



# Malta Report

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Sustainable Governance  
Indicators 2019

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## Executive Summary

Malta's 2004 accession to the European Union (EU) acted as a catalyst for social, economic and political transformation. The EU's liberal ethos propelled the 2011 introduction of divorce to one of the last bastions of catholic zealotry. Since 2013, the Maltese government has fueled this liberal current. Malta has considerably relaxed its censorship laws and extended rights to people with diverse gender identities and sexual orientations, including civil marriage. Recent legislation on domestic violence and reproductive rights have given practical expression to women's right. The right to employment for disabled persons has also been codified, with employers penalized with fines for ignoring equality of opportunity laws. Since accession, Malta has extended maternity benefits and provided free child-care centers, enhanced pension rights and increased assistance for the elderly, upgraded health services, and embarked on a €50 million social housing project. The government is implementing recommendations on migrant integration by introducing reception centers, allowing migrants to register for work and setting up an integration program. In the 2018 and 2019 budgets, the government included increases in pensions and other social benefits with the aim of redressing social inequalities.

Malta's economy continues to thrive, recording growth rates of up to 6% annually – among the highest in the EU – and obtaining generally positive ratings from credit agencies. The result is an economy that has shifted from a significant public deficit to one of consecutive surpluses; the debt-to-GDP ratio continues to be meaningfully reduced. Malta is experiencing an unprecedented upsurge in tourism and has finally succeeded in attracting significant numbers of visitors during the “shoulder” months. Despite implementing a hefty reduction in tariffs, the government has not only turned around the fortunes of the country's sole energy provider, Enemalta, but enabled it to make a profit. Enemalta has transitioned to use of a gas-fired power station, and has increased the use of solar energy technologies.

Socioeconomic and political developments have transformed the Maltese landscape. Rising economic wealth is impacting population and class structures, with imported labor and refugee flows creating a more diverse population. This has led to the expansion of the middle class and of a new underclass whose members command little social capital. Malta now attracts unprecedented levels of local and international investment; hence, the dangers of clientelism and patronage have also become internationalized. In its attempt to address these new dangers, the government has launched a national assessment procedure and has prepared a national anti-money-laundering and terrorist-financing strategy, complete with supporting action plan. Construction, the industry that traditionally drives the Maltese economy, has long been a nexus of corrupt practices; however, the economic boom and soaring population have increased the demand for real estate, exacerbating the problem. Instead of helping, the division of the Malta Environment and Planning Authority (MEPA) into two authorities has drawn enormous criticism. Environmental groups are concerned that the reform will threaten what remains of Malta's "green lungs." A drive to render key service providers (e.g., in energy and health care) sustainable has facilitated a government program of privatization. While many stakeholders have been consulted, the privatization process has been criticized for its lack of public consultation, transparency and accountability. The National Audit Office (NAO) is currently investigating the entire process, while the opposition has launched a court case seeking to reverse the privatization.

Beginning in 2017, we have also witnessed what may be the beginning of fragmentation in the party system. Two parliamentarians left the government party, were reelected on the opposition-party ticket and now sit in parliament under the newly constituted Democratic Party (PD). For the first time in 30 years, three parties are represented in parliament. The opposition party is seriously divided, with the prospect of having to conduct a new leadership contest just one year after the last providing opportunities for the PD to make further inroads into its support base. Following the departure of two of its MPs to form the PD, the governing party today appears more united. However, the prime minister's 2017 declaration that he will not be continuing in office after the 2022 elections may eventually lead to some divisions.

