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**NOTE**

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| From:    | General Secretariat of the Council                                                                                                                                                    |
| To:      | Delegations                                                                                                                                                                           |
| Subject: | ANNEX to the COUNCIL IMPLEMENTING DECISION amending the<br>Implementing Decision of 5 October 2021 on the approval of the<br>assessment of the recovery and resilience plan for Malta |

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Delegations will find attached the above-mentioned annex to the amending Council Implementing Decision.

**SECTION 1: REFORMS AND INVESTMENTS UNDER THE RECOVERY AND RESILIENCE PLAN****1. DESCRIPTION OF REFORMS AND INVESTMENTS****A. COMPONENT 1: ADDRESSING CLIMATE NEUTRALITY THROUGH ENHANCED ENERGY EFFICIENCY, CLEAN ENERGY AND A CIRCULAR ECONOMY**

This component of the Maltese recovery and resilience plan (RRP) contributes to addressing challenges related to the steep increase in energy consumption and waste generation resulting from a rapid population, employment and GDP growth in recent years. Specific characteristics of Malta, including its small size, high population density, limited land space, lack of economies of scale, its dependence on single distributors and suppliers, as well as the scarcity of natural resources, all exacerbate these challenges.

The objectives of the component are to invest in the decarbonisation of a number of buildings, provide renewable energy solutions in public spaces, whilst introducing reforms to develop a long-term building renovation strategy and improve waste management.

The investments consist of the renovation of a number of private sector and public buildings, public schools and hospitals that aim to improve the energy performance of these buildings, reduce energy consumption and carbon emissions. The component also aims to construct a near carbon-neutral school that shall also include the use of renewable energy systems, as well as renewable energy investments in roads and public spaces. The reform to develop a long-term building renovation strategy complements these investments, by creating a framework that promotes the renovation of Malta's building stock by 2050. The component also foresees the design of an enhanced waste policy, including the re-organisation of waste collection, to limit waste and improve circularity.

The component contributes to addressing the country-specific recommendations on investment in the green and digital transition, in particular on the clean and efficient production and use of energy and waste management (country-specific recommendations 3 2019, 3 2020 and 1 and 4 of 2022). It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the RRP in accordance with the DNSH Technical Guidance (2021/C58/01).

## **A.1. Description of the reforms and investments for non-repayable financial support**

### **Reform C1-R1: Develop a long-term renovation strategy**

The objective of the reform is to strengthen the institutional framework and ensure the availability of skilled workforce in the building and construction industry.

The reform shall establish a Regulator for Buildings, responsible for an integrated regulation and sustainable management of the building and construction industry having various responsibilities including issuance and enforcement of good practices guidelines and methodologies, policies and regulations, providing a centralised office for receipt and processing of complaints and monitoring the performance, safety and quality of buildings and construction works in Malta. It shall be made operational by contracting staff and committing financial resources. It shall increase the availability of qualified staff by extending skilling and upskilling measures to new professional categories with specific priority related to the acquisition of the necessary skills for supporting the buildings renovation projects. The reform measures are included in the long-term renovation strategy aiming to renovate Malta's building stock with a view to enhancing energy performance, increasing the use of renewable energy, reducing emissions and achieving decarbonisation of the building stock by 2050.

The reform shall be implemented by 30 June 2023.

### **Reform C1-R2: Fostering effective waste management through a robust waste governance framework including reforming the waste collection system**

The objective of the reform is to support waste management and further the transition towards a circular economy.

The reform consists of (i) entry into force of legal act(s) on single use plastic items, (ii) adoption of a Construction and Demolition Waste Strategy and (iii) actions supporting waste management.

### **Investment C1-I1: Reduction of primary energy demand of public and private sector buildings**

The objective of this investment is to increase energy efficiency and reduce energy demand in public and private sector buildings.

The investment consists of the reduction of primary energy demand (PED) of at least 30% in public buildings and the launch of call for applications for grants targeting the renovation of private sector buildings.

### **Investment C1-I2: Reduction of primary energy demand of one public hospital block**

The objective of the investment is to increase energy efficiency, reduce energy demand, lower carbon emissions, limit energy waste, in one public hospital block.

The investment consists of the reduction of primary energy demand (PED) of at least 30% in block 1 of the Mount Carmel public hospital.

#### Investment C1-I3: Investment in the renovation, retrofitting and renewable energy in public schools

The objective of the investment is to improve energy efficiency, reduce energy demand, lower carbon emissions and limit energy waste in two public schools.

The investment shall achieve a reduction of primary energy demand (PED) of at least 30% in two public schools (St Benedict College Ghaxaq Primary School and Gozo College Nadur Primary School).

It is expected that this measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the RRP in accordance with the Do No Significant Harm Technical Guidance (2021/C58/01). In particular, the measure requires the economic operators carrying out the construction works to ensure that at least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste (notified under document number C(2000) 1147)) generated on the construction site shall be prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy, Article 11.2 (b) of Directive 2008/98/EC on waste and the EU Construction and Demolition Waste Management Protocol.

The investment shall be implemented by 31 December 2023.

#### Investment C1-I4: Investment in the construction of a pilot near carbon neutral school to serve as a model for the future and provide a future-proof learning experience to students

The objective of the investment is to build one new near carbon neutral school, St. Theresa College Msida Primary School, complying with standard requirements of high-energy efficiency, taking into account resource efficiency, climate adaptation measures, adoption of digital technologies and affordability. This is meant to serve as a pilot project for future investments and to showcase the optimisation of indoor health, air quality, high energy efficiency, low carbon emissions and extensive use of renewable energy systems. Equal access for persons with disabilities shall also be ensured.

The investment shall consist of the construction of a near carbon neutral pilot school amounting to a total area of approximately 14,499m<sup>2</sup>, with a capacity of 500 students, 40 classes, a childcare centre able to take approximately 120 children, a library and a hall. The construction shall ensure that a Primary Energy Demand of at least 20% lower than the Nearly-Zero Energy Building requirement is met.

It is expected that this measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the RRP in accordance with the Do No Significant Harm Technical Guidance (2021/C58/01). In particular, the measure requires the economic operators carrying out the construction works to ensure that at least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste (notified under document number C(2000) 1147)) generated on the construction site shall be prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy, Article 11.2 (b) of Directive 2008/98/EC on waste and the EU Construction and Demolition Waste Management Protocol.

The investment shall be implemented by 31 December 2023.

#### Investment C1-I5: Renewable energy in public spaces

The objective of this investment is to generate green energy through renewable sources.

The investment consists of the installation of photovoltaics in public spaces.

**A.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support**

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                     | Qualitative indicators (for milestones)                                                                             | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                             |
|-------------------|----------------------------------------|-------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                   |                                                                          |                                                                                                                     | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                      |
| 1.1               | C1.R.1                                 | Milestone         | Entry into force of the Building and Construction Authority Act          | Provision in the Act indicating the entry into force of the Building and Construction Authority Act No. XIV of 2021 |                                       |          |      | Q2                      | 2021 | Entry into force of the Building and Construction Authority Act with the aim to establish a Regulator for Buildings. The authority shall be responsible for the regulation, improvement and sustainable management of the building and construction industry in Malta.                                                               |
| 1.2               | C1.R.1                                 | Milestone         | Building and Construction Authority – equipped with resources            | The Building and Construction Authority is equipped with human and financial resources                              |                                       |          |      | Q1                      | 2023 | The Building and Construction Authority shall be made operational by contracting at least 50 staff members and with a budget of at least EUR 2 million.                                                                                                                                                                              |
| 1.3               | C1.R.1                                 | Milestone         | Training and certification of professionals in the construction industry | Launch of training and certification of professionals in the construction industry                                  |                                       |          |      | Q4                      | 2022 | Open call for applications for a training and certification program for professionals and tradesmen of various levels in the buildings and construction industry to enhance the capacity for renovation courses. It shall target an array of professionals and tradesmen at various levels within the local construction eco-system. |
| 1.4               | C1.R.1                                 | Target            | Professionals in the construction industry eligible for a certificate    |                                                                                                                     | Number                                | 0        | 500  | Q2                      | 2023 | Number of professionals in the construction industry eligible for a certificate.                                                                                                                                                                                                                                                     |
| 1.5               | C1.R.2                                 | Milestone         | Entry into force of the updated Environment Protection Act               | Provision in the Act indicating the entry into force of the Act                                                     |                                       |          |      | Q4                      | 2021 | Entry into force of the updated Environment Protection Act whereby the importation, production, sale and distribution of certain single use plastic (SUP) items, namely plastic bags, cutlery, straws and plates shall be prohibited.                                                                                                |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                 | Qualitative indicators (for milestones)                                        | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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|                   |                                        |                   |                                                                      |                                                                                | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.8               | C1.R.2                                 | Milestone         | Adoption of the Construction and Demolition Waste Strategy for Malta | Online publication of the Construction and Demolition Waste Strategy for Malta |                                       |          |      | Q4                      | 2021 | <p>Adoption of the Construction and Demolition(C&amp;D) Waste Strategy. The Strategy shall be in line with the EU waste legislation and EU Construction and Demolition Waste Protocol. The Strategy shall identify specific measures in four main priority areas:</p> <ol style="list-style-type: none"> <li>1. Planning and design: aiming to tackle the problem at source by demolishing or constructing in a sustainable manner;</li> <li>2. Waste management: measures to improve waste logistics both at the development site as well as off-site;</li> <li>3. Quality management: measures associated with increasing the confidence in C&amp;D waste management practices as well as improving the quality of C&amp;D recycled materials; and</li> <li>4. Policy and regulatory framework: shall propose improvements in policy and framework conditions in order to break the link between development and waste generation. The proposed regulatory framework shall comply with the EU legislation and guidelines on construction and demolition waste.</li> </ol> <p>The measure shall not lead to a significant increase in the disposal of waste, or create disincentives to preparing for reuse and recycling of waste.</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                | Qualitative indicators (for milestones)             | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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|                   |                                        |                   |                                                     |                                                     | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 1.9               | C1.R.2                                 | Milestone         | Adoption of standards for the Construction Industry | Adoption of standards for the construction industry |                                       |          |      | Q4                      | 2022 | Adoption of standards for the construction industry. Standards shall concern: 1) Best practices for (de)construction, aimed at reducing the Construction and Demolition (C&D) waste generated and ensuring waste generated is suitable for treatment in line with the waste hierarchy provided in the Article 4 of the Directive 2008/98/EC on waste. 2) The classification of C&D waste by type, material, composition and weight, aimed to encourage on-site separation as well as improve the quality of the waste streams for subsequent re-use or recycling; 3) Appropriate excavation works, with the aim to re-use excavated rock for the purposes of construction; 4) Dimensions of internal and external apertures of residential dwellings aimed at encouraging the re-use of fittings as well as reduce diversification bringing about economies of scale. These standards shall be incorporated within the regulatory framework and compliance with these standards shall be an essential requirement prior to the issuance of an executable Development Permit. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                                                   | Qualitative indicators (for milestones)                                                                   | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|                   |                                        |                   |                                                                                                        |                                                                                                           | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 1.10              | C1.R.2                                 | Milestone         | Entry into force of a new regulatory framework for the management of construction and demolition waste | Provision in the new regulatory framework indicating the entry into force of the new regulatory framework |                                       |          |      | Q4                      | 2023 | <p>Entry into force of a new regulatory framework for the management of construction and demolition waste in Malta. The regulatory framework shall be developed and discussed with actors involved along the construction and demolition chain. The regulatory framework shall comply with the EU waste legislation and EU Construction and Demolition Waste Protocol and Guidelines.</p> <p>The regulatory framework shall be structured on the following main priority areas indicated in the strategy to ensure a shift towards a more circular economy:</p> <ul style="list-style-type: none"> <li>(i) the prevention and better management of C&amp;D waste at each stage of the development, that is at the demolition, excavation and construction stages;</li> <li>(ii) the separation of waste at source;</li> <li>(iii) promoting the development of secondary markets for end-of-life resources, as well as ensuring that there is a shift from recovery and disposal to reuse and recycling.</li> </ul> <p>In addition, the said regulations shall clearly identify and define the roles and responsibilities of the actors (such as developers, contractors, architects and property owners) involved in the sector.</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                                               | Qualitative indicators (for milestones)                                                                                                      | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|                   |                                        |                   |                                                                                                    |                                                                                                                                              | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 1.11              | C1.R.2                                 | Milestone         | Recovery of construction and demolition waste through backfilling void spaces (quarries)           | Conditions are in place for the recovery of construction and demolition waste in void spaces                                                 |                                       |          |      | Q4                      | 2022 | The following conditions are in place for the recovery of construction and demolition waste in void spaces to restore them in their original state with high environmental standards: (i) the Environment and Resource Authority, in collaboration with the Planning Authority has identified the quarries, which have been declared as partly exhausted, exhausted or inactive and determined the volume contained therein; (ii) a set of terms of reference for the restoration of void spaces to their original state; and (iii) mechanisms to incentivise the crushing of material prior to backfilling, such as including the crushing of material prior to backfilling as a requirement when publishing call for tenders involving construction works by Government entities. The definition of such mechanisms shall be determined following consultation with stakeholders, including potential beneficiaries, the relevant authorities and also other primary stakeholders. The measure shall not lead to a significant increase in the disposal of waste, or create disincentives to preparing for reuse and recycling of waste. The waste used for backfilling shall be suitable non-hazardous waste substituting non-waste materials and shall be limited to the amount strictly necessary, in line with Article 3(17a) of Directive 2008/98/EC on waste. |
| 1.12              | C1.R.2                                 | Milestone         | Setting up of six municipal regional bodies responsible for waste collection across Malta and Gozo | Responsibility for collection shifted to regions, including collection of recyclables and all waste collection centres are fully operational |                                       |          |      | Q4                      | 2022 | Responsibility of waste collection shall shift from 68 Local Councils to six regions:<br>a) Port (including 11 Local Councils),<br>b) Southern (12 Local Councils),<br>c) Eastern (12 Local Councils),<br>d) Western (10 Local Councils)<br>e) Northern (9 Local Councils),<br>f) Gozo (14 Local Councils).<br>The transition of waste collection to six centres is completed. The six centres are fully operational and in charge of collecting waste.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                                                                  | Qualitative indicators (for milestones)                                                                                        | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                        |
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|                   |                                        |                   |                                                                                                                       |                                                                                                                                | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1.13              | C1.R.2                                 | Milestone         | Entry into force of revised legislation on packaging material to allow for the regional collection of packaging waste | Provision in the revised legislation indicating the entry into force of the revised legislation                                |                                       |          |      | Q4                      | 2022 | Entry into force of revised legislation on packaging material which allows for the regional collection of packaging waste. This shall build on the legislation for the regional collection of waste which was established through the Local Government Act. Regional councils shall be responsible for the logistics to enable economies of scale, whilst the producers shall be responsible for the financing. |
| 1.15              | C1.I.1                                 | Milestone         | Contracted services for the renovation of public buildings                                                            | Contracts signed for the procurement of renovation services for selected public buildings covered by this investment           |                                       |          |      | Q2                      | 2023 | All contracts signed for the procurement of renovation services of public buildings with an area of at least 9 232m <sup>2</sup> .                                                                                                                                                                                                                                                                              |
| 1.16              | C1.I.1                                 | Target            | Reduction of primary energy demand in public buildings                                                                |                                                                                                                                | Percentage                            | 0        | 30%  | Q4                      | 2025 | Reduction of primary energy demand (PED) of at least 30% in public buildings covering an area of at least 8 000m <sup>2</sup> .                                                                                                                                                                                                                                                                                 |
| 1.17              | C1.I1                                  | Milestone         | Launch of call for applications for grants targeting the renovation of private sector buildings                       | Grants targeting the renovation of private sector buildings, including commercial and other non-residential buildings launched |                                       |          |      | Q1                      | 2022 | Launch of call for applications for the selection of applicants for grants targeting the renovation of private sector buildings for retrofitting and energy efficiency (including commercial/non-residential buildings). The area financed under this investment shall be of at least 40,605m <sup>2</sup> .                                                                                                    |
| 1.19              | C1.I.2                                 | Milestone         | Energy Performance Audit of Mount Carmel Public Hospital                                                              | Completion of Energy Performance and Energy Audit of Mount Carmel Public Hospital                                              |                                       |          |      | Q2                      | 2022 | Completion of Energy Performance Audit at Mount Carmel Hospital in compliance with Directive 2010/31/EU to establish the Energy Performance Certificate class of the respective blocks and identify the applicable Energy Efficiency renovation measures.                                                                                                                                                       |
| 1.20              | C1.I.2                                 | Milestone         | Contract(s) signed for the renovation of block 1 of Mount Carmel Public Hospital                                      | Contract(s) signed                                                                                                             |                                       |          |      | Q4                      | 2024 | Contract(s) signed for the renovation of block 1 of Mount Carmel Public Hospital.                                                                                                                                                                                                                                                                                                                               |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                          | Qualitative indicators (for milestones)                                                       | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                       |
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|                   |                                        |                   |                                                                               |                                                                                               | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                |
| 1.21              | C1.I.2                                 | Target            | Reduction of primary energy demand in block 1 of Mount Carmel Public Hospital |                                                                                               | Percentage                            | 0        | 30%  | Q2                      | 2026 | Reduction of primary energy demand (PED) of at least 30% in block 1 of Mount Carmel Public Hospital.                                                                                                                                                                                                                                                                           |
| 1.22              | C1.I.3                                 | Milestone         | Energy Performance Audit of two Public Schools                                | Completion of assessment of overall Energy Performance and Energy Audit of two Public Schools |                                       |          |      | Q4                      | 2021 | Completion of energy performance audit of two public school buildings (St. Benedict College Ghaxaq Primary School and Gozo College Nadur Primary School) in compliance with Directive 2010/31/EU to establish their Energy Performance Certificate class and identify applicable Energy Efficiency renovation measures. Completion shall mean the delivery of an audit report. |
| 1.23              | C1.I.3                                 | Milestone         | Contracted services for the renovation of two Public Schools                  | Contracts signed for the renovation of two Public Schools                                     |                                       |          |      | Q1                      | 2022 | All contracts signed for the procurement of renovation of two public school buildings (St. Benedict College Ghaxaq Primary School and Gozo College Nadur Primary School) covering a total area of more than 9 710m <sup>2</sup> . The renovation shall achieve a reduction of primary energy demand (PED) of at least 30%.                                                     |
| 1.24              | C1.I.3                                 | Target            | Reduced primary energy demand in two Public Schools                           |                                                                                               | Percentage                            | 0        | 30   | Q4                      | 2023 | Reduction of primary energy demand (PED) of at least 30% in two public schools (St. Benedict College Ghaxaq Primary School and Gozo College Nadur Primary School).                                                                                                                                                                                                             |
| 1.25              | C1.I.4                                 | Milestone         | Contracted services for construction works of a near carbon neutral school    | Contracts signed for the construction of a near carbon neutral school.                        |                                       |          |      | Q1                      | 2022 | Signed contracts for the procurement of construction works for the near carbon neutral school. The construction shall ensure that a Primary Energy Demand (PED) that is at least 20% lower than the NZEB requirement is met.                                                                                                                                                   |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                            | Qualitative indicators (for milestones) | Quantitative indicators (for targets) |          |        | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                      |
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|                   |                                        |                   |                                                                 |                                         | Unit of measure                       | Baseline | Goal   | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                               |
| 1.26              | C1.I.4                                 | Target            | Construction of a near-carbon neutral school completed          |                                         | m <sup>2</sup>                        | 0        | 14 499 | Q4                      | 2023 | Construction works of the near-carbon neutral school are completed. The school is estimated to cater for around 500 students and to have a land surface area of at least 14 499m <sup>2</sup> . The construction shall ensure that a Primary Energy Demand (PED) that is at least 20% lower than the NZEB requirement is met. |
| 1.27              | C1.I.5                                 | Target            | Installed generation capacity of photovoltaics in public spaces |                                         | kWp                                   | 0        | 143    | Q2                      | 2026 | Installed generation capacity of photovoltaics in public spaces.                                                                                                                                                                                                                                                              |

