

Table 1. Standard table for the assessment of CSRs and key macro-structural reforms in the NRPs

Main areas of intervention (1)	Number of CSR (2)	Measures	Qualitative information of the planned and already enacted measures					Macro impact of structural reform			
			Description of the measures					Impact on public finance	Quantitative information		Methodological Elements
			Description of the measure	Legal/administrative instruments	Formal objectives	State of Progress (including the implementation stage, the sequence and timing of the measure)	Risk of implementation (if relevant)	Overall and yearly change in government revenue and expenditure (reported in min. national currency)	Yearly and cumulated effect on GDP and other main macroeconomic variables (4)	Description of the model used	Assumptions of the model, including variables and parameters
Public finance	CSR 1: Ensure correction of the excessive deficit in 2011, in line with the EDP recommendations, standing ready to take additional measures so as to prevent possible slippages, and adopt concrete measures to back up the 2012 deficit target. Bring the high public debt ratio on a downward path and ensure adequate progress towards the MTO. With a view to strengthening the credibility of the medium-term consolidation strategy, define the required broad measures from 2013 onwards, embed the fiscal targets in a binding, rule-based multi-annual fiscal framework.	Measure 1	Execution of the Budget for 2011	Various Instruments: Budget Measures Implementation Act; Appropriation Act; Communications to the Treasury and the respective Ministries	Outlined the 2011 Update of the Stability Programme	Fully Implemented	Not relevant				
		Measure 2	Execution of the Budget for 2012	Various Instruments: Budget Measures Implementation Act; Appropriation Act; Communications to the Treasury and the respective Ministries	To be outlined in the 2012 Update of the Stability Programme	Implementation stage					
		Measure 3	Expenditure Review		To be outlined in the 2012 Update of the Stability Programme	Implementation stage					
		Measure 4: Euro Plus Pact Measure 2.4.11.1	Strengthening the Fiscal Framework	Constitutional Amendment	Amend the Constitution of Malta in line with the Fiscal Compact	First Reading of a Bill Presented to the House of Representatives in February 2012	The Constitutional amendment is subject to the Constitutional amendment process.				
				Ongoing Measures							
	Measure 1: NRP measure 3.1.3.3 Encouraging Older Workers to Continue Working	Reform of the Pension system	a) New legislation was introduced in 2008 (The Social Security (Amendment) (No. 2) Act, 2006 (Act XIX of 2006)) through which persons of pensionable age under the age of 65 are now able to work without losing their pension entitlements, irrespective of the amount of earnings and irrespective of their age. b) Government has introduced a new medical assessment as part of the criteria for qualification to the invalidity pension to ensure that the system will not lead to early exit from the labour market. Malta is currently looking at how this process can be improved in other areas where benefit entitlement is linked to unemployment through work incapacity. c) Currently the official retirement age is 61 years. In 2014, the official retirement age will be 62 years and in 2019 it will be 63 years. This means that within the Europe 2020 strategy period, Malta will be able to increase its retirement age.	a) Increase in persons who are receiving retirement pension and remaining in employment; b) Decrease in the number of beneficiaries; c) Increase in the number of persons older than 55 years remaining in employment	a) Completed - In 2011, out of a total of 43,084 males and 15,533 females who were receiving a retirement pension, 5,649 (20.0%) and 2,116 (13.6%) remained in employment for, the whole or part of, the year respectively. b) On track - In the years 2008-2011, the number of beneficiaries was reduced by 2,151 persons and thus making them available for gainful employment. This resulted in an annual recurrent saving to Government of approximately € 10,330,961. c) Currently still in process of monitoring the effective retirement age, in particular of cohorts 1 and 2.						
	Measure 2: NRP Measure 3.5.2.2 (Cross Ref to NRP Measure 3.1.3.3)	Pension Reform	Reform in the Pension System: Government decided to implement the process in a gradual manner, starting with adoption of a parametric reforms to the PAYG component. Changes introduced by law in 2006 included the following:	Enhanced sustainability and adequacy of the Pension System; contribute to reduction of poverty amongst elderly people; encourage older workers to continue working (cross ref to measure 4.1.2.3 under employment	Strategic Review of the Pension System was carried out by the Pensions Working Group and presented to Minister at end October 2010. The review was tabled in Parliament on the 14th December 2010, and consequently						
	Measure 3: NRP Measure 3.5.2.3	To improve the Supplementary Allowance system to assist pensioners aged over 65 years, who are at risk of poverty.	Offering financial assistance to married couples or single persons whose household income falls below a certain threshold.	a) Higher supplementary rates for 'at risk of poverty' beneficiaries b) Proposals According to SILC analysis issued by the NSO	Proposals drawn and submitted for political and financial approval.						
	Measure 4: NRP Measure 3.5.2.4 (a) - To analyse, revise and propose the necessary parametric or fundamental changes required with respect to the benefits enjoyed by disabled persons	The measure concerns the review of the Disability Pension system payable under the social Security Act.	These proposals for reform in the disability benefit field are principally that: a) The focus of policy should not be on granting entitlement to income-replacing benefits but on providing individually-tailored assistance aiming at integration and/or reintegration into the labour market where possible b) Income support should be provided to the extent necessary while these efforts are underway, unless integration measures are inappropriate due to the severity of the disability; c) The disabled persons should	The commitment taken in the NRP to draw a report in 2011 which will propose medium- to long-term initiatives taking cognizance of the wide-ranging services provided by government in this area with specific emphasis on employment and support initiatives for disability or functional impairments' has been fulfilled by the set of proposals which were drafted and presented to the Minister. Furthermore two measures were announced in Budget 2012, both effective as from January 2012. These two measures are the following: a) Disabled persons who							
				Planned / Extended & New Measures							