In 2018, investigations continued into allegations of corruption involving a minister and the prime minister's chief of staff, focusing on the creation of secret Panama-based accounts, and suspicions of having received kickbacks from government contracts. However, an inquiry into allegations that a third secret Panama-based account belonged to the wife of the Prime Minister was concluded. The findings confirmed that there was no evidence to support the

allegations, and that documents supporting the allegations had been falsified. The journalist who had largely helped expose the Maltese links to the Panama scandal, Daphne Caruana Galizia, was killed in a car bombing in October 2017. As of the time of writing, the accused perpetrators were undergoing trial; however, the investigation seeking the identities of those who commissioned the crime to justice was still ongoing. The journalist's murder, the Panama affair and various allegations made against a number of institutions have contributed to further polarization within the Maltese political system even though early elections in June 2017 returned the governing party to power with the largest majority since independence. The results were a sign of public confidence in the government's economic and social policies, as well as of an increasingly liberal ethos.

A number of developments have also facilitated good governance practices. EU membership has meant the adoption of multi-level governance – a power shift weakening the national executive, but strengthening oversight mechanisms and civil society. New measures have also been introduced to enhance accountability and transparency. Demands under the Freedom of Information Act have multiplied, and the Ombuds Office has been granted new areas of competence. These measures have effectively ensured greater scrutiny of the government. For its part, the National Audit Office has become more proactive. Legislation intended to regulate and improve the transparency of political-party funding has been enacted. Ministers and members of parliament accused of breaching existing codes of ethics will become accountable to a Public Standards Office under the direction of an officer appointed by a vote of the entire parliament. This individual has been selected, and the office is now operational. One of the first acts of the current government was to remove statutes of limitations in cases of alleged corruption by politicians and senior officials. In addition, legislation designed to increase judicial-system efficiency has been introduced, and the minister overseeing this area has said that further reform will take place that will result in the selection of the judiciary by a body independent of the executive. Heads of regulatory bodies and politically appointed representatives abroad will now have to be scrutinized by a new consultative parliamentary committee before taking office.

However demands continue from the president, judiciary, ombudsperson and opposition for the government to honor its pledge to begin a process of constitutional reform. Malta has also faced pressure from various European Parliament committees. In response to its critics, the government has supported the Venice Commission's review of Malta's governing institutions. Indeed, the recommendations made in the 2018 Venice Report reflect the discussions and suggestions put forward locally. Constitutional review is long

overdue, with decades having passed since the last overhaul of the constitution. As a result it continues in large part to express an outmoded variation of the Westminster model, but with substantive departures deriving from EU membership. A new committee tasked with overseeing constitutional reform has been established, chaired by the president and consisting of parliamentarians from the two major parties. However, there are calls to make the process more inclusive by integrating figures from the small parties and from civil society.

## Key Challenges

A number of good-governance reforms have slowly been making their way to the statute books since 2013, but the process remains hampered by three major obstacles: the electoral system, a largely outmoded political system and a parliament of part-time legislators. If reforms are to take place in all three areas, changes to the constitution must be made.

The electoral system, which allows for multi-seat electoral districts, has since its inception in 1921 entrenched clientelism and political patronage on a large scale. Although the single transferrable vote (STV) system was intended to promote a multi-party system in Malta it eventually gave rise to a strong two-party system. Amendments passed in 1987 aiming to ensure that the party which obtained 50 percent plus one of first-count votes should form the government have actually made matters worse, as parties now fight for every vote with every means at their disposal. The two-party system has failed to encourage a bipartisan approach even when this would be beneficial for Malta. Instead, the winner-takes-all approach has bred a destructive politics of division and mutual distrust. Some believe that a shift from a two-party to a multi-party system may erode this us-against-them polarization. However, for this to happen, the electoral system has to be radically changed; under the current situation, every party that hopes to make it to parliament must work within the system. It will not be easy for the parties to compromise on a change. However, the evidence shows that good governance reforms tend to be slow to make an impact due to the way the electoral system pushes the society toward clientelism and patronage. Debate on systemic change remains in its infancy, however.