## **B. COMPONENT 2: DECARBONISING TRANSPORT**

This component of the Maltese RRP contributes to addressing the challenge of road traffic congestion, greenhouse gas and pollutant emissions, and the need to make the transport sector more sustainable.

The objective of the component is to shift traffic from road to more sustainable modes and decarbonise road transport through electrification, in line with Malta's National Energy and Climate Plan for 2030, the 2050 Low Carbon Development Strategy, Malta's National Reform Programme (2020) and Malta's National Transport Strategy.

Reforms in this component improve transport planning, expand the use of public transport and implement actions of the Sustainable Urban Mobility Plan for the Valletta region. They also designate regeneration areas, promote remote working in the public sector, and increase the efficiency of the public sector vehicle fleet. Investments comprise a scrappage scheme supporting the purchase of zero-emission electric vehicles in the private sector and a renewal of the public sector vehicle fleet with zero-emission electric vehicles.

The component contributes to addressing the country-specific recommendations to focus investment on the green transition (country-specific recommendation 3 2020), sustainable transport (country-specific recommendations 3 2019 and 3 2020) and reducing traffic congestion (country-specific recommendation 3 2019), as well as country-specific recommendations 1 and 4 of 2022 with a focus on the green transition, sustainable transport and the reduction of traffic congestion.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the RRP in accordance with the DNSH Technical Guidance (2021/C58/01).

### **B.1. Description of the reforms and investments for non-repayable financial support**

#### **Reform C2-R1: Supporting the decarbonisation of the transport sector, including by raising awareness of sustainable or active mobility**

The objective of the reform is to support the decarbonisation of the transport sector.

The measure consists of: (i) Malta's National Household Travel Survey, and (ii) actions undertaken to raise awareness of sustainable or active mobility.

#### **Reform C2-R2: Promoting further use of collective road public transport**

The objective of this reform is to promote the use of road public transport as a means to reduce emissions and address congestion.

This reform shall consist in the signature of an addendum to the concession agreement between the Maltese Authority for Transport and the Operator providing public transport services, allowing access to scheduled fare-free road public transport for all holders of a personalised Tallinja Card.

The reform shall be implemented by 31 December 2023.

### Reform C2-R3: Expediting the finalisation and implementation of a Sustainable Urban Mobility Plan (SUMP) for the Valletta Region

The objective of this reform is better transport planning and sustainable mobility solutions.

The measure consists of the online publication of the Sustainable Urban Mobility Plan (SUMP) for the Valletta Region and the installation of bicycle racks and pumps as eligible interventions under the Plan, in nine local councils within the Valletta region.

### Reform C2-R4: Reducing the socio-economic and environmental impact of vehicles in urban areas

The objective of this reform is to select regeneration areas in urban areas to increase walking, cycling and the use of public transport.

The measure consists of the signing of an agreement between Transport Malta and the Local Councils Association for the selection of regeneration areas in urban areas.

### Reform C2-R5: Promoting remote working in the public service

The objective of this reform is to enhance remote working in the public sector. The possibility to work from home or through regional hubs is expected to reduce journeys to and from work and therefore traffic congestion.

First, this reform shall consist of the establishment of 15 office facilities that enable remote work for public service officials across the Maltese Islands. Such office spaces are expected to be operational for remote working and shall accommodate at least 140 workstations in total across the 15 office facilities.

Second, this reform shall consist of the publication of the Remote Working Policy for Government Employees. The policy shall outline the eligibility criteria, conditions, requirements for approval and application guidelines governing this initiative that promotes work-life balance and contributes towards sustainability.

The reform shall be implemented by 31 March 2022.

### Reform C2-R6: Mobility in the public service

The objective of this reform is to support mobility management in the Maltese public service.

The measure consists of a study to assess public service transport infrastructure currently in place across the Maltese Public Service and a digital platform put online to track and book rides with public service vehicles.

### Reform C2-R7: Public services and public bus services

The objective of this reform is to reduce traffic congestion and emissions from road transport.

The reform consists of restricting road cleansing and road marking services to off-peak hours, increase the frequency of the scheduled public bus service to Hal Farruġ, an extension of the scheduled public bus route service to Hal Far, a new scheduled public bus service between Addolorata and L-Imsida (Universita') and Mater Dei (Sptar), and a new scheduled public bus service between Ta' Qali and L-Imsida (Universita') and Mater Dei (Sptar).

#### Investment C2-I2: Enhancing the uptake of electric vehicles in the private sector

The objective of this investment is a shift towards electric mobility and reduce emissions emanating from the road transport sector in Malta.

This measure consists of grants for the purchase of new electric vehicles in the private sector.

#### Investment C2-I3: Decarbonising the public service fleet

The objective of this investment is to increase the uptake of electric vehicles in the public service.

The measure consists of the purchase of 250 electric vehicles for use in the Government vehicle fleet and the scrappage of an equivalent number of vehicles.

## B.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                | Qualitative indicators (for milestones)                                 | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------|----------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                     |                                                                         | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2.1               | C2.R.1                                 | Milestone          | National Household Travel Survey                                                                    | Completion of the National Household Travel Survey                      |                                       |          |      | Q4                      | 2021 | The National Household Travel Survey is completed. This survey shall aim to quantify current travel patterns, behaviour and gauge public opinion on new potential measures to be included in the updated Transport Master Plan. Completion of the survey refers to the moment where the data collection and analysis for the survey have been carried out and findings have been identified in a written report. |
| 2.2               | C2.R.1                                 | Milestone          | Raising awareness of sustainable or active mobility                                                 | Actions undertaken to raise awareness of sustainable or active mobility |                                       |          |      | Q4                      | 2025 | Actions shall be undertaken to raise awareness of sustainable or active mobility.                                                                                                                                                                                                                                                                                                                                |
| 2.3               | C2.R.2                                 | Milestone          | Access to fare-free scheduled road public transport for all holders of a personalised Tallinja Card | Addendum to the concession agreement signed                             |                                       |          |      | Q4                      | 2023 | Signature of the addendum to the concession agreement between the Maltese Authority for Transport and the Operator providing public transport services, allowing access to scheduled fare-free road public transport for all holders of a personalised Tallinja Card.                                                                                                                                            |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                                   | Qualitative indicators (for milestones)                                           | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------|----------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                                                        |                                                                                   | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2.4               | C2.R.3                                 | Milestone          | Publication of the Sustainable Urban Mobility Plan for the Valletta Region                                                             | Online publication of the Sustainable Urban Mobility Plan for the Valletta Region |                                       |          |      | Q4                      | 2022 | Online publication of the Sustainable Urban Mobility Plan for the Valletta Region, setting out eligible interventions to be implemented through the Sustainable Urban Mobility Plan. Eligible types of interventions are: peripheral parking schemes that encourage more sustainable modes of transport including cycling and walking in the city core; the localisation and implementation of local transport hubs, cycling infrastructure, car sharing among several people and on demand transport services; the deployment and use of electric vehicles and charging infrastructures in densely populated urban areas and urban logistics, such as through the implementation of last-mile solutions, including for commercial purposes and supporting alternative mobility solutions. |
| 2.5               | C2.R.3                                 | Target             | Bicycle racks and pumps installed in nine of the local councils covered by the Sustainable Urban Mobility Plan for the Valletta Region |                                                                                   | Number                                | 0        | 9    | Q2                      | 2025 | Bicycle racks and pumps shall be installed in nine of the local councils covered by the Sustainable Urban Mobility Plan for the Valletta Region.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                             | Qualitative indicators (for milestones)                                    | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------|----------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                                  |                                                                            | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 2.6               | C2.R.4                                 | Milestone          | Agreement with Local Councils Association on the regeneration areas in urban areas                               | Signed agreement for regeneration areas in urban areas                     |                                       |          |      | Q2                      | 2021 | The signing of agreement between Transport Malta and Local Councils Association for the selection of regeneration areas in urban areas. A regeneration area is an area where Local Councils promote walking, cycling and public transport, in parallel with other educational campaigns to avoid unnecessary travel which is expected to result in additional free and unencumbered open public space. The selection of regeneration areas shall be consistent with the measures outlined in Malta's Transport Master Plan. |
| 2.8               | C2.R.5                                 | Milestone          | Publication of the Remote Working Policy for Government Employees                                                | Publication of the Remote Working Policy Document for Government Employees |                                       |          |      | Q1                      | 2022 | Publication of a Remote Working Policy for Government employees. The policy shall outline the eligibility criteria, conditions, requirements for approval and application guidelines governing this initiative that promotes work-life balance and contributes towards sustainability.                                                                                                                                                                                                                                      |
| 2.9               | C2.R.5                                 | Target             | 15 office facilities that enable remote work for public service officials across the Maltese Islands operational |                                                                            | Number                                | 0        | 15   | Q4                      | 2021 | Number of offices in different localities being operational with facilities that enable remote work by public service workforce across all Ministries. Such office spaces shall accommodate at least 140 workstations in total across the 15 office facilities.                                                                                                                                                                                                                                                             |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                              | Qualitative indicators (for milestones)                           | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------|----------------------------------------|--------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                   |                                                                   | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2.10              | C2.R.6                                 | Milestone          | Completion of study on enhanced mobility management in the Maltese public service | Study with recommendations completed                              |                                       |          |      | Q1                      | 2023 | Completion of study about change in mobility management in the Maltese Public Service. The study shall examine the current situation and establish a baseline of existing shared mobility (that is, coordinated trips between at least two Government Departments) in the public service; make recommendations to re-engineer the process leading to higher efficiency; and identify the number and type of a cleaner fleet of government general-use vehicles. The study shall be carried out by an independent contractor following a public procurement procedure. The study shall be shared with the European Commission. |
| 2.11              | C2.R.6                                 | Milestone          | Digital platform for mobility with public service vehicles                        | Digital platform for mobility with public service vehicles online |                                       |          |      | Q2                      | 2025 | A digital platform to track and book rides with public service vehicles shall be online.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                         | Qualitative indicators (for milestones)                                      | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------|----------------------------------------|--------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                              |                                                                              | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2.22              | C2.R7                                  | Milestone          | Public services shifted to off-peak hours and changes to public bus services | Public services shifted to off-peak hours and changes to public bus services |                                       |          |      | Q2                      | 2026 | <p>The following measures shall be taken:</p> <ul style="list-style-type: none"> <li>- Memorandum of Understanding signed between The Authority for Transport in Malta and The Agency for Infrastructure Malta allowing for road marking public services to be shifted to off-peak hours.</li> <li>- Memorandum of Understanding signed between The Authority for Transport in Malta and the Cleansing and Maintenance Division allowing for road cleaning public services to be shifted to off-peak hours.</li> <li>- Increased frequency of scheduled public bus service to serve Hal Farruġ.</li> <li>- Extension of scheduled public bus service to serve Hal Far.</li> <li>- A new scheduled public bus service between Addolorata and L-Imnsida (Universita') and Mater Dei (Sptar).</li> <li>- A new scheduled public bus service between Ta' Qali and L-Imnsida (Universita') and Mater Dei (Sptar).</li> </ul> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                                           | Qualitative indicators (for milestones)                                                                                  | Quantitative indicators (for targets) |          |       | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                    |
|-------------------|----------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------|-------|-------------------------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                                                                |                                                                                                                          | Unit of measure                       | Baseline | Goal  | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                             |
| 2.15              | C2.I.2                                 | Milestone          | Open call for applications for electric vehicles and bicycles in the private sector, including scrappage scheme                                | Launched open call for applications for electric vehicles and bicycles in the private sector, including scrappage scheme |                                       |          |       | Q1                      | 2022 | Launch of open call for applications for support to the purchase of new electric vehicles and bicycles in the private sector, including scrappage schemes for households and commercial undertakings. The calls shall include support for the purchase of new passenger, passenger care, goods carrying vehicles, minibuses/coaches, quadricycles/motorcycles and pedelecs. |
| 2.16              | C2.I.2                                 | Target             | Number of grants awarded for electric vehicles under the scheme for the private sector                                                         |                                                                                                                          | Number                                | 0        | 1 000 | Q2                      | 2023 | This target measures the number of grants awarded under the Electric Vehicle Scheme in the private sector.                                                                                                                                                                                                                                                                  |
| 2.17              | C2.I.2                                 | Target             | Number of grants awarded for electric vehicles under the scheme for the private sector                                                         |                                                                                                                          | Number                                | 1 000    | 5 600 | Q4                      | 2024 | This target measures the number of grants awarded under the Electric Vehicle Scheme in the private sector.                                                                                                                                                                                                                                                                  |
| 2.17a             | C2.I.2                                 | Target             | Number of grants awarded for the purchase of electric vehicles in the private sector, together with mandatory scrappage of an existing vehicle |                                                                                                                          | Number                                | 0        | 5 800 | Q2                      | 2026 | This target measures the number of grants awarded for the purchase of electric vehicles in the private sector, together with mandatory scrappage of an existing vehicle.                                                                                                                                                                                                    |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                        | Qualitative indicators (for milestones) | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                         |
|-------------------|----------------------------------------|--------------------|---------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------|----------|------|-------------------------|------|--------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                             |                                         | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                  |
| 2.18              | C2.I.3                                 | Milestone          | Contracted services for the supply of electric vehicles for the public service fleet        | Contracts signed                        |                                       |          |      | Q3                      | 2023 | Signed contracts for the supply of electric vehicles for the public service.                     |
| 2.19              | C2.I.3                                 | Target             | Replacement of vehicles within the Government fleet with electric (zero emissions) vehicles |                                         | Number                                | 0        | 250  | Q3                      | 2025 | Replacement of 250 vehicles within the Government fleet with electric (zero emissions) vehicles. |

## C. COMPONENT 3: DIGITALISATION

This component of the Maltese RRP addresses the challenges related to further increasing the digitalisation across the public and private sectors, notably in terms of improving the resilience, capacity and security of the government digital backbone, access to digital technology, range and quality of e-government services, uptake of those services by citizens and businesses, and digitalisation of the private sector. The component also contributes to addressing the challenge of improving Malta's performance in research and innovation (R&I), where Malta is ranked as a 'moderate innovator', according to the European Innovation Scoreboard 2021.<sup>1</sup>

The objective of the component is to fast track the digital transition, notably by strengthening the national policy framework, investing in the further digitalisation of the public administration and public services (to increase their range, quality and uptake), as well as supporting the digitalisation of SMEs. The component also aims to improve Malta's R&I performance.