Labour Market

<p>CSR 3: Focus education outcomes more on labour market needs, notably by making additional efforts to improve access to higher education and by strengthening the effectiveness of the vocational training system. Take further measures to reduce early school-leaving by identifying, analysing and measuring its causes by 2012 and by setting up a regular monitoring and reporting mechanism on the success rate of the measures.</p>	<p>Measure 4: NRP Measure 3.4.2.3</p>	<p>Introducing Life-Long Learning into the Community through a Pilot Out-Reach Programme</p>	<p>Tailoring lifelong learning, in the form of various educational opportunities, to the needs of the community, with particular attention being paid to the needs of certain key groups in society where there is much potential for raising of educational levels, such as unemployed mothers and other unemployed persons with low or no skills.</p>	<p>The Measure aims to provide the following: a) A different experience to previous learning paths, since these paths might have failed in the education of particular learners. b) The adequate level and type of learning (whether general or vocational). c) The appropriate style of learning (tailor-made to the needs and strengths of individual learners). d) The most feasible time for learning (e.g. during school hours for mothers). e) The most convenient place for learning, close to one's place of residence. f) A welcome environment for learning, with other learners from</p>	<p>Although this pilot project was envisaged to start in 2013, implementation has actually commenced in October 2010. In January 2010, the Directorate for Life Long Learning (DLLL) established a formal collaboration with the Department for Local Government, focusing in particular on the standards and quality of these lifelong learning courses. In preparation for this project, an assessment of the qualified adult educators was carried out and on-going professional support for adult educators offering services at local councils is also being undertaken by DLLL personnel. In 2011-12, 42 Local Councils participated in this scheme, and delivered classes in</p>					
	<p>Measure 5: NRP Measure 3.4.2.4</p>	<p>Setting up of a National System for Accreditation and Licensing of Further and Higher Education Programmes and Providers and of Recognition of Non- Formal and Informal Prior Learning</p>	<p>a) Legal Notice 'Further and Higher Education (Licensing, Accreditation and Quality Assurance) Regulations, 2011' b) Legal Notice 'Validation of Non-Formal and Informal Learning Regulations, 2011'</p>	<p>a) The accreditation of formal further education programmes (defined as programmes at levels 1-4 of the Malta Qualifications Framework and which are not provided in the form of compulsory education). b) The accreditation and licensing of (public or private) further education providers eligible to operate in their respective sector. c) The accreditation of formal higher education programmes (defined as programmes at levels 5-6 of the Malta Qualifications Framework). d) The accreditation and licensing of (public or private) higher education providers eligible to operate in their respective sector. e) Recognition of prior non-formal or informal learning, as linked to specific individuals on the basis of</p>	<p>During 2011, NCHE together with MQC commenced work on this measure, with the drafting of two Legal Notices one titled 'Further and Higher Education (Licensing, Accreditation and Quality Assurance) Regulations, 2011', and the other 'Validation of Non-formal and Informal Learning Regulations, 2011'. By October 2011, these were finalised and passed on to Cabinet to be laid on table of the House of Parliament after the publishing of the Education Act Amendment Bill. The second reading of this Bill commenced in January 2012. Meanwhile, in July 2011, NCHE started a Capacity building exercise with the University of Malta (UoM) regarding a review of the internal quality assurance processes in this institution. An internal working</p>					