Another challenge in Malta is the need to reassess the current form of the Westminster governing model. This model invests a great deal of power in the hands of the prime minister, and does not reflect many of the changes that

have been implemented in the United Kingdom over the years. For example, the prime minister continues to hold control over nearly every appointment on the political and higher administrative levels. The attorney general still acts as prosecuting officer and adviser to the government. However, changes to offices and institutions must be carefully weighed in the light of Malta's small size, as this factor does play a role in Maltese politics. Furthermore, when reforming institutions, there is need to guard against ending up with a hybrid system that would ultimately hinder good governance rather than promoting it. Two recent changes, one affecting the appointment of magistrates and judges, and the other requiring appointment a two-thirds parliamentary majority for certain key appointments, are a step in the right direction. The recent creation of a judicial-appointments committee is the first step toward strengthening the independence of the judiciary, and further changes proposed by the minister overseeing this area will strengthen the separation of powers. The introduction of courses for lawyers pursuing a judicial career is long overdue, and the process of nominating needs to be formalized.

A third obstacle to good governance is the fact that the legislature is a part-time institution, with members dedicating only a fraction of their time to parliamentary affairs. However, parliament has been strengthened by the introduction of the ombuds office, the yearly increase in the number of parliamentary committees, and the new rule empowering the speaker's office to draw up reform plans and oversee the parliament's budget. However, legislators still tend to prioritize their private-sector careers over parliamentary business, diminishing their contribution to government and lowering the public's opinion of them. Especially over the last 20 years, this has given rise to a dangerous blurring of lines between many MPs' private interests and their public-service duties. Overall, the parliament contributes little to policymaking in Malta, although the increase in the number of parliamentary committees has brought some positive change to the institution. The institution should be shifted to a full-time basis.

Although discussion of the need for institutional reform remains widespread, the evidence suggests that reform is likely to be piecemeal, and will only be possible after extensive interparty discussions. Public debate may help to press the parties to embark on discussions, but the state in which the opposition finds itself makes early agreement on reforms highly unlikely. Indeed, one of the key challenges currently facing Malta is the absence of a strong and constructive opposition party. Although a third party has made it to parliament, this was not achieved independently, but instead on another party's ballot line. This means it remains unclear whether this third party has electoral support of its own, and whether it has the ability to win seats in the next general election. Nevertheless, its very existence has currently served to

fragment the opposition further, which has not improved the environment for cross-party agreement on reforms, given the strong majority enjoyed by the party in government.

Another step in the right direction is the appointment, following consensus between the two main parties, of the commissioner for standards in public life, who heads an office approved by parliament in 2016. For further progress, the Ombuds Office should have its overview powers extended to cover the public bodies still outside its remit, be granted powers equivalent to those of the Audit Office, and be given the remit to conduct annual reviews of the efficiency of government ministries and departments. When not implemented by the government, the recommendations of the Ombuds Office should be placed before parliament for further discussion. The long-standing practice of employing political appointees in the public administration must be reviewed, as it undermines transparency and accountability. The parliament's Appointments Committee, recently established to assist in the selection of ambassadors and commission heads, may help inculcate consensual political practices, but the procedure needs to be developed further. However, if this is to happen, an open debate about the changes carried out in the 1990s under the guise of New Public Management reforms, and which have greatly facilitated this development, needs to be undertaken. Efforts to audit the work of the executive and its civil administration in procedures such as tendering could be further facilitated by an amelioration of the freedom of information act. There is also a need for an independent ethics committee able to oversee the various ethics codes regulating public servants. The Permanent Commission Against Corruption must be better staffed, meet more frequently and ensure that all cases are satisfactorily concluded. While making corruption accusations has been a common method of attacking the serving government since 1921, such assertions are rarely followed up once opposition parties gain office, thereby producing the impression that there is no real commitment to fight corruption.

The construction industry, which is thriving as big investment companies seek to make Malta a center for their business, continues drive polarization in the debate over environmental issues. Recent reforms that decoupled the planning and environmental authorities must be reassessed to ensure that both authorities participate fully in decisions related to development planning and the protection of Malta's natural habitats.

Measures addressing the integration of migrants have been drawn up, and must now be implemented. Recent events that saw an escalation in tension with Italy's newly elected right-wing government have given rise to dissenting voices on a large scale; however, in an island country the size of Malta, integration is a sine qua non for future stability.