The first reform in this component concerns developing and implementing the initiatives regarding the following three main aspects of Malta Digital Strategy 2022-2027: to reduce the digital divide, to promote digital skills, and to improve digital public services. The implementation of the strategies for the development of digital skills shall be supported through the use of other EU funding programmes, such as the European Social Fund Plus. The second reform relates to the implementation of Malta's smart specialisation strategy, with a particular focus on fostering business R&I and strengthening public-private cooperation. The investments are targeted at strengthening the government digital backbone and digital solutions, digitalising the Merchant Shipping Directorate, further digitalising the public administration and rolling out support measures to digitalise the private sector (namely, SMEs).

The component contributes to addressing the country-specific recommendations related to the digital transition (country-specific recommendation 3 2020 and 1 2022) and to research and innovation (country-specific recommendations 3 2019 and 3 2020).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the RRP in accordance with the DNSH Technical Guidance (2021/C58/01).

### **C.1. Description of the reforms and investments for non-repayable financial support**

#### **Reform C3-R1: Deepening the digital transformation through policy reform, with a focus on reducing the digital divide and promoting digital skills**

The objective of the reform is to develop and implement strategies and initiatives focussing on reducing the digital divide, promoting digital skills, strengthening socio-economic cohesion and improving digital public services.

The reform shall include the implementation of measures set out in Malta Digital Strategy 2022-2027. In particular, the reform shall involve the launch of a programme to support families with low income to have access to computers as well as to be eligible for internet access and training and guidance on the use of the computer on a first-come, first-served basis. Also, the reform shall strengthen and

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<sup>1</sup> European Commission, 'European Innovation Scoreboard 2021', 21 June 2021.

promote human resource capacity through the launch of a scholarship scheme to encourage students to become professionals in the digital area, including in innovative technologies such as artificial intelligence.

The reform shall be implemented by 31 December 2023.

Reform C3-R2: Finalise and implement Malta's smart specialisation strategy, with a particular focus on fostering business R&I and strengthening public-private cooperation

The objective of the reform is to establish and implement a new policy framework for smart specialisation, with a focus on fostering business R&I and strengthening public-private cooperation.

The reform shall include the adoption of Malta's smart specialisation strategy 2021-2027, the key initiatives of which shall include the promotion of inter-agency collaboration in support of enterprises and inter-agency coordination in order to raise awareness on R&I funding schemes, as well as the simplification of procedures related to application for funding and provision of guidance to potential beneficiaries in a more targeted and effective manner. The reform shall also encourage public-private cooperation to transform research results into market-ready solutions. This reform shall complement the efforts in R&I undertaken through the Union's cohesion policy funds.

The reform shall be implemented by 31 December 2024.

Investment C3-I1: Strengthening the resilience, security and efficiency of the government digital backbone and investing in appropriate digital solutions, devices and tools

The objective of the investment is to support the resilience and security of the government digital backbone, increase the homogeneity, standardisation and sharing of services across the government, and upgrade the interface with businesses.

The measure consists of investing within the digital backbone into various digital solutions and components to further increase the backbone's overall security, resilience and capacity.

Investment C3-I2: Digitalisation of the Merchant Shipping Directorate within Transport Malta

The objective of the investment is to further digitalise the merchant shipping sector and ensure more efficient regulatory practices, as well as optimise the internal operations, customer relations and administration within Malta's Merchant Shipping Directorate.

The investment consists of making accessible for use the document management system and parts of the vessel management system.

Investment C3-I3: Further digitalisation and modernisation of the public administration

The objective of the investment is for the public administration to provide better customer experience to citizens and business organisations, to increase the uptake of online services, to support the competitiveness of the Maltese economy, and to offer remote means of working for public officers.

The investment consists of supporting the use of e-government services, creating the National Single Window for Customs and the Address-Based Geolocated Image Capture of Maltese building units, and acquiring hardware and software to offer remote work for public officers.

#### Investment C3-I4: Rolling out measures to support the digitalisation of the private sector

The objective of the investment is to support the private sector in its digitalisation efforts by addressing gaps in funding opportunities.

The investment consists of grants for the private sector to invest in the digitalisation (including hardware, software and digital solutions), in order to support operations and explore new business opportunities.

#### Investment C3-I5: Mobile infrastructure and software for digitalisation of urban ecology

The objective of the investment is to acquire mobile infrastructure and software for the digitalisation of urban ecology to facilitate aerial, terrestrial, subterranean and bathymetric scans and contribute towards the creation of a national interactive database that supports management and research of environmental, social and urban developments.

The investment consists of the acquisition of mobile infrastructure and software for digitalisation of urban ecology.

#### Investment C3-I6: Transfer to InvestEU Member State Compartment

This measure consists of a public investment in the InvestEU Member State compartment in order to incentivise private investment and improve access to finance for SMEs. The contribution to the InvestEU Member State compartment shall be used for loan guarantees provided to SMEs through financial intermediaries to the private sector.

A Guarantee Agreement between the Commission and Implementing Partner, selected in accordance with the relevant provisions of Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017, shall enter into force.

Malta shall sign a contribution agreement with the European Commission that shall include:

- The proposed Implementing Partner.
- The requirement of compliance with the DNSH Technical Guidance (2021/C58/01). If necessary, the Guarantee Agreement shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use<sup>2</sup>; (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected

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<sup>2</sup> Except for (a) projects in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

greenhouse gas emissions that are not lower than the relevant benchmarks<sup>3</sup>; (iii) activities and assets related to waste landfills, incinerators<sup>4</sup> and mechanical biological treatment plants<sup>5</sup>.

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<sup>3</sup> Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks, an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

<sup>4</sup> This exclusion does not apply to actions in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

<sup>5</sup> This exclusion does not apply to actions in existing mechanical biological treatment plants, where the actions are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

**C.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support**

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                    | Qualitative indicators (for milestones) | Quantitative indicators (for targets) |          |       | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------|----------------------------------------|--------------------|-------------------------------------------------------------------------|-----------------------------------------|---------------------------------------|----------|-------|-------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                         |                                         | Unit of measure                       | Baseline | Goal  | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 3.1               | C3.R.1                                 | Milestone          | Launch of a scholarship scheme for students to become ICT professionals | Online publication of the scheme        |                                       |          |       | Q1                      | 2022 | In line with Malta Digital Strategy 2022-2027, open a scholarship scheme to encourage students to pursue a career in niche ICT areas such as artificial intelligence.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 3.2               | C3.R.1                                 | Target             | Individuals supported to mitigate digital divide                        |                                         | Number                                | 0        | 1 000 | Q4                      | 2023 | A pilot scheme shall be launched in 2021 to analyse the impact of home internet connection and access to a computer on low income families in respect to digital literacy, connectivity, integration of digital technology and computer skills. The pilot scheme shall target applicants with low income and limited means. Beneficiaries shall be provided with a computer. In addition, beneficiaries shall be informed of their eligibility for internet access, as well as of the possibility of applying for training and guidance on the use of the computer on a first-come, first-served basis. |
| 3.3               | C3.R.2                                 | Milestone          | Adoption of Malta's Smart Specialisation Strategy                       | Online publication of the strategy      |                                       |          |       | Q4                      | 2021 | Publication of national smart specialisation strategy. The strategy shall focus on a number of key initiatives including:<br>- investment in research infrastructure;<br>- supporting internationalisation, including through participation in Horizon Europe;<br>- promotion of inter-agency collaboration in support of enterprises; and<br>- incentives for industry stakeholders to innovate.                                                                                                                                                                                                       |
| 3.5               | C3.I.1                                 | Target             | Increased uptime of the Digital Backbone                                |                                         | % (Percentage)                        | 99.7     | 99.8  | Q4                      | 2023 | Percentage of uptime (total time that service is up, divided by the total number of hours during that period, excluding scheduled downtime) of the digital backbone (Government Network referred to as MAGNET and MITA Corporate Data Centres) measured by Malta Information Technology Agency (MITA).                                                                                                                                                                                                                                                                                                  |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                        | Qualitative indicators (for milestones)                             | Quantitative indicators (for targets) |          |           | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------|----------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------|----------|-----------|-------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                                             |                                                                     | Unit of measure                       | Baseline | Goal      | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 3.6               | C3.I.1                                 | Milestone          | Level 4 in NIST cybersecurity framework                                                                                     | NIST level assessed as level 4 in a report by an independent expert |                                       |          |           | Q4                      | 2025 | An assessment report prepared by an independent expert, documenting that MITA infrastructure attains an overall level 4 in NIST cybersecurity framework. In addition, cybersecurity training shall be provided.                                                                                                                                                                                                                                                         |
| 3.8               | C3.I.2                                 | Milestone          | IT systems and tools accessible for use                                                                                     | IT systems and tools are accessible for use                         |                                       |          |           | Q4                      | 2025 | The following IT systems and tools shall be accessible for use:<br><ul style="list-style-type: none"> <li>• Document Management System, including the migration of ship files, and</li> <li>• The parts of the Vessel Management System providing for: <ul style="list-style-type: none"> <li>• a Digital Maritime Interface</li> <li>• the Billing Module</li> <li>• the Maritime Analytics</li> <li>• the Seafarer Training Management Module.</li> </ul> </li> </ul> |
| 3.10              | C3.I.3                                 | Target             | Expenditure incurred in relation to the modern digital workplace and solutions to improve the front-end customer experience |                                                                     | EUR                                   | 0        | 2 500 000 | Q4                      | 2022 | At least a value of EUR 2 500 000 has been paid for contractual obligations relating to measures in relation to the modern digital workplace and solutions to improve the front-end customer experience.                                                                                                                                                                                                                                                                |
| 3.11              | C3.I.3                                 | Milestone          | Acquisition or renewal of Microsoft 365 (or equivalent) licences                                                            | Licences acquired or renewed                                        |                                       |          |           | Q4                      | 2025 | Acquisition or renewal of 3 500 Microsoft 365 (or equivalent) licences in 2021 and 3 500 Microsoft 365 (or equivalent) licences in 2022.                                                                                                                                                                                                                                                                                                                                |
| 3.11a             | C3.I.3                                 | Milestone          | Acquisition or renewal of Microsoft 365 Copilot licences                                                                    | Licences acquired or renewed                                        |                                       |          |           | Q2                      | 2026 | Acquisition or renewal of 5 000 Microsoft 365 Copilot licences in 2025 and 12 000 Microsoft 365 Copilot licences in 2026.                                                                                                                                                                                                                                                                                                                                               |
| 3.12              | C3.I.3                                 | Milestone          | Acquisition of laptops and telephony licences                                                                               | Laptops and telephony licences acquired                             |                                       |          |           | Q4                      | 2024 | Acquisition of 2 000 laptops and 2 000 telephony licences.                                                                                                                                                                                                                                                                                                                                                                                                              |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                       | Qualitative indicators (for milestones)                                                                    | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------|----------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                            |                                                                                                            | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 3.13              | C3.I.3                                 | Milestone          | Digital public services for citizens and businesses                                                        | Digital Economy and Society Index (DESI) indicator for digital public services                             |                                       |          |      | Q4                      | 2025 | DESI indicator for digital public services for citizens of at least 99.7.<br><br>DESI indicator for digital public services for businesses of at least 99.0.                                                                                                                                                                                                                                                                                                                                            |
| 3.13a             | C3.I.3                                 | Milestone          | National Single Window for Customs and an Address-Based Geolocated Image Capture of Maltese Building Units | National Single Window for Customs and an Address-Based Geolocated Image Capture of Maltese Building Units |                                       |          |      | Q2                      | 2026 | National Single Window for Customs and an Address-Based Geolocated Image Capture of Maltese Building Units shall be created.                                                                                                                                                                                                                                                                                                                                                                            |
| 3.14              | C3.I.4                                 | Milestone          | Launch of the calls for applications                                                                       | Publication of the call                                                                                    |                                       |          |      | Q1                      | 2022 | Launch of calls for applications for business to receive grant support for digitalisation, including wholesale and retail, tourism (including culture) and manufacturing sectors.<br><br>The terms of reference shall include eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. |
| 3.15              | C3.I.4                                 | Milestone          | Grants for digitalisation of the private sector                                                            | Grants paid out                                                                                            |                                       |          |      | Q2                      | 2026 | Registration in the RRF database of the Ministry responsible for the European Funds of payments of grants of at least EUR 10 800 000.                                                                                                                                                                                                                                                                                                                                                                   |
| 3.16              | C3.I.5                                 | Milestone          | Acquisition of mobile infrastructure and software for digitalisation of the urban ecology                  | Acquisition of mobile infrastructure and software for digitalisation of the urban ecology                  |                                       |          |      | Q2                      | 2026 | Acquisition of mobile infrastructure and software for digitalisation of urban ecology, including a mobile immersion lab system, systems for data capture, and a mobile Ground Penetrating Radar lab system.                                                                                                                                                                                                                                                                                             |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                | Qualitative indicators (for milestones) | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                         |
|-------------------|----------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------|----------|------|-------------------------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                     |                                         | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                  |
| 3.17              | C3.I.6                                 | Milestone          | Signature of the Contribution Agreement between the government of Malta and the European Commission | Signature of the Contribution Agreement |                                       |          |      | Q1                      | 2026 | Signature of the Contribution Agreement between the government of Malta and the European Commission for an amount of EUR 13 100 000.                                             |
| 3.18              | C3.I.6                                 | Target             | Financing or investment operations approved by the InvestEU Investment Committee                    |                                         | Percentage (%)                        | 0%       | 100% | Q2                      | 2026 | Financing or investment operations amounting to 100% of the total amount of resources allocated to the instrument shall have been approved by the InvestEU Investment Committee. |

## **D. COMPONENT 4: HEALTH**

This component of the Maltese RRP addresses the challenges faced by Malta's healthcare sector particularly in meeting the demands of an ageing population. The objective of the component is to increase the resilience and sustainability of the health sector whilst ensuring universal access, high quality of care and sustainable services.

The first reform aims at improving the management of the workforce. It addresses obstacles to the hiring and retention of foreign healthcare workers, also by improving their wellbeing. It also contributes to disease prevention related to children's health. The second reform addresses regulatory barriers that may hamper the full exploitation of the Blood, Tissue and Cell Centre.

The first investment consists of the establishment of a Blood, Tissue and Cell Centre within close proximity of the main hospital in Malta. The second investment consists of two projects enhancing the resilience of the health system through digitalisation and new technologies.

This component builds on previous actions aimed at increasing the variety of services offered to the population in Malta and at streamlining interactions between different services to ensure continuity of care.

The component contributes to addressing the country-specific recommendations on improving the resilience and fiscal sustainability of the healthcare system (country-specific recommendation 1 2019) and (country-specific recommendation 1 2020), especially in view of the global pandemic. The measures in this component are complemented by initiatives financed under other EU programmes to support capacity building for health professionals and further investment in the primary care centres.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the RRP in accordance with the DNSH Technical Guidance (2021/C58/01).

### **D.1. Description of the reforms and investments for non-repayable financial support**

#### **Reform C4-R1: Develop and implement a health policy framework aimed at making the health system more sustainable and resilient, with a particular focus on health prevention and a strong workforce**

The objective of this reform is to build resilience in the health sector's workforce and to prevent diseases in children.