	<p>Measure 6: NRP Measure 3.4.2.5</p>	<p>Introducing New Possibilities and Modalities of Learning in Higher Education</p>		<p>a) Actual identification of the possibilities and modalities of learning in higher education b) provide a longer higher educational pathway than in traditional higher education, with a view to allowing learners to study during late evening hours and during periods of their life in which they find it to be most convenient and most practical c) raise the qualification level of such persons with a view to providing them with higher intellectual and analytical capabilities and offering them better job prospects.</p>	<p>A Student Affairs and Further and Higher Education Ad Hoc Working Group was set up in March 2011, which met on 22 March 2011 and 17 May 2011 respectively. A report including recommendations shall be prepared and presented to the Minister and stakeholders in 2012.</p>					
	<p>Measure 7: 3.4.2.6 (Cross Ref to NRP Measure 3.2.2.3)</p>	<p>Extension of the Malta Government Scholarship Schemes (MGSS)</p>	<p>This measure is expected to be beneficial to the overall education levels but more specifically to raise the proportion of science and technology graduates and potentially increase the number of researchers carrying out research and development activity.</p>	<p>The key objectives of the MGSS- PG scheme are to: a) assist exceptional applicants to pursue further levels of academic research; b) encourage and promote more participation at a postgraduate level of academic research both locally and internationally c) contribute towards research in identified areas of national priority d) increase research activity at the University of Malta, and e) increase the capacity and level of research, innovation and development activity in Malta.</p>	<p>Since MGSS was launched in 2006, 88 October 2011, 252 scholarships have been awarded (of which 117 scholarships lead to the Doctoral degree). Currently, the Government is offering other Scholarship Opportunities. STEPS is an ESF co-funded project, which has been extended to 2014. (Kindly refer to Measure 3.2.2.3). In 2010, the Malta Arts Scholarships was introduced to support the vibrant creative industry in Malta, and a total of 24 scholarships have been awarded in the past two years. Furthermore, in February 2012, the Government also introduced the Sport Scholarships scheme.</p>	<p>As from 2012, Government has increased the local funds re MGSS by 92%, from €465,000 to €891,000. In 2012, the fund for the Malta Arts Scholarships scheme increased by 25% (from €200,000 to €250,000).</p>				
	<p>Measure 8</p>	<p>Pre-employment Scheme (ITS)</p>	<p>Chapter 327 of the Laws of Malta - the Education Act</p>	<p>Reducing early school leavers rate to 29% by 2020</p>	<p>Third year in implementation phase; increase of students / employees in food service and/or housekeeping operators sector; End Date: ongoing</p>	<p>Some risks due to difficulty in carrying out work placements due to age requirements</p>	<p>€5,000 (Malta Funds)</p>			
	<p>Measure 1: NRP Measure 3.4.2.7</p>	<p>Increasing accessibility, flexibility and innovation to MCAST Lifelong Learning Course Offer (ESF 2.139)</p>	<p>Chapter 327 of the Laws of Malta - the Education Act</p>	<p>Increasing the share of 30-34 year olds having completed tertiary or equivalent education to 33% by 2020</p>	<p>Start date: Q4 2011; Introduction of Blended Learning Approach; Process to assess prior learning together with prior and current work experience; Implementation of a Tracer Study; End Date: Q1 2015</p>	<p>Low to medium risks, largely due to uptake by students can be lower than expected.</p>	<p>€7,240,667 over duration of measure implementation (85% EU Funds; 15% Malta Funds)</p>			

