succeeded in bringing together groups from various identities. This is an approach the Nationalist Party is also attempting to adopt.

Citation:

Are political parties becoming irrelevant? Malta Today 09/02/16

Replacing political parties. Times of Malta 01/01/18

Association
Competence
(Business)
Score: 7

Economic interest associations have structures capable of formulating relevant public policies. The greater resources commanded by economic interest associations enable them to employ highly qualified personnel and consult qualified academics according to the policy issue involved. The larger trade unions have their own research officers and can also draw on the expertise of the Centre for Labor Studies (CLS) at the University of Malta which was established to facilitate the trade union sector. Trade unions also use existing studies or academic and specialist support. EU support funds and structures such as internship programs have strengthened non-economic interest associations, allowing them to produce detailed research in their area of

Association
Competence
(Others)
Score: 6

expertise.

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 and other structures (e.g., the internship programs) 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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