The reform consists of (i) a bespoke tool for workforce planning, (ii) measures to facilitate the integration and wellbeing of foreign health workers, (iii) assessment of obesity prevalence among 4–5-year-old children and (iv) the roll out of a neonatal hearing screening programme.

#### **Reform C4-R2: Review the national legislative framework related to the Establishment of a Blood, Tissue and Cell Centre for Malta.**

The objective of this reform is to review the national legislative framework related to the Blood, Tissue and Cell Centre for Malta.

The reform consists of a review followed by the entry into force of legal act(s) on the Blood, Tissue and Cell Centre.

Investment C4-I1: Construction of a Blood, Tissue and Cell Centre for Malta

The objective of this investment is to alleviate the dependency of Malta on other countries for the provision of blood, tissue and cell therapies needed in medical interventions and treatments, and support social well-being by offering services locally.

The investment consists of the construction of a Blood, Tissue and Cell Centre.

Investment C4-I2: Enhancing the resilience of the health system through digitalisation and new technologies

The objective of this investment is to support the digital transition of Malta's health care system.

The investment consists of equipment for digital pathology services and a Magnetic Resonance Linear Accelerator machine at the oncology centre reducing treatment volumes, times and side effects for patients.

## D.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                             | Qualitative indicators (for milestones)                                                                             | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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|                   |                                        |                    |                                                                                                  |                                                                                                                     | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 4.1               | C4.R.1                                 | Milestone          | Study on barriers and facilitators for better integration and wellbeing of the foreign workforce | Publication of the study on barriers and facilitators for better integration and wellbeing of the foreign workforce |                                       |          |      | Q2                      | 2022 | <p>Publication of a study on the integration and wellbeing of the foreign workforce within the Public sector. The study shall: (i) study barriers and facilitators for a better integration and wellbeing of foreign workforce (including expectations, concerns, relationship with peers) (ii) consult all relevant stakeholders (including JobsPlus and Identity Malta) (iii) propose policy recommendations about measures to improve integration and wellbeing of foreign workforce.</p> <p>The study shall employ appropriate assessment tools and methodology for the measurement of wellbeing. The study shall examine the current situation and establish a baseline of existing wellbeing of foreign workers, based on MH1 or MH2 scores of the SF36 questionnaire, which is a 36-item, patient-reported survey of patient health. MH1 and MH2 indicators are calculated based on the replies to the corresponding questions in the Mental Health section of the survey. The study shall be carried out by an independent contractor engaged through public procurement procedures. The study shall be made available to the Commission through the Management Information System.</p> |
| 4.2               | C4.R.1                                 | Milestone          | Bespoke tool for workforce planning                                                              | Bespoke tool for workforce planning in place and made available for use                                             |                                       |          |      | Q2                      | 2023 | <p>Tool for health workforce planning including features related to human resources, budgeting, vacancies management and hiring facilitation, is developed and made available for use.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                          | Qualitative indicators (for milestones)                                                                                                                                                                                                                                         | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|                   |                                        |                    |                                                                                                                               |                                                                                                                                                                                                                                                                                 | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 4.3               | C4.R.1                                 | Milestone          | Reports on addressing policy recommendations on wellbeing and integration of foreign workforce within the Ministry for Health | (i) Publication of a report on the Positive Integration, Assimilation and Retention of Foreign Workers within the Ministry for Health in Malta.<br>(ii) Publication of a report on addressing policy recommendations on the wellbeing and integration of foreign health workers |                                       |          |      | Q4                      | 2025 | Publication of report by the external expert to the Ministry for Health on the Positive Integration, Assimilation and Retention of Foreign Workers within the Ministry for Health in Malta. Publication of a report by authorities responsible for health on addressing policy recommendations on the wellbeing and integration of foreign health workers.                                                                                                                                                                                         |
| 4.5               | C4.R.1                                 | Milestone          | Report on obesity prevalence amongst 4–5-year-olds in the Maltese population                                                  | Online publication of the report on obesity prevalence amongst 4–5-year-olds in the Maltese population                                                                                                                                                                          |                                       |          |      | Q4                      | 2022 | Publication of a report on childhood obesity, which shall feed into the obesity surveillance programme among children. The study shall examine the prevalence of obesity among the 4–5-year-olds in the Maltese population. 10% of children in School Years 1-11 shall be sampled together with all the children attending 50% of the Kindergarten 2 centres. This assessment shall set a baseline for this young age group only and compare with older cohorts. This shall lead to policy recommendations, which may include awareness campaigns. |
| 4.6               | C4.R.1                                 | Target             | Implementation of neonatal hearing screening programme                                                                        |                                                                                                                                                                                                                                                                                 | % (percentage)                        | 40       | 85   | Q4                      | 2023 | The programme shall identify hearing problems in early years (New-born Hearing Screening Programme). The programme shall consist of the identification of those babies who are at risk for hearing impairment, in order to achieve early identification and rehabilitation. For the achievement of the target, at least 85% of babies born in 2023 shall be screened.                                                                                                                                                                              |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                 | Qualitative indicators (for milestones)                                                                    | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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|                   |                                        |                    |                                                                                      |                                                                                                            | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 4.7               | C4.R.2                                 | Milestone          | Review of the regulatory framework related to the Blood Bank, Tissue and Cell Centre | Online publication of review of the regulatory framework related to the Blood Bank, Tissue and Cell Centre |                                       |          |      | Q1                      | 2022 | The review shall: (i) scrutinise the regulatory framework related to blood, tissues and cells; and (ii) identify the legal changes required to remove any regulatory barriers and bottlenecks that may affect the functioning of the Centre. The study shall include a review of the following regulatory areas: 1. Blood, Tissue and Cell legislation; 2. Relevant environmental legislation; 3 Relevant organizational legislation (equal opportunities, data protection, ethics and patient rights, accessibility); and 4. State aid legislation. The review shall take into account the EU initiative on Revision of the Union legislation on blood, tissues and cells ( <a href="https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12734-Blood-tissues-and-cells-for-medical-treatments-&amp;-therapies-revised-EU-rules_en">https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12734-Blood-tissues-and-cells-for-medical-treatments-&amp;-therapies-revised-EU-rules_en</a> ). The review shall be carried out by an independent contractor selected through public procurement procedures. |
| 4.8               | C4.R.2                                 | Milestone          | Entry into force of legal act(s) on the Blood Bank, Tissue and Cell Centre           | Provisions in the legal Act(s) indicating the entry into force                                             |                                       |          |      | Q2                      | 2024 | Entry into force of legal act(s): (a) to establish a Government Department operating the Blood Bank, Tissue and Cell Centre, and (b) to assign functions and responsibilities to the Government Department.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 4.9               | C4.I.1                                 | Milestone          | Contracted services for the construction of a Blood, Tissue and Cell Centre          | Contract signed for the construction of a Blood, Tissue and Cell Centre                                    |                                       |          |      | Q1                      | 2023 | Following public procurement, contract signed for the construction of a Blood, Tissue and Cell Centre.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 4.10              | C4.I.1                                 | Milestone          | Constructed Blood, Tissue and Cell Centre                                            | Blood, Tissue and Cell Centre constructed and biomedical equipment installed                               |                                       |          |      | Q4                      | 2025 | The Blood, Tissue and Cell Centre shall be constructed and the biomedical equipment shall be installed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                                | Qualitative indicators (for milestones)                                                                                                        | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                   |                                        |                    |                                                                                                                                     |                                                                                                                                                | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 4.11              | C4.I.2                                 | Milestone          | Contract signed for the procurement of Magnetic Resonance Linear Accelerator equipment solution at Sir Anthony Mamo Oncology Centre | Contract signed for the procurement of Magnetic Resonance Linear Accelerator (MR Linac) equipment solution at Sir Anthony Mamo Oncology Centre |                                       |          |      | Q2                      | 2022 | Following public procurement, contract signed for the procurement of Magnetic Resonance Linear Accelerator equipment at Sir Anthony Mamo Oncology Centre within Mater Dei Hospital.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 4.12              | C4.I.2                                 | Milestone          | Magnetic Resonance Linear Accelerator equipment operational and open to users                                                       | Magnetic Resonance Linear Accelerator equipment fully operational and open to users                                                            |                                       |          |      | Q2                      | 2023 | The Magnetic Resonance Linear Accelerator is operational and used for the treatment of patients at Sir Anthony Mamo Oncology Centre.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 4.13              | C4.I.2                                 | Milestone          | All contracts signed for the digital pathology services at the histopathology department at Mater Dei hospital                      | All contracts signed for the digital pathology services at the histopathology department at Mater Dei hospital                                 |                                       |          |      | Q2                      | 2022 | Following public procurement, contracts signed for a turnkey digital pathology service at the histopathology department of Mater Dei Hospital.<br>The procurement process shall include: (a) software to handle the pre-analytical phase and provide seamless automation of specimen processes (incl. real time tracking of cases) that integrates with the current laboratory information management system (LIMS); (b) gross specimen imaging facilities and enabling software; (c) high throughput digital slide scanners and digital case management system; (d) networking server solutions, to facilitate real-time online storage facilities and archiving of slides as well as network points at various stations within the sectioning and processing rooms; and ( e) hardware, including PC's at locations other than the laboratory to enable conference calls and multidisciplinary team meetings. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                        | Qualitative indicators (for milestones)              | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                     |
|-------------------|----------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|--------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                             |                                                      | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                              |
| 4.14              | C4.I.2                                 | Milestone          | Delivery of equipment for digital pathology services at the histopathology department at Mater Dei hospital | Delivery of equipment for digital pathology services |                                       |          |      | Q2                      | 2024 | Delivery of equipment for digital pathology services at the histopathology department at Mater Dei Hospital. |

## **E. COMPONENT 5: ENHANCING QUALITY EDUCATION AND FOSTERING SOCIO-ECONOMIC SUSTAINABILITY**

This component of the Maltese RRP contributes to addressing the challenges of high shares of early-school leavers and low-skilled adults, prevalent skills shortages, and the need to enhance the quality and inclusiveness of the education and training system. It further assesses the current pension and unemployment benefits system with a view to continue pursuing policy reforms to ensure their adequacy and sustainability. Its objective is to foster the resilience of Malta's workforce and society, also in light of the green and digital transitions.

Reforms in this component strengthen early school leaving intervention and prevention measures, expand guidance and opportunities for upskilling and reskilling for all adults and in particular for the low-skilled, enhance quality inclusive education for pupils with special needs, improve the education policy monitoring system and further develop the regular analysis and monitoring of the pension and unemployment benefits system to support its adequacy and sustainability.

The component contributes to addressing the country-specific recommendations related to quality and inclusive education (country-specific recommendations 2 2020 and 3 2019), the labour market (country-specific recommendation 2 2020), and the pension system (country-specific recommendation 1 2019).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the RRP in accordance with the DNSH Technical Guidance (2021/C58/01).

### **E.1. Description of the reforms and investments for non-repayable financial support**

#### **Reform C5-R1: Strengthen early school leaving prevention measures, with a focus on skills acquisition**

The objective of this reform is to prevent early school leaving and to contribute towards decreasing the early school leaving rate.

The reform consists of the provision of a literacy support programme (*Reading recovery (RR) programme*) for students, including respective teacher trainings, and the go-live of the *Data Warehouse Solution*.

#### **Reform C5-R2: Strengthening skills development and recognition, with a particular focus on low-skilled adults**

The objective of this reform is to increase upskilling and reskilling opportunities for adults.

The reform consists of an e-College complemented by a hub facility providing physical space, and elements included in the *Roadmap on developing an adult learning guidance system, including capacity building for adult learning professionals and establishing guidance networks*.

#### **Reform C5-R3: Inclusive education**

The objective of this reform is to increase quality inclusive education.

The reform consists of the roll out of multi-sensory learning rooms (MSLR) for students with severe needs in colleges, two autism units in middle schools, the continuous training in inclusive pedagogy for teachers and learning support educators, the acquisition of the IEP Module, circulars, and the publication of the revised *Policy on Inclusive Education in Schools*.

#### Reform C5-R4: Education policy

The objective of this reform is to establish an education policy monitoring system.

This reform consists of a Monitoring and Evaluation Report, and the appointment of two people to form part of the Policy Monitoring and Evaluation Directorate.

#### Reform C5-R5: Employment policy

The objective of this reform is to increase the resilience of the labour market.

This reform consists of a study on unemployment benefits in Malta including the recommendation of policy options, the publication of an external monitoring report of unemployment benefits in Malta, the issuance of certificates, the entry into force of the Work-Life Balance for Parents and Carers Regulations, the publication of the *National Employment Policy 2021-2030*, a training for educational personnel, the entry into force of a legal act, the publication of a report, and the publication of the *Gender Equality and Mainstreaming Strategy Action Plan 2022-2027*.

#### Reform C5-R6: Reviewing the sustainability and offering of Malta's pension system

The objective of this reform is to improve the long-term sustainability and adequacy of the pensions system.

This reform shall consist of the publication of an Action Plan outlining policy proposals, including legislative changes where relevant, to enhance the pension system's sustainability and adequacy, as a follow-up to the *Pensions Review Report* that assesses the current pension system and recommends policy actions, and the post-consultation feedback.

The reform shall be implemented by 31 December 2022.