Planned / Extended & New Measures

	Measure 2: NRP 3.4.2.8	Making VET more relevant and attractive MCAST (ESF 1.130)	Chapter 327 of the Laws of Malta - the Education Act; Article 93(b);	Increasing the share of 30-34 year olds having completed tertiary or equivalent education to 33% by 2020	Start date: Q2 2011; Launching of Training Subsidy Scheme MCAST; Re-design and re-formulation for accreditation purposes of existing courses; Design and accreditation of new courses; Implementation of training; Implementation of a Tracer Study; End Date: Q3 2014	Low to medium risks, largely due to uptake by students can be lower than expected.	€5,547,130 over duration of measure implementation (85% EU Funds; 15% Malta Funds)				
	Measure 3: NRP 3.4.2.10	Introduction of new courses and the building of the new campus of the Malta College of Arts, Science and Technology (MCAST)	Chapter 327 of the Laws of Malta - the Education Act; Article 93(b);	Increasing the share of 30-34 year olds having completed tertiary or equivalent education to 33% by 2020	Start date: Q2 2010; Setting up of Institute for Applied Science; Completion of Institute of Applied Science and Institute of Business and Commerce; Completion of Flexi Teaching Building; End date for EU funded works: Q4 2013	Low to medium risks, largely due to potential lack of investment in science-related subjects at ISCED level 2 and potential shift of industrial trends away from science skills and finance industries	€11,178,062 related to the Flexi-Teaching Building sanctioned to FTS by HSBC plc Malta as guaranteed by the Government of Malta; €9,654,992 through ERDF 154 (85% EU Funds and 15% Malta Funds)				
	Measure 4	Take measures to reduce early school-leaving by identifying, analysing and measuring its causes by 2012 and by setting up a regular monitoring and reporting mechanism on the success rate of the measures.	Chapter 327 of the Laws of Malta - the Education Act	Reducing early school leavers rates to 29% by 2020	Discussion meetings between Research and Development Department, MEDE & NCHE; Collecting of data from all secondary schools; Collecting of data from post-secondary institutions; Collecting of data from ETC; Meetings with NSO	Medium to high risks, due to non-participation in questionnaire and/or interviews by early school leavers	NA				
	Measure 5: NRP 3.4.2.9	Inclusion for Employment (ESF 3.102)	Chapter 327 of the Laws of Malta - the Education Act	Reducing early school leavers rate to 29% by 2020	Start date: Q3 2011; Auditing and reviewing of current system; Design of learning resources packs; Piloting of teaching and learning resources; Training of lecturing staff; Accreditation of courses; Dissemination of project results; End Date: Q3 2014	Low to medium risks, due to inability of finding local lecturers to deliver staff training	€7,176,147 (85% EU Funds; 15% Malta Funds)				
	Measure 6: 3.4.2.11	Foundation Certificate Hospitality Trades Course (ITS)	Chapter 327 of the Laws of Malta - the Education Act	Reducing early school leavers rate to 29% by 2020	The course was launched in October 2011 and it is ongoing	No risks envisaged	€80,000 (Malta Funds)				
CSR 4: Review and take the necessary steps to reform, in consultation with social partners and in accordance with national practices, the system of wage bargaining and wage indexation to ensure that	Measure 1	A Review of the Cost of Living Adjustment (COLA) Mechanism	Not applicable.	An assessment of the extent to which the cost of living adjustment (COLA) affects the functioning of the labour market and the underlying competitiveness position.	The Draft Report is being discussed internally in consultation with social partners.						
	Ongoing Measures										
	Measure 1: NRP Measure 3.3.2.1	Interconnection to the European Energy Grid		Malta will be able to import and export 200MW+ of electrical power from Sicily and Europe when it is advantageous - Malta would be able to source electricity generated at lower cost from European suppliers - Electricity generated and purchased through the	The project is currently on track and the target is to commission the interconnector by October 2013 as per contract. The project is in its detailed engineering stage prior to start of manufacture of equipment. The application process for permits in Malta in Sicily is progressing. A detailed marine survey to define the						
	Measure 2: NRP Measure 3.3.2.2	Extension of the Delimara Power Station		Production of a maximum 144 MW of Electrical Power to be available to Maltese Grid in May 2012. The new generating plant is modular and has 49% conversion efficiency, making it the most efficient and	The availability of a maximum of 144MW of Electrical Power to the Maltese Electricity Grid by May 2012 was delayed essentially due to delays in granting of the IPPC permit. Nonetheless following the						
Measure 3	Energy Audit	Malta Enterprise is enabled to issue and publish official Incentive Guidelines in terms of Article 8(1)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta. The legal notice entitled Enterprise Support Regulations, 2008 (L.N. 70 of 2008), published under the Malta Enterprise Act, provides the legal basis of this incentive.	Malta Enterprise provides Maltese advisory services in order to carry out an Energy Audit. The audit will collect detailed information about the facility operations and performance together with a detailed evaluation of energy conservation measures. Utility bills are collected for a 12 to 36 month period in order to allow the auditor to evaluate the enterprise's energy/demand rate structures and energy usage profiles. Additional metering of specific energy-consuming systems is often performed to supplement utility data, while meetings with key personnel are conducted so as to provide a better understanding of major energy consuming patterns. An overall financial analysis is also provided for each energy saving measure proposed. Options for improvements are costed in order for the enterprise to weigh the cost of improvements against future energy savings and prioritise according to those that offer best value for money. Should more hours be needed for the energy	On going: 2009 - December 2013		Since 2010, the total value of support amounted to over €35,000. In 2011, a total of € 5,500 was allocated					