Finally, Malta's police force must be afforded the necessary competences and resources to fulfill the challenging tasks facing the island. Malta's economy is now heavily enmeshed in the international economy, and in consequence is facing levels of international crime unprecedented for the small island country. The appointment of an experienced CEO within the police force was a step forward, and the ongoing debate over enhanced training and new recruitment structures, if followed up, will further strengthen the force.

Citation:

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## Party Polarization

Political-system polarization has been a permanent feature of Maltese politics since parties began to emerge in the 19th century. As in other countries in Southern Europe, the state in Malta has long been divided by the single dominant cleavage of class, characterized on the one hand by a conservative, traditional and religious elite, and on the other by a nascent liberal, progressive and anti-clerical counter-elite. These two groups have aspired to and represented different models of the state; for many years, the danger of political crisis was never far from the surface, and in the early years of independence, bouts of violence sporadically erupted. However, agreement on an appropriate state model slowly emerged, and Malta's status as a neutral republic and member of the European Union has ultimately generated consensus. In the last 30 years, violence generated as a result of political discord has been rare. Nevertheless, parties continue to tap into previous divisions in order to further their own short-term interest, and to generate support based on party identification. This situation is further exacerbated by a number of variables:

- Many pressure groups are led by individuals who are also activists in a political party.
- The two main political parties own their own sound, print and visual media, which are used to fan controversies.
- The winner-take-all political system generates a zero-sum game in which parties in opposition tend not simply to oppose governments, but to lay siege to them, often circulating false stories and spreading unsettling rumors.

- The introduction of multi-level government in 2004 now means that these conflicts have been replicated both at the local and the supranational/international levels, extending the battlefields to the villages and beyond the shores of Malta.
- As in other states, the need to bring perpetrators of political violence to justice has also continued to entrench polarization.

However, Malta has also shown increasing volatility in voting patterns, a shift from a party-identification to an issue-based voting model, and a consequent process of dealignment within the party system. This was illustrated by the unprecedented electoral landslides of 2013 and 2017. Nevertheless, parties have proved reluctant to abandon the old rules of the game if these are perceived as generating any immediate gains. (Score: 4)

Citation:

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# Policy Performance

## I. Economic Policies

### Economy

Economic Policy  
Score: 8

Economic planning is at the forefront of Malta's policymaking process and a clear-cut assignment of tasks to government institutions is its strength. Strong ties between public institutions, the economic planning ministry, and social partners exist through the Malta Council for Economic and Social Development (MCESD). This system has provided the ideal foundation for strong economic performance. Indeed, provisional GDP estimates for the second quarter of 2018 indicate an increase of 8.6% over the same period in 2017 and a 5.9% increase in real terms. Moving forward, growth is set to remain robust but moderate over the forecast horizon. Domestic demand was expected to be the main driver of growth during the second half of 2018, spearheaded by increases in both public and private consumption. Projects in the health, technology and telecommunications sectors are poised to drive a recovery in investment in 2019. Malta's labor market remains resilient, and the country's unemployment rate is currently among the European Union's lowest. Industrial legislation provides protection against dismissals and allows for open bargaining between employers and their unions, but few co-determination structures. Unit labor costs have remained moderate, but are projected to accelerate in 2018 and 2019.

Moody's Investors Services also confirmed Malta's A3 rating with a stable outlook in August 2018. However, the World Economic Forum's Global Competitiveness Report 2018 cited difficulties in finding skilled employees and the complexity of tariffs as significant obstacles to doing business in Malta. Nonetheless, the country was ranked 1st globally in terms of

macroeconomic stability and 36th overall, which represents an improvement over the preceding reporting period, in which Malta ranked 37th.