## E.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                                                                                                                             | Qualitative indicators (for milestones)                                                                                                                                        | Quantitative indicators (for targets) |          |       | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                   |                                        |                   |                                                                                                                                                                                  |                                                                                                                                                                                | Unit of measure                       | Baseline | Goal  | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 5.1               | C5.R.1                                 | Target            | Number of students trained in the Reading Recovery (RR) Programme                                                                                                                |                                                                                                                                                                                | Number                                | 0        | 1 000 | Q4                      | 2024 | 1 000 students have received a Reading Recovery Programme certificate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 5.2               | C5.R.1                                 | Target            | Teachers trained in the Reading Recovery (RR) Programme                                                                                                                          |                                                                                                                                                                                | Number                                | 0        | 58    | Q4                      | 2023 | 58 teachers shall be trained in the Reading Recovery (RR) Programme as testified by certificates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 5.4               | C5.R.1                                 | Milestone         | Data Warehouse Solution                                                                                                                                                          | Go-Live of the Data Warehouse Solution                                                                                                                                         |                                       |          |       | Q3                      | 2024 | The acceptance report for the go-live of the <i>Data Warehouse Solution</i> has been signed by the contracting authority and the contractor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 5.5               | C5.R.2                                 | Milestone         | Implementation of elements included in the <i>Roadmap on developing a guidance system, capacity building for adult learning professionals and establishing guidance networks</i> | Elements included in the <i>Roadmap on developing a guidance system, capacity building for adult learning professionals and establishing guidance networks</i> are implemented |                                       |          |       | Q2                      | 2023 | The following elements included in the <i>Roadmap on developing a guidance system, including capacity building for adult learning professionals and establishing guidance networks</i> shall be implemented:<br><br>(i) The designation of a national hub, where any adult may ask for guidance for the trajectory towards upskilling and reskilling;<br>(ii) Offer the possibility of having career and learning guidance in adult learning centres.                                                                                                                                                                                                |
| 5.6               | C5.R.2                                 | Milestone         | Launch of the e-College                                                                                                                                                          | e-College is operational, including guidance unit, online hub and desk                                                                                                         |                                       |          |       | Q2                      | 2022 | The e-College shall be legally and practically operational with at least ten (10) courses covering different subject areas. The e-College shall possess at least a learning management system, a mentoring and guidance unit, an online hub and online coaches which assist learners.                                                                                                                                                                                                                                                                                                                                                                |
| 5.8               | C5.R.3                                 | Target            | Setting up of two autism units (physical spaces equipped with equipment and trained education personnel) in middle schools                                                       |                                                                                                                                                                                | Number                                | 0        | 2     | Q4                      | 2021 | Two new autism units (physical spaces) shall be completed and operational. Such units shall be available for student usage as required (white room - water bed & bubble tube). A maximum of 16 students may benefit from the first two Autism Units set up. Two (2) teachers and six (6) Learning Support Educators shall receive additional training in inclusive pedagogy and in the delivery of a functional curriculum with at least one (1) teacher and two (2) Learning Support Educators (LSEs) in each class. The training of teachers and LSEs shall be delivered in-house by practitioners at the National School Support Services (NSSS). |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                                                                                            | Qualitative indicators (for milestones)                                                                                                                                                                                                                                | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                   |                                        |                   |                                                                                                                                                 |                                                                                                                                                                                                                                                                        | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 5.9               | C5.R.3                                 | Target            | Setting-up of two new multi-sensory learning rooms (MSLR) (physical spaces equipped with equipment and trained education personnel) in colleges |                                                                                                                                                                                                                                                                        | Number                                | 0        | 2    | Q1                      | 2022 | Two new multi-sensory learning rooms (MSLR) shall be completed and operational. Such rooms shall be available for students' usage as required. One room shall be used as a sensory area and shall include items such as: ball pool, trampoline, peanut ball; and another shall be for general activity and shall include items such as: a kitchenette, a computer area and a calming area. There shall be at least one teacher in every class. The training of teachers shall be delivered in-house by practitioners at the National School Support Services (NSSS). |
| 5.10              | C5.R.3                                 | Milestone         | Acquisition of IEP Module, circulars, and the publication of the revised Policy on Inclusive Education in Schools                               | Acquisition of IEP Module, circulars, and the publication of the revised Policy on Inclusive Education in Schools                                                                                                                                                      |                                       |          |      | Q4                      | 2025 | <p>The revised <i>Policy on Inclusive Education in Schools</i> shall be published.</p> <p>The Individual Education Plans (IEP) Module shall be acquired.</p> <p>The obligation for State schools to organise events at least once every term that recognise and celebrate diversity shall have entered into force by means of a circular.</p> <p>The obligation that State school mission statements include evidence of values of diversity and inclusion shall have entered into force by means of a circular.</p>                                                 |
| 5.11              | C5.R.4                                 | Milestone         | Monitoring and Evaluation Report submitted and approval of appointment of two people within the Policy Monitoring and Evaluation Directorate    | Submission to the Permanent Secretary within the Ministry for Education of the Monitoring and Evaluation Report by the Policy Monitoring and Evaluation Directorate. Approval of the appointment of two people within the Policy Monitoring and Evaluation Directorate |                                       |          |      | Q4                      | 2025 | <p>The Monitoring and Evaluation Report by the Policy Monitoring and Evaluation Directorate shall be submitted to the Permanent Secretary within the Ministry for Education.</p> <p>The appointment of two people within the Policy Monitoring and Evaluation Directorate shall be approved by the Permanent Secretary within the Ministry for Education.</p>                                                                                                                                                                                                        |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                                                                                                                                      | Qualitative indicators (for milestones)                                                                                                                                                   | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                   |                                        |                   |                                                                                                                                                                                           |                                                                                                                                                                                           | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 5.12              | C5.R.5                                 | Milestone         | Assessment of unemployment benefits                                                                                                                                                       | Online publication of study on the assessment of unemployment benefits                                                                                                                    |                                       |          |      | Q2                      | 2022 | A study assessing unemployment benefits in Malta shall be completed and published. The study shall assess the situation and make concrete and detailed recommendations to the Government on how to improve effective coverage and achieve better adequacy of benefits, both in terms of duration and effective access, whilst enhancing the incentive to work.                                                                                                                                                                                                      |
| 5.13              | C5.R.5                                 | Milestone         | Monitoring report on unemployment benefits in Malta                                                                                                                                       | Publication of monitoring report                                                                                                                                                          |                                       |          |      | Q4                      | 2024 | An external monitoring report on unemployment benefits in Malta has been published.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 5.14              | C5.R.5                                 | Milestone         | Issuance of certificates, entry into force of the Work-Life Balance for Parents and Carers Regulations, and the publication of the National Employment Policy 2021-2030                   | Issuance of certificates, entry into force of the Work-Life Balance for Parents and Carers Regulations, and the publication of the National Employment Policy 2021-2030                   |                                       |          |      | Q3                      | 2025 | <p>The National Employment Policy 2021-2030 shall be published.</p> <p>A total of 60 individual certificates in ‘Award in Maltese as a foreign language’ have been issued.</p> <p>A total of 30 individual certificates in ‘General Education Award in Accounts’ have been issued.</p> <p>The Work-Life Balance for Parents and Carers Regulations providing at least 10 working days of paternity leave without loss of wages shall enter into force.</p>                                                                                                          |
| 5.15              | C5.R.5                                 | Milestone         | Training for educational personnel, entry into force of a legal act, publication of a report, and publication of the Gender Equality and Mainstreaming Strategy and Action Plan 2022-2027 | Training for educational personnel, entry into force of a legal act, publication of a report, and publication of the Gender Equality and Mainstreaming Strategy and Action Plan 2022-2027 |                                       |          |      | Q4                      | 2025 | <p>The <i>Gender Equality and Mainstreaming Strategy and Action Plan 2022-2027</i> shall be published.</p> <p>At least one legal act that removes a previous differentiation between men and women shall enter into force.</p> <p>Training for educational personnel in tackling gender discrimination issues and stereotypes shall be delivered.</p> <p>The report entitled ‘<i>Measuring Gender Equality: a gender analysis based on sex-disaggregated indicators</i>’ by the Human Rights Directorate and the National Statistics Office shall be published.</p> |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/ Target | Name                                                                 | Qualitative indicators (for milestones)                                                                                                                                                               | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                        |
|-------------------|----------------------------------------|-------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                   |                                                                      |                                                                                                                                                                                                       | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                 |
| 5.16              | C5.R.6                                 | Milestone         | Follow-up of the <i>Pensions Review Report</i> with policy proposals | Online publication of an Action Plan outlining policy proposals, including legislative changes where relevant, as a follow-up to the <i>Pensions Review Report</i> and the post-consultation feedback |                                       |          |      | Q4                      | 2022 | Publication of an Action Plan outlining policy proposals, including legislative changes where relevant, as a follow-up to the <i>Pensions Review Report</i> and the post-consultation feedback, with the objective to improve the long-term sustainability and adequacy of the pensions system. |

## **F. COMPONENT 6: STRENGTHENING THE INSTITUTIONAL FRAMEWORK**

This component of the Maltese RRP addresses a number of institutional and governance challenges in the area of justice, the fight against corruption and money laundering, and taxation. On the justice system, weaknesses have been identified with respect to the independence of the judiciary, the lack of a separate prosecution service from the investigative branch, as well inefficiencies. The further digitalisation of the justice system is also expected to contribute to addressing these inefficiencies. Challenges have also been identified in the governance framework to effectively detect and prosecute corruption including, inter alia, structural flaws that prevented the independent and effective functioning of the Maltese Permanent Commission Against Corruption. With respect to money laundering, challenges relate to weak investigation and prosecution of money laundering cases and insufficient asset-tracing and confiscation regime for criminal proceeds. The situation is exacerbated by Malta's citizenship and residence schemes and a rapid growth in recent years of internationally oriented activities such as financial services, virtual assets and remote gaming. On taxation, the absence of national provisions to provide for the effective taxation of inbound and outbound dividend, interest and royalty payments, Malta's citizenship and residence schemes, and lacking transfer pricing rules provide room for aggressive tax planning practices for both companies and individuals.

The objective is to improve the capacity and governance of the justice system, reinforce the institutional framework to fight against corruption, strengthen the anti-money laundering regime and target aggressive tax planning. Several elements of this component are retroactive having already, in part, been implemented in 2020 and early 2021.

Reforms to improve the justice system include changes to the method of appointment and dismissal of the judiciary while also assessing and implementing the necessary remedial action to ensure the independence of specialised tribunals. The institutional framework capacity to fight corruption is expected to be reinforced through the implementation of the capacity building elements of the national anti-fraud and corruption strategy, the reform of the asset recovery bureau and through reforms targeting an important anti-corruption body, namely the Permanent Commission Against Corruption (PCAC). To strengthen the investigation of crimes, including corruption and money laundering, reforms include a new appointment procedure for the Commissioner of Police. On the prosecution front, the component proposes the creation of a separate prosecution service, while also implementing a judicial review of decisions not to prosecute by the Attorney General. Measures to strengthen the regime to counter money laundering and the financing of terrorism are also put forward in this component. In addition, four reforms target aggressive tax planning (ATP), namely by limiting the tax exemption for dividends coming from countries placed on the 'Code of Conduct Group' list of non-cooperative jurisdictions, introducing transfer pricing legislation, carrying out a study followed up by legislative amendments on measures relating to inbound and outbound dividends, interest and royalty payments, and finally spontaneously exchanging information on future applicants receiving Maltese citizenship under the citizenship scheme with their original tax jurisdictions.

This component also includes one investment that aims to improve the quality and efficiency of the judiciary system through its digitalisation.

The component contributes to addressing the country-specific recommendations related to judicial independence, anti-money laundering and aggressive tax planning (country-specific recommendations 4 2020,2 2019 and 3 2022).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of

the measures and the mitigating steps set out in the RRP in accordance with the DNSH Technical Guidance (2021/C58/01).

### **F.1. Description of the reforms and investments for non-repayable financial support**

#### **Reform C6-R1: Reform the method of appointment and dismissal of the judiciary**

The objective of this measure is to make the judiciary more independent.

This measure consists of the entry into force of legal act(s) on the appointment of the Chief Justice, the composition of the Judicial Appointments Committee, disciplinary procedures for members of the judiciary, public calls for vacancies for the judiciary, and entry into force of legal act(s) on the independence of specialised tribunals.

#### **Reform C6-R2: Create a separate prosecution service**

The objective of this measure is to make the prosecution services better function.

The reform consists of the transfer of prosecution cases from the police to the Attorney General's office, and the Attorney General's office recruiting additional officers.

#### **Reform C6-R3: Reinforcing the institutional framework capacity to fight against corruption; Implementation of the National Anti-Fraud and Corruption Strategy (NAFCS)**

The objective of this reform is to increase the capacity of the Maltese institutions to fight against corruption.

The measure consists of the update of the 2008 National Anti-Fraud and Corruption Strategy and actions related to the national risk assessment, training for officials in national authorities, documentary repository and whistle-blower database.

#### **Reform C6-R4: Reform the Permanent Commission Against Corruption (PCAC)**

The objective of the measure is to allow for a more independent functioning of the Permanent Commission Against Corruption (PCAC) with greater resources.

The measure consists of reforming the Permanent Commission against Corruption (PCAC), including how the Chairperson and members are appointed, and its operations and resources.

#### Reform C6-R5: Reform the Asset Recovery Bureau

The objective of this measure is to increase the powers and capacity of the Asset Recovery Bureau in order to support the role of law enforcement authorities in the fight against money laundering and financial crime.

The reform consists of the entry into force of the Proceeds of Crime Act (Act No. V of 2021) and the recruitment of staff in the Asset Recovery Bureau.

#### Reform C6-R6: A new appointment procedure of the Commissioner of Police

The objective of this measure is to strengthen the justice system, more specifically the investigation branch, by reforming the manner in which the Commissioner of Police is appointed.

The reform consists of the entry into force of Act XIX of 2020 introducing legal amendments to the Police Act (Chapter 164 of the Laws of Malta) and Article 92 of the Constitution to establish a transparent and competitive process of appointment for the office of Commissioner of Police. Under the new process, the Public Service Commission shall issue a public call for applications, shall evaluate the applications submitted and then shall draw up a shortlist indicating the two most suitable candidates. The Public Service Commission shall then refer this shortlist to the Cabinet of Ministers. The Cabinet shall consider both candidates and then shall nominate the most suitable candidate for a hearing before the Parliamentary Public Appointments Committee. If this Committee advises in favour of the appointment of the selected candidate, the Prime Minister shall appoint the selected candidate after consultation with the Public Service Commission.

This is a retroactive measure that was approved by Parliament in April 2020.

#### Reform C6-R7: Implementation of the reform concerning the judicial review of decisions not to prosecute and other decisions of the Attorney General. This includes the assignment of the status of injured party at law to specific institutions when reporting a corrupt practice

The objective of this reform is to ensure that the decisions of the Public Prosecutor not to prosecute are subject to judicial review.

This measure consists of the entry into force of legal act(s) giving specific anti-corruption bodies the status of injured party at law, and an independent review and legal changes concerning injured parties to appeal the decision of the Attorney General not to prosecute.

#### Reform C6-R8: Strengthening Malta's anti-money laundering/combating terrorists financing/targeted financial sanctions (AML/CFT/TFS)

The objective of this measure is to ensure a sustainable, proactive, responsive and effective anti-money laundering framework that may respond to ever changing money-laundering and terrorist financing risks.

The reform shall consist of the implementation of the national anti-money laundering/combating terrorist financing/target financial sanctions (AML/CFT/TFS) strategy and action plan for 2021-2023, which replaces the implemented Strategy for 2017-2020. The reform shall implement all the actions,

which focus on seven policy goals defined in the national AML/CMT/TFS strategy and action plan for 2021-2023.

The reform shall also provide adequate training and outreach for the relevant members of NCC. Finally, the reform also requires FATF's written conclusion that Malta is no longer subject to the FATF's increased monitoring process.

The implementation of the reform shall be completed by 31 December 2023.

#### Reform C6-R9: Aggressive Tax Planning (ATP) - Code of Conduct Group

The objective of this measures is to remove the possibility of exempting the dividends derived from bodies of persons resident in jurisdictions listed in the Code of Conduct Group list of non-cooperative jurisdictions from being taxed in Malta.

The reform shall abolish the so-called participation exemption which allows dividend income or capital gains derived from a participating holding (usually an equity shareholding of at least 5%) to be exempted from tax in Malta. Specifically, dividends derived from the body of persons resident in jurisdictions that have been listed in the 'Code of Conduct Group' list of non-cooperative jurisdictions for at least three months shall not qualify for such an exemption. To apply this new provision, the reform shall also increase the number of investigators dedicated to the scrutiny of taxpayers' declarations.

The reform shall be implemented by 30 September 2022.

#### Reform C6-R10: Specific Transfer Pricing Legislation

The objective of the measure is to prevent loss of public revenues through international tax arbitrage.

The reform shall introduce enabling provisions for transfer pricing legislation in Malta's legislative framework. A consultation process shall follow before specific rules on transfer pricing relating to the arms-length principle and advanced pricing agreements are proposed. Finally, such specific transfer rules on transfer pricing shall enter into force. Training of involved parties (for example tax practitioners and company representatives) shall also be carried out before the rules become applicable.

The reform shall be finalised by 31 December 2023.

#### Reform C6-R11: Study on the relevance of measures relating to inbound and outbound dividend, interest and royalty payments

The objective of the measure is to further mitigate aggressive tax planning risks.

The measure consists of an independent study and entry into force of legal act(s) concerning inbound and outbound dividend, interest and royalty payments.

#### Reform C6-R12: Mitigating against ATP risks by individuals

The objective of the measure is to mitigate aggressive tax planning risks stemming from the citizenship-by-investment scheme.

The reform shall implement a due diligence procedure to determine the original jurisdictions of tax residence of applicants of the Citizenship by Naturalisation for Exceptional Services by Direct Investment and inform the tax authorities of the original jurisdictions of tax residence about the applicants being granted Maltese citizenship. The entry into force of the procedure shall be determined by the publication of the respective revised guidelines and application forms.

The measure shall be implemented by 31 March 2022.

#### Investment C6-I1: Digitalisation in the justice system

The objective of this measure is to digitalise the administration of justice in line with the Digital Justice Strategy.

The investment consists of digital solutions and tools for the justice system.