Energy	CSR 5: Strengthen efforts to reduce Malta's dependence on imported oil, by bringing forward investments in renewable energies and making full use of available EU funds to upgrade infrastructure and promote energy efficiency.	Measure 4: NRP Measure 2.4.4 - ERDF Funded Grant Schemes	ERDF Energy Grants	Malta Enterprise is authorised to issue and publish Guidelines in terms of Article 8(3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta. The legal basis of this incentive is the Enterprise Support Regulations, 2008 (L.N. 70 of 2008). This Legal Notice provides the parameters for the assistance provided under this incentive.	The ERDF Energy Grant Scheme is an opportunity for proactive businesses that are willing to invest in solutions that will help reduce the impact of energy costs on their business. Enterprises may be awarded a 50% refund on their approved projects. Costs may be claimed on investments in: energy saving solutions such as intelligent lighting systems, solar heating, thermal insulation, build management systems and energy-saving lighting; and alternative energy technologies such as solar power and wind power. Projects submitted under the grant scheme may not exceed a total value of €200,000.	Currently, Malta Enterprise is not accepting applications for assistance through this scheme. 2 calls have been published. 139 enterprises have benefited from this scheme.	€ 18.4 million has been allocated to this scheme. An ERDF scheme co-financed between EU Funds, National Funds and Private Funds			An ERDF Scheme, Co-financing: EU Funds, National Funds and Private Funds. Total Annual electricity generated from small scale PV and micro-wind installations (MWh/annum) (5,000); Total energy savings per year (MWh/annum) (22,000)		
		Measure 5: NRP Measure 3.3.2.3	National Energy Efficiency Action Plan		Energy savings in end use by 2016 and 22% energy savings in primary energy savings by 2020. The basis for this target is that marine bunkering is excluded from primary energy consumption and that aviation is capped at 4.12% in line with Directive 2009/28/EC on the promotion of the use of energy from renewable sources. The business as usual scenario assumes the power station conversion efficiency of 50.31% of a commitment to achieve by 2020 a share of energy from renewable sources in gross final energy consumption of 10%.	The main tangible efforts during the past three years have been on promoting energy efficiency in the domestic sector, tourism and industry. A number of schemes have been issued targeting these sectors and the uptake was very successful. Measures for the Public sector and Transport sector were also devised but more effort are to be made in these sectors since there is more potential to be realised. The Government has identified the sites for wind-farm development with potentially minimal impact on other activities and the environment and has already started the Environment Impact Assessments or Appropriate Assessments on						
		Measure 6: NRP Measure 3.3.2.6	Implementation of the National Renewable Action Plan									
		Planned / Extended & New Measures										
		Measure 1: NRP Measure 3.3.2.10	Grant on the purchase of PV's and Solar water heaters. It is an Aid scheme to promote uptake of RES and energy savings in the domestic sector	Government Notices 617 of 2011, 895 of 2011, Notice of the 22 July 2010, Notices of 15 April 2011.	Promotion of distributed renewable energy by households	In progress - uptake has reached approximately 5000 households			15% of grants provided from National funds, 85% from ERDF funds			