The World Bank's Doing Business Report 2018 placed Malta's at 84th out of 190 countries with regard to the ease of doing business, a notable drop from the preceding year's 76th place. Nonetheless, the report still regards Malta's decision to remove trading licenses for general commercial activities favorably. In an effort to reduce red tape, the government has created the position of commissioner for simplification and reduction of bureaucracy, with the partial aim of reducing the administrative burden for investors setting up businesses in Malta. A total of 500 simplification measures have been implemented over a period of five years, while the "Business First" one-stop service was introduced for the industrial sector in 2017. The government is encouraging private industry to invest locally in the production of medical marijuana, and has stated that it is working to make the island a center of excellence for blockchain technology, which it believes will be the leading engine for growth in the future. Significantly, in July 2018, Malta became the first country in the world to implement a regulatory framework for stakeholders in the blockchain, cryptocurrency, and distributed ledger technology sector.

Rapid economic growth has brought several challenges to the fore. First, the continued dependence on financial services and property development, along with a widening trade deficit in 2018, highlight the need to diversify the economy. Second, this growth has depended on massive building programs and the import of labor, while also increasing demands on infrastructure and social services to a degree unsustainable for an island country that measures just 316 square kilometers. Indeed, Malta has dropped eight places in the UN sustainability index, registering a decline in the quality of overall infrastructure and sea cleanliness.

Citation:

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European Economic Forecast Summer 2018 (Interim) p.22  
The Malta Independent 31/09/2018 Malta with fifth lowest EU unemployment rate in June  
Commission Staff Working Document - Country Report Malta 2018 SWD (2018) 216 final p.5-6  
The Malta Independent 23/08/2018 Moody's affirms 'A3 Positive' rating for Malta - government  
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Doing Business 2018 – Reforming to Create Jobs p.4, p.134  
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<https://simplification.gov.mt/en/Pages/home.aspx>  
The Malta Independent 05/04/2017 Government implements 500 simplification measures over a period of three years  
Pre-Budget Document 2019 p.51  
Forbes 05/07/2018 Maltese Parliament Passes Laws That Set Regulatory Framework for Blockchain, Cryptocurrency And DLT  
The Malta Independent 09/08/2018 Trade deficit soars in June as exports fall and imports rise  
SDG INDEX AND DASHBOARDS REPORT 2018

## Labor Markets

Labor Market  
Policy  
Score: 9

Unemployment rates are at historically low levels in Malta. Eurostat figures for July 2018 indicated that Malta had the sixth-lowest unemployment rate in the EU, at 4%, and the second-lowest youth-unemployment rate in the EU, at 6.3%. The overall labor-market activity rate was estimated at 71.2% during the first quarter of 2018, and represents the EU's highest rate recorded among persons 25 to 54 years old. This is largely attributable to a broad range of measures undertaken by the government to reduce unemployment. These include a Strategy for Active Aging, the Youth Employment Guarantee Scheme, extended training programs, a reduction in income tax, tapering of social benefits and an in-work benefit scheme. While Malta possesses a consolidated support system for the unemployed consisting of social benefits and retraining opportunities, schemes to help low-skilled individuals find employment have only been introduced recently.

Various measures have also been introduced to increase female labor-market participation rates. Policies worth noting include the introduction of free child-care centers in 2014, along with the strengthening of breakfast and after-school clubs. Paid leave maternity, adoption and assisted procreation policies are all now well established. The government has also established a collective maternity fund financed by the private sector, with the goal of reducing discrimination. The in-work benefit scheme has also been extended for single-earner households with children, with 2,684 individuals receiving benefits as of January 2018. Nonetheless, Malta still has the widest labor-market gender gap in the EU (32.5%), a fact directly related to women's traditionally lower labor-market participation rate.

This critical gender gap is further exacerbated by an increasingly aging workforce (the number of persons aged 65+ is expected to increase by 44% by 2035). Moreover, 30% of companies report skills shortages, a skills mismatch and a growing reliance on foreign labor. Additionally, 30% of individuals in the private-sector workforce are foreigners. For instance, out of the 11,000 new jobs created in 2016, only 2,500 were filled by Maltese. Foreign workers have been found to be relatively transient, with only 45% staying longer than two years. This leads to constant labor-force turnover. In view of this fact, the cabinet has approved plans to supplement the current 43,000-strong foreign workforce with thousands of non-EU workers.