**F.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support**

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                       | Qualitative indicators (for milestones)                                                       | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------|----------------------------------------|--------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                            |                                                                                               | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 6.1               | C6.R.1                                 | Milestone          | Entry into force of Act XLV of 2020; and Act XLIII of 2020 | Provision in the law indicating the entry into force of Act XLV of 2020 and Act XLIII of 2020 |                                       |          |      | Q3                      | 2020 | The Constitution was amended for the purpose of providing for the appointment of the Chief Justice with the approval of two-thirds of all the Members of the House of Representatives; for a change in the composition of the Judicial Appointments Committee so that the majority of its members are members of the judiciary; and to provide for the issuing of public calls for vacancies within the judiciary. Act XLV of 2020 establishes a new procedure through which members of the judiciary may be removed from the Bench or undergo disciplinary procedures. |
| 6.2               | C6.R.1                                 | Target             | Additional members of the judiciary                        |                                                                                               | Number                                | 42       | 47   | Q2                      | 2021 | Following the adoption of Act XLIII of 2020, a call for applications for the appointment of four judges was published in the Government Gazette on 12 February 2021 and were appointed to the Bench in mid-April 2021 resulting in an increase in the headcount of Judges by three. Apart from this, the call for applications for the appointment of four Magistrates was published on 20 April 2021 and were appointed in June 2021 resulting in an increase in the headcount of Magistrates by two. This results in a net increase of five members of the judiciary. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                                                                      | Qualitative indicators (for milestones)                                                                           | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                   |                                        |                    |                                                                                                                                                                           |                                                                                                                   | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 6.4               | C6.R.1                                 | Milestone          | Publication in the Government Gazette of the legal act(s) on the independence of specialised tribunals                                                                    | Publication in the Government Gazette of the legal act(s) on the independence of specialised tribunals            |                                       |          |      | Q1                      | 2026 | A review of the independence of specialised tribunals shall be carried out by the Maltese authorities, which shall include at least (i) an assessment of the guarantees of independence for appointments of members to said specialised tribunals, (ii) an assessment of the guarantees which provide for the tribunals' decisions to be reviewed by the ordinary courts of appeal, and (iii) measures to address the independence of specialised tribunals. Publication in the Government Gazette of legal act(s) on the independence of specialised tribunals, taking into account the urgent opinion of the Council of Europe's Venice Commission published in July 2026. The legal act(s) shall enter into force after a reasonable transition period and no later than 31 December 2026. Such entry into force shall be automatic and shall not entail any further legal implementing measures. |
| 6.5               | C6.R.2                                 | Milestone          | Independent review on the transfer of offences and summary cases from the Police to the Attorney General's Office                                                         | Independent review on the transfer of offences and summary cases from the Police to the Attorney General's Office |                                       |          |      | Q4                      | 2024 | A review shall be undertaken by an independent contractor on the transfer of offences and summary cases from the Police to the Attorney General's Office. The review shall formulate policy recommendations for the shift of offences and summary cases. The executive summary of the review shall be published.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 6.6               | C6.R.2                                 | Milestone          | Publication in the Government Gazette of the legal act(s) on the transfer of at least 30 categories of offences in 2026, from the Police to the Attorney General's Office | Publication in the Government Gazette of the legal act(s) on the transfer of offences in 2026                     |                                       |          |      | Q1                      | 2026 | Publication in the Government Gazette of the legal act(s) on the transfer of at least 30 categories of offences in 2026. The legal act(s) shall enter into force after a reasonable period and no later than 31 December 2026. Such entry into force shall be automatic and shall not entail any further legal implementing measures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 6.7               | C6.R.2                                 | Target             | Capacity building within the AG's Office                                                                                                                                  |                                                                                                                   | Number                                | 56       | 87   | Q4                      | 2022 | According to the Attorney General's Office Human Resources Plan (2021), a total of 31 new officers shall be employed within the Office by the end of 2022. These shall include the addition of new lawyers, Legal Procurators, managers - including senior managers - ICT officers, as well as other administrative and support staff.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                   | Qualitative indicators (for milestones)                                                                                    | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| 6.8               | C6.R.2                                 | Milestone          | Transfer of cases to the Attorney General's Office                                     | Transfer of cases to the Attorney General's Office                                                                         |                                       |          |      | Q4                      | 2024 | Entry into force of legal act(s) that shall grant the Attorney General the power to decide whether a prosecution shall be instituted in at least 30 categories of offences.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 6.9               | C6.R.2                                 | Milestone          | Entry into force of Act No. XXVIII of 2021 entitled Criminal Code (Amendment No.5) Act | Provision in the law indicating the entry into force of Act No. XXVIII of 2021 entitled Criminal Code (Amendment No.5) Act |                                       |          |      | Q2                      | 2021 | Act No. XXVIII of 2021 entitled Criminal Code (Amendment No.5) Act, entered into force on 4 June 2021, provides for the necessary changes to be made to the Criminal Code in order to provide more legislative clarity following the taking over of prosecutions of serious offences by the Attorney General.                                                                                                                                                                                                                                                                                                                                                             |
| 6.10              | C6.R.3                                 | Milestone          | Update of the 2008 National Anti-Fraud and Corruption Strategy                         | Online publication of the Updated National Anti-Fraud and Corruption Strategy                                              |                                       |          |      | Q2                      | 2021 | The National Anti-Fraud and Corruption Strategy aims to ensure a normative, institutional and operational framework for the effective and efficient fight against fraud and corruption in Malta, reflecting local requirements and international obligations. The updated Strategy was made public when it was tabled in Parliament in the second quarter of 2021.                                                                                                                                                                                                                                                                                                        |
| 6.11              | C6.R.3                                 | Milestone          | National Risk Assessment and follow up strategy on fraud and corruption.               | Online publication of the National Fraud Risk Assessment.                                                                  |                                       |          |      | Q3                      | 2022 | In line with Action Point 3 of the NAFCS, a National Risk Assessment (NRA) shall be undertaken by the Co-ordinating Committee set up according to the Internal Audit and Financial Investigations Act (Cap 461 of the Laws of Malta) and published. The aim of the NRA is to (i) maintain an effective risk-based regime to combat fraud and corruption; (ii) prioritise and allocate public sector resources efficiently; (iii) help National Authorities to assess the adequacy of their controls and strengthen them where necessary; (iv) increase awareness among the general public; and (v) update the present Action Plan which is an integral part of the NAFCS. |
| 6.12              | C6.R.3                                 | Target             | Training programmes on anti-corruption                                                 |                                                                                                                            | Number                                | 0        | 2    | Q1                      | 2024 | Two training programmes, on Corruption Investigation and Corruption Risk Management, shall be delivered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 6.13              | C6.R.3                                 | Milestone          | Document Repository System                                                             | Document Repository System accessible to institutions forming part of the Co-ordinating Committee                          |                                       |          |      | Q4                      | 2024 | A document repository system shall be made accessible to the institutions forming part of the Co-ordinating Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                          | Qualitative indicators (for milestones)                                                        | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| 6.14              | C6.R.3                                 | Milestone          | Database collating whistleblowing data                                                                                        | Database of whistleblowing data                                                                |                                       |          |      | Q2                      | 2026 | A database of whistleblowing data shall include (i) number of complaints received; (ii) when the complaints were received; (iii) when the complaints were concluded; (iv) when the whistle-blower was informed of the outcome; and (v) sectors reported.                                                                                                                                                                                                                                                                                                                                                              |
| 6.15              | C6.R.4                                 | Milestone          | Entry into force of Act XLVI of 2020                                                                                          | Provision in the law indicating the entry into force of Act XLVI of 2020                       |                                       |          |      | Q3                      | 2020 | Act XLVI of 2020 grants further statutory reinforcement to the Permanent Commission Against Corruption (PCAC). The Act specifies the provisions on how the Chairperson and members of the Commission are appointed. The Act specifies that if in the PCAC's opinion the conduct being investigated is corrupt or connected with or conducive to corrupt practices, the report is to be transmitted to the Attorney General.                                                                                                                                                                                           |
| 6.16              | C6.R.4                                 | Milestone          | Recruitment of staff and increase of budget for the Permanent Commission Against Corruption                                   | Recruitment of staff and increase of budget                                                    |                                       |          |      | Q4                      | 2024 | The Permanent Commission Against Corruption shall have an increased budget for 2024 (compared to the budget for 2021) and recruit at least two people.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 6.17              | C6.R.4                                 | Milestone          | Digital registry of information on corruption cases shall be accessible by the Permanent Commission Against Corruption (PCAC) | Digital registry on corruption cases accessible by the Permanent Commission Against Corruption |                                       |          |      | Q4                      | 2024 | A digital registry of cases shall be accessible to the Permanent Commission Against Corruption.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 6.18              | C6.R.4                                 | Milestone          | Publication of an internal Standard Operating Procedure for the Permanent Commission Against Corruption (PCAC)                | Internal Standard Operating Procedure published                                                |                                       |          |      | Q4                      | 2024 | Publication of an internal Standard Operating Procedure which shall provide instructions to help workers carrying out operations. The procedure shall include: (i) overview of legal act(s) relating to the PCAC; (ii) functions executed by the PCAC; (iii) definitions relating to corruption and collusion; (iv) overview of legal act(s) and reporting channels relating to whistle-blower protection; (v) monitoring and compliance; (vi) record keeping/register; (vii) responsibilities of the administrative staff; (viii) procedures for investigations; and (ix) information on training and communication. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                | Qualitative indicators (for milestones)                                                         | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|                   |                                        |                    |                                                                                                                     |                                                                                                 | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 6.19              | C6.R.5                                 | Target             | Increase the number of staff at the Asset Recovery Bureau                                                           |                                                                                                 | Number                                | 0        | 27   | Q4                      | 2023 | A total of 27 officers (full-time equivalent) shall be recruited within the Asset Recovery Bureau, including research officers, managerial level officials as well as administrative and support staff.                                                                                                                                                                                                                                                                                                                                                                                                               |
| 6.19a             | C6.R.5                                 | Target             | Recruitment of 7 people within the Asset Recovery Bureau                                                            |                                                                                                 | Number                                | 0        | 7    | Q4                      | 2025 | Seven people (full-time equivalent) shall be recruited within the Asset Recovery Bureau.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 6.20              | C6.R.5                                 | Milestone          | Entry into force of the Proceeds of Crime Act V of 2021                                                             | Provision in the law indicating the entry into force of the Proceeds of Crime Act V of 2021     |                                       |          |      | Q1                      | 2021 | The Proceeds of Crime Act (Act No. V of 2021) redefines the structure of the Asset Recovery Bureau, whilst outlining its relationship with and reinforcing its independence from the Government.                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 6.21              | C6.R.6                                 | Milestone          | Entry into force of Act XIX of 2020 amending the Police Act                                                         | Provision in the law indicating the entry into force of Act XIX of 2020 amending the Police Act |                                       |          |      | Q2                      | 2020 | Act XIX of 2020 amends the Police Act (Chapter 164 of the Laws of Malta) and Article 92 of the Constitution of Malta to establish a transparent and competitive process of appointment for the office of Commissioner of Police.                                                                                                                                                                                                                                                                                                                                                                                      |
| 6.22              | C6.R.7                                 | Milestone          | Entry into force of Act No XLI of 2020 on the judicial review of decisions not to prosecute by the Attorney General | Entry into force of Act No XLI of 2020                                                          |                                       |          |      | Q3                      | 2020 | Act XLI of 2020 amends the Constitution, the Criminal Code, and the Code of Organisation and Civil Procedure. It provides for a judicial review of decisions of the Attorney General not to prosecute on the ground of illegality or unreasonableness. The Permanent Commission Against Corruption (PCAC), the Ombudsman, the Commissioner for Standards of Public Life and the Auditor General have all been given the status of injured party at law. These institutions may therefore seek judicial review individually in cases referred by them to the Attorney General in the same manner as the injured party. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                                                                                                | Qualitative indicators (for milestones)                                                                                                                                 | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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|                   |                                        |                    |                                                                                                                                                                                                     |                                                                                                                                                                         | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 6.23              | C6.R.7                                 | Milestone          | Independent review of the provision for injured parties (in Act XLI of 2020) to appeal the decision of the Attorney General not to prosecute                                                        | Delivery of independent review of the provision for injured parties (in Act XLI of 2020) to appeal the decision of the Attorney General not to prosecute                |                                       |          |      | Q2                      | 2024 | The independent qualitative review shall assess (i) whether an appeal against non-prosecution by the Attorney General should also be made possible when there is no prosecution within a reasonable time, and (ii) whether the “injured parties” mentioned in Act XLI of 2020 should also be able to appeal against non-prosecution in all cases.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 6.24              | C6.R.7                                 | Milestone          | Entry into force of legal act(s) on the judicial review for injured parties to appeal the decision of the Attorney General not to prosecute                                                         | Provision indicating entry into force of legal act(s)                                                                                                                   |                                       |          |      | Q1                      | 2026 | Taking into account the recommendations of the independent review of the provision for injured parties (in Act XLI of 2020) to appeal the decision of the Attorney General not to prosecute, legal act(s) shall enter into force in order to adjust the possibility of the 'injured parties' mentioned in Act XLI of 2020 being able to: (i) appeal against non-prosecution by the Attorney General when there is no prosecution within a reasonable time; (ii) appeal against non-prosecution in all cases and not only when they reported these acts to the Attorney General.                                                                                                                                                                                               |
| 6.25              | C6.R.8                                 | Milestone          | Completed implementation of the action plan of the National anti-money laundering/combating terrorist financing/targeted financial sanctions (AML/CFT/TFS) strategy and action plan for 2021 – 2023 | Online publication of the final report demonstrating that the action plan of the national AML/CMT/TFS strategy and action plan for 2021-2023 has been fully implemented |                                       |          |      | Q4                      | 2023 | All the actions under the seven Policy Goals defined in the national AML/CMT/TFS strategy and action plan for 2021-2023 (including a new iteration of the national risk assessment) have been fully implemented. This shall be demonstrated in a final report published by the National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC) following consultation with the main stakeholders. The main stakeholders shall include the Ministries responsible for Finance and Justice, the Asset Recovery Bureau, the Central Bank of Malta, the Commissioner for Revenue, Financial Intelligence Analysis Unit (FIAU), Malta Financial Services Authority (MFSA), Malta Gaming Authority (MGA), Malta Police Force and the Attorney General. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                                                                                                                    | Qualitative indicators (for milestones)                                                              | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------|----------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                                                                                                                                         |                                                                                                      | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 6.26              | C6.R.8                                 | Target             | Number of annual AML/CFT trainings                                                                                                                                                                                      |                                                                                                      | Number                                | 5        | 10   | Q2                      | 2022 | 10 AML/CFT trainings shall be provided in 2021. The specific content of the courses shall be specified on the basis of the training needs identified by the specific NCC subcommittee that coordinates AML/CFT/CPF training and outreach initiatives. Training shall be open in particular to the members of the same sub-committee. Members of this sub-committee are the:<br>- Financial Intelligence Analysis Unit (FIAU)<br>- Malta Financial Services Authority (MFSA)<br>- Malta Gaming Authority (MGA)<br>- Malta Police Force (MPF)<br>- Office of the Attorney General (AGO)<br>- Office of the Commissioner for Revenue (OCfR)<br>- Malta Security Services (MSS)<br>- Malta Business Registry (MBR)<br>- Department of Customs<br>- Asset Recovery Bureau (ARB)<br>- Office of the Commissioner for Voluntary Organisations (OCVO)<br>- Sanctions Monitoring Board (SMB). |
| 6.27              | C6.R.8                                 | Milestone          | Lifting of the increased monitoring process by FATF                                                                                                                                                                     | FATF's written conclusion that Malta is no longer subject to the FATF's increased monitoring process |                                       |          |      | Q4                      | 2023 | The Financial Action Task Force (FATF) has provided an evaluation of Malta's AML framework in June 2021 and issued an action plan. The milestone requires FATF's written conclusion that Malta is no longer subject to the FATF's increased monitoring process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 6.28              | C6.R.9                                 | Milestone          | Entry into force of a revised corporate tax return to collect information on dividends derived from bodies of persons resident in jurisdictions listed in the Code of Conduct Group list non-cooperative jurisdictions. | Entry into force of a revised corporate tax return                                                   |                                       |          |      | Q2                      | 2022 | Entry into force of revised corporate tax return for the fiscal year 2021. This is an administrative measure through which the tax return shall request data relative to dividends derived from bodies of persons resident in jurisdictions listed in the Code of Conduct Group list of non-cooperative jurisdictions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                    | Qualitative indicators (for milestones)                                                                                                                   | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|                   |                                        |                    |                                                                                                         |                                                                                                                                                           | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 6.29              | C6.R.9                                 | Target             | Assignment of dedicated staff for the scrutiny of taxpayers in this area of taxation                    | Assignment of dedicated staff for the scrutiny of taxpayers in this area of taxation                                                                      | Number                                | 0        | 2    | Q3                      | 2022 | Two investigators are assigned to work full time for the scrutiny of taxpayers in respect of holdings in bodies of persons resident in jurisdictions listed in the Code of Conduct Group list of non-cooperative jurisdictions.                                                                                                                                                                                                                                                    |
| 6.30              | C6.R.10                                | Milestone          | Entry into force of the relevant enabling provision for the introduction of transfer pricing rules      | Provision in the law indicating entry into force of the relevant enabling provision for the introduction of transfer pricing rules                        |                                       |          |      | Q2                      | 2021 | The legal provisions (Budget Measures Implementation Act) required for the introduction of transfer pricing are enacted and fully in force.                                                                                                                                                                                                                                                                                                                                        |
| 6.31              | C6.R.10                                | Milestone          | Consultation of stakeholders and drafting of specific transfer-pricing rules                            | Consultation of stakeholders and drafting of specific transfer-pricing rules completed and the draft legal notice transmitted to the Cabinet for approval |                                       |          |      | Q2                      | 2022 | The consultation with stakeholders is completed. The draft legal notice on specific transfer pricing rules is transmitted to Cabinet for approval. The consultation shall aim to obtain information that has relevance to the scope and the procedure relating to advance pricing agreements. The main stakeholders shall be made up of representative bodies of professionals that deal with taxation matters and shall include accountants, lawyers and other tax practitioners. |
| 6.32              | C6.R.10                                | Milestone          | Entry into force of specific transfer-pricing rules                                                     | Entry into force of specific transfer-pricing rules                                                                                                       |                                       |          |      | Q4                      | 2022 | Entry into force of specific rules relating to the arms-length principle and advanced pricing agreements. These rules shall become applicable as from Q1 of 2024.                                                                                                                                                                                                                                                                                                                  |
| 6.33              | C6.R.10                                | Target             | Tasking and training of staff by tax authorities to specialise on application of transfer pricing rules |                                                                                                                                                           | Number                                | 2        | 8    | Q2                      | 2023 | Additional six officials are tasked to work on transfer pricing. All eight officials working on the application of transfer pricing rules are trained to work with the Office of the Commissioner for Revenue. It is envisaged that training shall take the form of courses whereby each officer shall receive a minimum of 80 hours of training on transfer pricing.                                                                                                              |
| 6.34              | C6.R.10                                | Target             | Training events for tax practitioners and company representatives                                       |                                                                                                                                                           | Number                                | 0        | 2    | Q4                      | 2023 | At least two training events shall be provided spanning a total of 12 hours and shall cover topics such as, but not limited to, the scope, Advance Pricing Agreements and transfer pricing methods. A total target audience of at least 250 tax practitioners and company representatives are invited for these events.                                                                                                                                                            |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                               | Qualitative indicators (for milestones)                                                                                                            | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                   |                                        |                    |                                                                                                    |                                                                                                                                                    | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 6.35              | C6.R.11                                | Milestone          | Study concerning measures relating to inbound and outbound dividend, interest and royalty payments | The full study concerning measures relating to inbound and outbound dividend, interest and royalty payments is shared with the European Commission |                                       |          |      | Q4                      | 2022 | The study shall be provided by an independent contractor engaged through public procurement procedures. The study shall analyse the state of play and provide recommendations for legal measures necessary to address outbound and inbound dividend, interest and royalty payments, between companies established in Malta and related companies established in jurisdictions that either form part of the EU list of non-cooperative jurisdictions or that are considered to be zero-tax or low-tax jurisdictions. The recommendations shall provide analysis and concrete proposals to strengthen anti-Base Erosion and Profit Shifting measures to prevent tax fraud and tax evasion. The Executive Summary shall be published on the government's website and the full study shall be shared with the European Commission. |
| 6.36              | C6.R.11                                | Milestone          | Entry into force of legal act(s) related to inbound and outbound payments                          | Provision in the legal act(s) indicating the entry into force                                                                                      |                                       |          |      | Q3                      | 2024 | Entry into force of legal act(s) to mitigate risks identified from the study on inbound and outbound payments including dividends, interest and royalties.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 6.37              | C6.R.12                                | Milestone          | Entry into force of spontaneous exchange of information (SEOI)                                     | Publication of the guidelines and application forms requiring spontaneous exchange of information                                                  |                                       |          |      | Q1                      | 2022 | Entry into force of a spontaneous exchange of information mechanism, whereby Malta's tax authorities exchange information with original jurisdictions of tax residence of successful applicants of the Citizenship by Naturalisation for Exceptional Services by Direct Investment (Citizenship Regulations) that are party to the OECD Convention on Mutual Assistance in Tax Matters and to other jurisdictions that are not party to this Convention but with which Malta has a bilateral exchange of information mechanism in place, about persons that shall be granted citizenship under this scheme in future. The entry into force is determined by the publication of the respective revised guidelines and application forms.                                                                                        |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                                                | Qualitative indicators (for milestones)                                                                                                       | Quantitative indicators (for targets) |           |           | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|                   |                                        |                    |                                                                                                                                                     |                                                                                                                                               | Unit of measure                       | Baseline  | Goal      | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 6.38              | C6.I.1                                 | Milestone          | Entry into force of (i) Act No. LIII of 2020 (Amendment No. 2); and (ii) Act No. III of 2021 (Amendment No. 2) on digitalisation of the law courts. | Entry into force of (i) Act No. LIII of 2020 (Amendment No. 2) and (ii) Act No. III of 2021 (Amendment No. 2) on digitalisation of Law Courts |                                       |           |           | Q1                      | 2021 | Act LIII of 2020 (Amendment No. 2) amended the Code of Organization and Civil Procedure and made it possible for civil proceedings to be held via live video conferencing facilities. Act III of 2021 (Amendment No. 2) amended the Criminal Code and made it possible for criminal judicial acts to be filed electronically.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 6.39              | C6.I.1                                 | Target             | Expenditure incurred for the digitalisation of the justice system                                                                                   |                                                                                                                                               | EUR                                   | 0         | 2 000 000 | Q4                      | 2023 | At least EUR 2 000 000 has been paid out in line with contractual obligations in relation to the digitalisation of the Justice system. The investment shall consist of: (a) Mapping of Processes & Redesign of Processes towards end-to-end Digital Processes, Project Management, Legal and overall Consultancy and CBA Support; and (b) a number of digital solutions, including (i) Courts of Justice Agency: Laptops and working stations for increased mobility of users; (ii) Courts of Justice Agency: Virtual Sitzings Solution; (iii) Courts of Justice Agency: Wi-Fi; (iv) Legal Aid Case Management System; (v) Freedom of Information System; (vi) Conference and training rooms equipment and software; (vii) Experimentation and Specialisation Initiatives.                                                                                                                                 |
| 6.40              | C6.I.1                                 | Target             | Expenditure incurred for the digitalisation of the justice system                                                                                   |                                                                                                                                               | EUR                                   | 2 000 000 | 4 750 000 | Q2                      | 2026 | At least EUR 2 750 000 has been paid out in relation to the digitalisation of the Justice system through a number of digital solutions, including (i) Courts of Justice Agency; Virtual Sitzings Solution; (ii) Courts of Justice Agency; Wi-Fi; (iii) Criminal Record Certificate System; (iv) State Advocate case management system; (v) Freedom of Information System; (vi) Asset Recovery System; (vii) NTG Termination of Mandates Solution; (viii) Integrated closed circuit television and security system; (ix) Conference/Training Rooms equipment and software; (x) Experimentation and Specialisation Initiatives; (xi) Mediation Centre Information System; (xii) Ministry responsible for justice: Laptops and working stations; (xiii) Mapping of Processes & Redesign of Processes towards end-to-end Digital Processes, Project Management, Legal and overall Consultancy and CBA Support. |