		Measure 2: NRP Measure 3.3.2.9	Energy Efficiency Measures for the Hospitality Sector	Malta Enterprise is authorised to issue and publish the official Incentive Guidelines in terms of Article 8(3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta. The Assistance to Hotels and Restaurants (Energy Efficiency Measures) Regulations, 2010, published under the Malta Enterprise Act, provide the legal basis of this scheme.	Enterprise must reduce the utilization of energy generated from fossil fuels. Licensed hotels, guesthouses, hostels, farmhouses, snack bars and restaurants may all benefit from a Loan financed by Malta Enterprise. Loans approved under this incentive may not exceed €400,000 or 80% of the total investment, as approved by the Corporation. The loan has to be repaid within 5 years and will have an interest rate of 1.5% over the discount rate charged by local commercial banks.	On going: January 2011 - December 2013					Minimal as the Soft Loan is a recoverable cost	
		Measure 3: Euro Plus Pact Measure 3.6.8	MicroINVEST	Malta Enterprise is enabled to issue and publish official Incentive Guidelines in terms of Article 8(3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta. The legal notice entitled Enterprise Support Regulations, 2008 (L.N. 70 of 2008), issued under the Malta Enterprise Act, provides the legal basis of this incentive.	enterprises and the self-employed that invest in their business, innovate, expand, implement compliance directives and/or develop their operations. This scheme also allows for the purchasing of machinery or technologies which save or generate energy. Micro enterprises and self-employed will be supported through a tax credit representing a	On going: January 2010 - December 2012			The scheme started in January 2010 and until December 2011, 722 applicants have benefited from the scheme, with a total of over €5.8 million of tax credits to be issued and with 226 jobs created. Total Tax Credit Values of amount invested: € 13.6 million		Tax Foregone	
		Measure 4	Gas interconnection		To implement a connection to the trans-European Natural Gas Network to deliver Natural Gas (NG) to the Maltese final consumer for domestic, commercial and industrial purposes including its potential use for the generation of electrical power.	A comprehensive study that includes a cost-benefit analysis to determine the commercial viability of the project as well as its effect on the Maltese economy is being prepared. The study shall also take into other externalities of the project such as security of supply, competitiveness, sustainability as well as identifying the aspects that make it a potential Project of Common Interest (PCI) as						

(1) This classification is in line with that already used within the framework of CSRs monitoring under the first European Semester.

(2) The number of CSRs differs across Member States

(3) Regardless of the main area of intervention, it includes any sort of structural measures planned or enacted by Member States that are not under a previous CSR, but have an impact on macroeconomic scenario

(4) Other macroeconomic variables mainly refer to the main components of domestic demand (private consumption and investment) and employment.