## **G. Component 7: REPowerEU**

The REPowerEU chapter addresses the challenge of reducing reliance on fossil fuels. The objectives of the component are to facilitate the deployment of renewable energy sources and to increase the capacity of the electricity distribution network while helping to integrate renewable energy sources.

Investment into the strengthening and widening of the electricity network has a cross-border dimension, especially in the Mediterranean region. The investment is expected to allow to construct a feeder link with the second Malta-Italy electricity interconnector, thereby contributing to a more integrated common energy market, securing the energy supply in the Union as a whole and creating European added value.

The REPowerEU chapter contributes to addressing the Country Specific Recommendation (Country Specific Recommendation 4 in 2022) and in particular, reducing the overall reliance on fossil fuels by accelerating the deployment of renewables, promoting and enabling investments in wind and solar energy, further upgrading Malta's electricity transmission and distribution grids, and creating incentives for electricity storage to supply firm, flexible and fast-responding energy.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the 'Do no significant harm' Technical Guidance (2021/C58/01).

### **G.1. Description of the reforms and investments for non-repayable financial support**

#### **Reform C7-R1: Review of permit-granting procedures for renewable energy projects and of requirements for buildings**

The objective of this reform is to increase the share of renewables in Malta's energy mix.

The reform consists of the entry into force of legal act(s) setting shortened timelines for permit-granting procedures for renewable energy projects and in the introduction of new requirements for renewable energy generation in buildings.

#### **Investment C7-I1: Works and equipment for distribution centres; supply, trenching and laying of cables**

The objective of this investment is to address internal electricity transmission and distribution bottlenecks, which also facilitates the integration of renewable energy.

The measure consists of the signature of contracts and the provision of partial or provisional acceptance certificates for distribution centres and cables.

#### **Investment C7-I2: Reduction of primary energy demand of private sector buildings**

The objective of this investment is to continue the investment commenced in C1-II, namely to increase energy efficiency, reduce energy demand, lower carbon emissions and limit energy waste in private sector buildings.

The investment consists of the reduction of primary energy demand (PED) of at least 30% in private buildings.

**G.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support**

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                                                                                                                                       | Qualitative indicators (for milestones)                                   | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                   |
|-------------------|----------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                                                                                                                            |                                                                           | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                            |
| 7.1               | C7.R.1                                 | Milestone          | New requirements for renewable energy generation in residential and non-residential buildings                                                                              | Provision in the legal act(s) indicating the entry into force             |                                       |          |      | Q2                      | 2024 | Entry into force of legal act(s) that shall require compliance with the updated Technical Document F introducing new requirements for renewable energy generation in residential and non-residential buildings.                                                                                                                            |
| 7.3               | C7.R.1                                 | Milestone          | Entry into force of legal act(s) setting shortened timelines for permit-granting procedures of renewable energy installations on greenhouses and renewable energy projects | Provision in the legal act(s) indicating the entry into force             |                                       |          |      | Q4                      | 2024 | The legal act(s) shall set shortened timelines for permit-granting procedures of (i) renewable energy installations on greenhouses and (ii) renewable energy projects.                                                                                                                                                                     |
| 7.4               | C7.I.1                                 | Milestone          | Signature of contracts for investments in distribution centres and cables                                                                                                  | Signature of contracts for investments in distribution centres and cables |                                       |          |      | Q4                      | 2024 | Contracts shall be signed for the following:<br><br>1) installation or commissioning of a 132kV distributing feeder line or cable circuit;<br>2) construction works and supply of equipment for two distribution centres;<br>3) civil works and supply of equipment for the Hospital and Mosta distribution centres;<br>4) 15km of cables. |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name                                                           | Qualitative indicators (for milestones)                                                                                         | Quantitative indicators (for targets) |          |      | Timeline for completion |      | Description of each milestone and target                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------|----------------------------------------|--------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------|------|-------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                        |                    |                                                                |                                                                                                                                 | Unit of measure                       | Baseline | Goal | Quarter                 | Year |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 7.6               | C7.I.1                                 | Milestone          | Distribution centres and cables                                | Partial or provisional acceptance certificates for distribution centres, cables and a distribution feeder line or cable circuit |                                       |          |      | Q2                      | 2026 | <p>Partial acceptance certificates shall be provided for:</p> <p>1) a 132kV distributing feeder line or cable circuit;<br/> 2) construction and equipment for two distribution centres;<br/> 3) civil works and equipment for the Hospital distribution centre;<br/> 4) trenching and laying of 57km of cables.</p> <p>Provisional acceptance certificates shall be provided for:</p> <p>1) civil works and equipment for the Mosta distribution centre;<br/> 2) supply of 57km of cables.</p> |
| 7.7               | C7.I.2                                 | Target             | Reduction of primary energy demand in private sector buildings |                                                                                                                                 | Percentage                            | 0        | 30%  | Q2                      | 2026 | Reduction of primary energy demand (PED) of at least 30% in private buildings covering an area of at least 40 605 m2.                                                                                                                                                                                                                                                                                                                                                                          |

## 2. ESTIMATED TOTAL COST OF THE RECOVERY AND RESILIENCE PLAN

The estimated total costs of the modified RRP including the REPowerEU chapter of Malta is EUR 329 083 116.

The estimated total costs of the REPowerEU chapter is EUR 81 139 507. In particular, the estimated total costs of the measures referred to in Article 21c(3), point (a) of Regulation (EU) 2023/435 is EUR 0 whilst the costs of the other measures in the REPowerEU chapter is EUR 81 139 507.

## SECTION 2: FINANCIAL SUPPORT

### 1. Financial contribution

The instalments referred to in Article 2(2) shall be organised in the following manner:

#### 1.1. First Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target | Name                                                                                                                       |
|-------------------|----------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------|
| 1.1               | C1.R.1                                 | Milestone        | Entry into force of the Building and Construction Authority Act                                                            |
| 1.5               | C1.R.2                                 | Milestone        | Entry into force of the updated Environment Protection Act                                                                 |
| 1.8               | C1.R.2                                 | Milestone        | Adoption of the Construction and Demolition Waste Strategy for Malta                                                       |
| 1.22              | C1.I.3                                 | Milestone        | Energy Performance Audit of two Public Schools                                                                             |
| 2.1               | C2.R.1                                 | Milestone        | National Household Travel Survey                                                                                           |
| 2.6               | C2.R.4                                 | Milestone        | Agreement with Local Councils Association on the regeneration areas in urban areas                                         |
| 2.9               | C2.R.5                                 | Target           | 15 office facilities that enable remote work for public service officials across the Maltese Islands operational           |
| 3.3               | C3.R.2                                 | Milestone        | Adoption of Malta's Smart Specialisation Strategy                                                                          |
| 5.8               | C5.R.3                                 | Target           | Setting up of two autism units (physical spaces equipped with equipment and trained education personnel) in middle schools |
| 6.1               | C6.R.1                                 | Milestone        | Entry into force of Act XLV of 2020; and Act XLIII of 2020                                                                 |
| 6.2               | C6.R.1                                 | Target           | Additional members of the judiciary                                                                                        |
| 6.9               | C6.R.2                                 | Milestone        | Entry into force of Act No. XXVIII of 2021 entitled Criminal Code (Amendment No.5) Act                                     |
| 6.10              | C6.R.3                                 | Milestone        | Update of the 2008 National Anti-Fraud and Corruption Strategy                                                             |
| 6.15              | C6.R.4                                 | Milestone        | Entry into force of Act XLVI of 2020                                                                                       |
| 6.20              | C6.R.5                                 | Milestone        | Entry into force of the Proceeds of Crime Act V of 2021                                                                    |
| 6.21              | C6.R.6                                 | Milestone        | Entry into force of Act XIX of 2020 amending the Police Act                                                                |
| 6.22              | C6.R.7                                 | Milestone        | Entry into force of Act No XLI of 2020 on the judicial review of decisions not to prosecute by the Attorney General        |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target  | Name                                                                                                                                               |
|-------------------|----------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.30              | C6.R.10                                | Milestone         | Entry into force of the relevant enabling provision for the introduction of transfer pricing rules                                                 |
| 6.38              | C6.I.1                                 | Milestone         | Entry into force of (i) Act No. LIII of 2020 (Amendment No. 2); and (ii) Act No. III of 2021 (Amendment No. 2) on digitalisation of the law courts |
|                   |                                        | Instalment Amount | EUR 60 116 664                                                                                                                                     |

## 1.2. Second Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target | Name                                                                                                                                |
|-------------------|----------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 1.3               | C1.R.1                                 | Milestone        | Training and certification of professionals in the construction industry                                                            |
| 1.9               | C1.R.2                                 | Milestone        | Adoption of standards for the Construction Industry                                                                                 |
| 1.11              | C1.R.2                                 | Milestone        | Recovery of construction and demolition waste through backfilling void spaces (quarries)                                            |
| 1.12              | C1.R.2                                 | Milestone        | Setting up of five municipal regional bodies responsible for waste collection across Malta and Gozo                                 |
| 1.13              | C1.R.2                                 | Milestone        | Entry into force of revised legislation on packaging material to allow for the regional collection of packaging waste               |
| 1.17              | C1.I.1                                 | Milestone        | Launch of call for applications for grants targeting the renovation of private sector buildings                                     |
| 1.19              | C1.I.2                                 | Milestone        | Energy Performance Audit of Mount Carmel Public Hospital                                                                            |
| 1.23              | C1.I.3                                 | Milestone        | Contracted services for the renovation of two Public Schools                                                                        |
| 1.25              | C1.I.4                                 | Milestone        | Contracted services for construction works of a near carbon neutral school                                                          |
| 2.4               | C2.R.3                                 | Milestone        | Publication of the Sustainable Urban Mobility Plan for the Valletta Region                                                          |
| 2.8               | C2.R.5                                 | Milestone        | Publication of the Remote Working Policy for Government Employees                                                                   |
| 2.15              | C2.I.2                                 | Milestone        | Open call for applications for electric vehicles and bicycles in the private sector, including scrappage scheme                     |
| 3.1               | C3.R.1                                 | Milestone        | Launch of a scholarship scheme for students to become ICT professionals                                                             |
| 3.10              | C3.I.3                                 | Target           | Expenditure incurred in relation to the modern digital workplace and solutions to improve the front-end customer experience         |
| 3.14              | C3.I.4                                 | Milestone        | Launch of the calls for applications                                                                                                |
| 4.1               | C4.R.1                                 | Milestone        | Study on barriers and facilitators for better integration and wellbeing of the foreign workforce                                    |
| 4.5               | C4.R.1                                 | Milestone        | Report on obesity prevalence amongst 4–5-year-olds in the Maltese population                                                        |
| 4.7               | C4.R.2                                 | Milestone        | Review of the regulatory framework related to the Blood Bank, Tissue and Cell Centre                                                |
| 4.11              | C4.I.2                                 | Milestone        | Contract signed for the procurement of Magnetic Resonance Linear Accelerator equipment solution at Sir Anthony Mamo Oncology Centre |
| 4.13              | C4.I.2                                 | Milestone        | All contracts signed for the digital pathology services at the histopathology department at Mater Dei hospital                      |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target  | Name                                                                                                                                                                                                                   |
|-------------------|----------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5.6               | C5.R.2                                 | Milestone         | Launch of the e-College                                                                                                                                                                                                |
| 5.9               | C5.R.3                                 | Target            | Setting-up of two new multi-sensory learning rooms (MSLR) (physical spaces equipped with equipment and trained education personnel) in colleges                                                                        |
| 5.12              | C5.R.5                                 | Milestone         | Assessment of unemployment benefits                                                                                                                                                                                    |
| 5.16              | C5.R.6                                 | Milestone         | Follow-up of the Pensions Review Report with policy proposals                                                                                                                                                          |
| 6.7               | C6.R.2                                 | Target            | Capacity building within the AG's Office                                                                                                                                                                               |
| 6.11              | C6.R.3                                 | Milestone         | National Risk Assessment and follow up strategy on fraud and corruption                                                                                                                                                |
| 6.26              | C6.R.8                                 | Target            | Number of annual AML/CFT trainings                                                                                                                                                                                     |
| 6.28              | C6.R.9                                 | Milestone         | Entry into force of a revised corporate tax return to collect information on dividends derived from bodies of persons resident in jurisdictions listed in the Code of Conduct Group list non-cooperative jurisdictions |
| 6.29              | C6.R.9                                 | Target            | Assignment of dedicated staff for the scrutiny of taxpayers in this area of taxation                                                                                                                                   |
| 6.31              | C6.R.10                                | Milestone         | Consultation of stakeholders and drafting of specific transfer-pricing rules                                                                                                                                           |
| 6.32              | C6.R.10                                | Milestone         | Entry into force of specific transfer-pricing rules                                                                                                                                                                    |
| 6.35              | C6.R.11                                | Milestone         | Study concerning measures relating to inbound and outbound dividend, interest and royalty payments                                                                                                                     |
| 6.37              | C6.R.12                                | Milestone         | Entry into force of spontaneous exchange of information (SEOI)                                                                                                                                                         |
|                   |                                        | Instalment Amount | EUR 78 055 270                                                                                                                                                                                                         |

### 1.3. Third Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target | Name                                                                                                   |
|-------------------|----------------------------------------|------------------|--------------------------------------------------------------------------------------------------------|
| 1.2               | C1.R.1                                 | Milestone        | Building and Construction Authority equipped with resources                                            |
| 1.4               | C1.R.1                                 | Target           | Professionals in the construction industry eligible for a certificate                                  |
| 1.10              | C1.R.2                                 | Milestone        | Entry into force of a new regulatory framework for the management of construction and demolition waste |
| 1.15              | C1.I.1                                 | Milestone        | Contracted services for the renovation of public buildings                                             |
| 1.24              | C1.I.3                                 | Target           | Reduced primary energy demand in two Public Schools                                                    |
| 1.26              | C1.I.4                                 | Target           | Construction of a near-carbon neutral school completed                                                 |
| 2.3               | C2.R.2                                 | Milestone        | Access to fare-free scheduled road public transport for all holders of a personalised Tallinja Card    |
| 2.10              | C2.R.6                                 | Milestone        | Completion of study on enhanced mobility management in the Maltese public service                      |
| 2.16              | C2.I.2                                 | Target           | Number of grants awarded for electric vehicles under the scheme for the private sector                 |
| 2.18              | C2.I.3                                 | Milestone        | Contracted services for the supply of electric vehicles for the public service fleet                   |
| 3.2               | C3.R.1                                 | Target           | Individuals supported to mitigate digital divide                                                       |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target  | Name                                                                                                                                                                                                |
|-------------------|----------------------------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.5               | C3.I.1                                 | Target            | Increased uptime of the Digital Backbone                                                                                                                                                            |
| 4.2               | C4.R.1                                 | Milestone         | Bespoke tool for workforce planning                                                                                                                                                                 |
| 4.6               | C4.R.1                                 | Target            | Implementation of neonatal hearing screening programme                                                                                                                                              |
| 4.9               | C4.I.1                                 | Milestone         | Contracted services for the construction of a Blood, Tissue and Cell Centre                                                                                                                         |
| 4.12              | C4.I.2                                 | Milestone         | Magnetic Resonance Linear Accelerator equipment operational and open to users                                                                                                                       |
| 5.2               | C5.R.1                                 | Target            | Teachers trained in the Reading Recovery (RR) Programme                                                                                                                                             |
| 5.5               | C5.R.2                                 | Milestone         | Implementation of elements included in the Roadmap on developing a guidance system, capacity building for adult learning professionals and establishing guidance networks                           |
| 6.19              | C6.R.5                                 | Target            | Increase the number of staff at the Asset Recovery Bureau                                                                                                                                           |
| 6.25              | C6.R.8                                 | Milestone         | Completed implementation of the action plan of the National anti-money laundering/combating terrorist financing/targeted financial sanctions (AML/CFT/TFS) strategy and action plan for 2021 – 2023 |
| 6.27              | C6.R.8                                 | Milestone         | Lifting of the increased monitoring process by FATF                                                                                                                                                 |
| 6.33              | C6.R.10                                | Target            | Tasking and training of staff by tax authorities to specialise on application of transfer pricing rules                                                                                             |
| 6.34              | C6.R.10                                | Target            | Training events for tax practitioners and company representatives                                                                                                                                   |
| 6.39              | C6.I.1                                 | Target            | Expenditure incurred for the digitalisation of the justice system                                                                                                                                   |
|                   |                                        | Instalment Amount | EUR 57 165 752                                                                                                                                                                                      |

#### 1.4. Fourth Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target | Name                                                                                                                                   |
|-------------------|----------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| 1.20              | C1.I.2                                 | Milestone        | Contract(s) signed for the renovation of block 1 of Mount Carmel Public Hospital                                                       |
| 2.5               | C2.R.3                                 | Target           | Bicycle racks and pumps installed in nine of the local councils covered by the Sustainable Urban Mobility Plan for the Valletta Region |
| 2.17              | C2.I.2                                 | Target           | Number of grants awarded for electric vehicles under the scheme for the private sector                                                 |
| 2.19              | C2.I.3                                 | Target           | Replacement of vehicles within the Government fleet with electric (zero emissions) vehicles                                            |
| 3.11              | C3.I.3                                 | Milestone        | Acquisition or renewal of Microsoft 365 (or equivalent) licences                                                                       |
| 3.12              | C3.I.3                                 | Milestone        | Acquisition of laptops and telephony licences                                                                                          |
| 3.13              | C3.I.3                                 | Milestone        | Digital public services for citizens and businesses                                                                                    |
| 4.3               | C4.R.1                                 | Milestone        | Reports on addressing policy recommendations on wellbeing and integration of foreign workforce within the Ministry for Health          |
| 4.8               | C4.R.2                                 | Milestone        | Entry into force of legal act(s) on the Blood Bank, Tissue and Cell Centre                                                             |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target  | Name                                                                                                                                                                       |
|-------------------|----------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.14              | C4.I.2                                 | Milestone         | Delivery of equipment for digital pathology services at the histopathology department at Mater Dei hospital                                                                |
| 5.1               | C5.R.1                                 | Target            | Number of students trained in the Reading Recovery (RR) Programme                                                                                                          |
| 5.4               | C5.R.1                                 | Milestone         | Data Warehouse Solution                                                                                                                                                    |
| 5.13              | C5.R.5                                 | Milestone         | Monitoring report on unemployment benefits in Malta                                                                                                                        |
| 6.5               | C6.R.2                                 | Milestone         | Independent review on the transfer of offences and summary cases from the Police to the Attorney General's Office                                                          |
| 6.8               | C6.R.2                                 | Milestone         | Transfer of cases to the Attorney General's Office                                                                                                                         |
| 6.12              | C6.R.3                                 | Target            | Training programmes on anti-corruption                                                                                                                                     |
| 6.13              | C6.R.3                                 | Milestone         | Documentary Repository System                                                                                                                                              |
| 6.16              | C6.R.4                                 | Milestone         | Recruitment of staff and increase of budget for the Permanent Commission Against Corruption                                                                                |
| 6.17              | C6.R.4                                 | Milestone         | Digital registry of information on corruption cases shall be accessible by the Permanent Commission Against Corruption (PCAC)                                              |
| 6.18              | C6.R.4                                 | Milestone         | Publication of an internal Standard Operating Procedure for the Permanent Commission Against Corruption (PCAC)                                                             |
| 6.19a             | C6.R.5                                 | Target            | Recruitment of 7 people within the Asset Recovery Bureau                                                                                                                   |
| 6.23              | C6.R.7                                 | Milestone         | Independent review of the provision for injured parties (in Act XLI of 2020) to appeal the decision of the Attorney General not to prosecute                               |
| 6.36              | C6.R.11                                | Milestone         | Entry into force of legal act(s) related to inbound and outbound payments                                                                                                  |
| 7.1               | C7.R.1                                 | Milestone         | New requirements for renewable energy generation in residential and non-residential buildings                                                                              |
| 7.3               | C7.R.1                                 | Milestone         | Entry into force of legal act(s) setting shortened timelines for permit-granting procedures of renewable energy installations on greenhouses and renewable energy projects |
| 7.4               | C7.I.1                                 | Milestone         | Signature of contracts for investments in distribution centres and cables                                                                                                  |
|                   |                                        | Instalment Amount | EUR 60 406 019                                                                                                                                                             |

#### 1.5. Fifth Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target | Name                                                                          |
|-------------------|----------------------------------------|------------------|-------------------------------------------------------------------------------|
| 1.16              | C1.I.1                                 | Target           | Reduction of primary energy demand in public buildings                        |
| 1.21              | C1.I.2                                 | Target           | Reduction of primary energy demand in block 1 of Mount Carmel Public Hospital |
| 1.27              | C1.I.5                                 | Target           | Installed generation capacity of photovoltaics in public spaces               |
| 2.2               | C2.R.1                                 | Milestone        | Raising awareness of sustainable or active mobility                           |

| Sequential Number | Related Measure (Reform or Investment) | Milestone/Target  | Name                                                                                                                                                                                      |
|-------------------|----------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.11              | C2.R.6                                 | Milestone         | Digital platform for mobility with public service vehicles                                                                                                                                |
| 2.22              | C2.R.7                                 | Milestone         | Public services shifted to off-peak hours and changes to public bus services                                                                                                              |
| 2.17a             | C2.I.2                                 | Target            | Number of grants awarded for the purchase of electric vehicles in the private sector, together with mandatory scrappage of an existing vehicle                                            |
| 3.6               | C3.I.1                                 | Milestone         | Level 4 in NIST cyber security framework                                                                                                                                                  |
| 3.8               | C3.I.2                                 | Milestone         | IT systems and tools accessible for use                                                                                                                                                   |
| 3.11a             | C3.I.3                                 | Milestone         | Acquisition or renewal of Microsoft 365 Copilot licences                                                                                                                                  |
| 3.13a             | C3.I.3                                 | Milestone         | National Single Window for Customs and an Address-Based Geolocated Image Capture of Maltese Building Units                                                                                |
| 3.15              | C3.I.4                                 | Milestone         | Grants for digitalisation of the private sector                                                                                                                                           |
| 3.16              | C3.I.5                                 | Milestone         | Acquisition of mobile infrastructure and software for digitalisation of the urban ecology                                                                                                 |
| 3.17              | C3.I.6                                 | Milestone         | Signature of the Contribution Agreement between the government of Malta and the European Commission                                                                                       |
| 3.18              | C3.I.6                                 | Target            | Financing or investment operations approved by the InvestEU Investment Committee                                                                                                          |
| 4.10              | C4.I.1                                 | Milestone         | Constructed Blood, Tissue and Cell Centre                                                                                                                                                 |
| 5.10              | C5.R.3                                 | Milestone         | Acquisition of IEP Module, circulars, and the publication of the revised Policy on Inclusive Education in Schools                                                                         |
| 5.11              | C5.R.4                                 | Milestone         | Monitoring and Evaluation Report submitted and approval of appointment of two people within the Policy Monitoring and Evaluation Directorate                                              |
| 5.14              | C5.R.5                                 | Milestone         | Issuance of certificates, entry into force of the Work-Life Balance for Parents and Carers Regulations, and the publication of the National Employment Policy 2021-2030                   |
| 5.15              | C5.R.5                                 | Milestone         | Training for educational personnel, entry into force of a legal act, publication of a report, and publication of the Gender Equality and Mainstreaming Strategy and Action Plan 2022-2027 |
| 6.4               | C6.R.1                                 | Milestone         | Publication in the Government Gazette of the legal act(s) on the independence of specialised tribunals                                                                                    |
| 6.6               | C6.R.2                                 | Milestone         | Publication in the Government Gazette of the legal act(s) on the transfer of at least 30 categories of offences in 2026, from the Police to the Attorney General's Office                 |
| 6.14              | C6.R.3                                 | Milestone         | Database collating whistleblowing data                                                                                                                                                    |
| 6.24              | C6.R.7                                 | Milestone         | Entry into force of legal act(s) on the judicial review for injured parties to appeal the decision of the Attorney General not to prosecute                                               |
| 6.40              | C6.I.1                                 | Target            | Expenditure incurred for the digitalisation of the justice system                                                                                                                         |
| 7.6               | C7.I.1                                 | Milestone         | Distribution centres and cables                                                                                                                                                           |
| 7.7               | C7.I.2                                 | Target            | Reduction of primary energy demand in private sector buildings                                                                                                                            |
|                   |                                        | Instalment Amount | EUR 72 487 223                                                                                                                                                                            |

## **SECTION 3: ADDITIONAL ARRANGEMENTS**

### **1. Arrangements for monitoring and implementation of the recovery and resilience plan**

The monitoring and implementation of the Maltese RRP shall take place in accordance with the following arrangements:

The Ministry responsible for the management of EU funds is the authority in charge of the coordination, management and control of the overall implementation process of the RRP. It shall ensure the respect of the established national and EU rules, take measures to provide adequate administrative capacity and carry out the required consultation, communication and information activities related to Regulation (EU) 2021/241. Within the Ministry responsible for the management of EU funds, the Planning and Priorities Coordination Division (PPCD) is entrusted with the effective implementation of the RRP, in particular with the function identified in Article 22(2) and (3) and shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures in the Maltese RRP complies with the applicable EU and national law. It shall also be responsible for drawing up and signing of management declaration accompanying the requests for payment. The responsible institutions involved in the execution of each reform and investment shall liaise on a regular basis with the Ministry responsible for the management of EU funds. The Internal Audit and Investigations Department has been designated as the audit authority for the purposes of the RRP, as an independent body. The audit authority shall be responsible for drawing up and signing the Summary of audits accompanying the request for payment. The audit authority's strategy comprises both system audits, focusing on the system in place for the reporting of the milestones and targets, and on the system to prevent detect and correct serious irregularities, including the IT system, as well as substantive testing based on an adequate sampling.

### **2. Arrangements for providing full access by the Commission to the underlying data**

The Ministry responsible for the management of EU Funds, as the central coordinating body for the implementation of the Maltese RRP is the contact point for the Commission. It acts as a coordinating body for monitoring the progress on milestones and targets and for providing all necessary arrangements for submitting payment requests. It coordinates the reporting of milestones and targets, relevant indicators, but also qualitative financial information and other data, such as on final recipients. The management and information system maintained by the PPCD shall be used to collect the necessary information to monitor the whole life cycle of the reforms and investments, including milestones, targets and information supporting the monitoring of their financial implementation.

In accordance with Article 24(2) of Regulation (EU) 2021/241, upon completion of the relevant agreed milestones and targets in Section 2.1 of this Annex, Malta shall submit to the Commission a duly justified request for payment of the financial contribution. Malta shall ensure that, upon request, the Commission has full access to the underlying relevant data that supports the due justification of the request for payment, both for the assessment of the request for payment in accordance with Article 24(3) of Regulation (EU) 2021/241 and for audit and control purposes.