The influx of foreign workers contributed to a moderation of unit labor costs during 2016 and 2017. However, the tightening labor market is expected to

lead to upward pressures on wages in 2018 and 2019. Moreover, concerns related to working conditions remain present, as some employers continue to exploit gaps in the law and employ workers at less than the minimum wage.

Citation:

Eurostat News Release Euro Indicators 135/2018  
 National Statistics Office (NSO) News Release 101/2018  
 Pre-Budget Document 2018 p. 13  
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 2018 Report on Equality between Women and Men in the EU p. 60  
 Formosa Marvin (2014) Socioeconomic implications of population ageing in Malta: Risks and Opportunities  
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 Times of Malta 27/06/2018 43,000 foreign workers in Malta, and more are expected

## Taxes

Tax Policy  
 Score: 7

Malta's income tax system ensures that a portion of income is non-taxable for all three tax categories (€9,100 for single individuals, €12,700 for married individuals and €10,500 for parents). Parents also receive a tax rebate on school fees, cultural activities, and creative education. No sales or inheritance tax is levied on a person's primary residence. Moreover, first-time property buyers have been benefiting from a capped duty waiver since 2014, while similar benefits were also extended to second-time buyers at the beginning of 2018. Other measures contributing to greater equity were introduced in the 2019 budget, including supplementary allowances for minimum-wage earners, unemployment benefits for self-employed individuals, income-tax refunds for all employees, higher tax-free pension ceilings and tax exemptions for those who invest in third-pillar pension plans. Significantly, the 2019 budget will not be introducing any new taxes, tariffs or duties.

However, the burden of taxation falls mainly on people in fixed and registered employment. Malta's shadow economy is officially equivalent to nearly 25% of GDP, though economists contend that the actual percentage is much higher. A 2017 ECB study shows that Malta is among the countries with the highest number of cash transactions in the EU, a fact that in all likelihood results from rampant tax evasion. Tax evasion controls remain ineffective. A number of mitigating measures have recently been introduced to consolidate previously introduced actions in this area. Among others, these include possible measures to reduce the use of cash. A joint task force that encompasses the Inland Revenue, VAT and Custom departments along with the Tax Compliance Unit has been established with the aim of facilitating the fight against tax evasion. A 2018 European Commission report stated that €200 million had been collected in previously lost taxes, and that Malta had made significant progress in the area of VAT revenue collection, reducing the gap by some 90%. Indeed,

the report said, Malta had demonstrated the largest increase in VAT compliance rates in the European Union.

With a corporate taxation rate of 35%, Malta has one of the highest tax rates applicable to companies in the EU. However, as a result of the full imputation system and the tax incentives provided to companies registered in Malta, the actual tax rate is estimated to be as low as 5%. Moreover, the Maltese tax policy does not include additional taxes on dividends paid to shareholders, apart from the fact that they are entitled to tax credits. Special tax incentives are also available for industrial research and development projects, experimental development and the registration of intellectual property. Fiscal incentives enhance the competitiveness of various economic sectors and attract foreign direct investment. Indeed, corporate taxation is being regarded by the European Commission as an increasingly important source of revenue for the island. However, this is paired with concerns that Malta's corporate-tax rules are being exploited by companies conducting aggressive tax planning. The Maltese government is currently transposing the provisions of the EU's Anti-Tax Avoidance Directives, which aim to prevent companies from aggressively gaming differential tax rates across EU states.

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 Times of Malta 03/02/2018 Second-time home-buyer scheme is rolled out  
 Times of Malta 22/10/2018 Budget 2019 at a glance  
 Times of Malta 13/10/2015 Changes in income tax  
 Budget Speech 2018 (English) p.17, 20, 61  
<https://ird.gov.mt/faq/rentalfaq.aspx>  
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 European Central Bank The use of cash by households in the euro area p.4  
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## Budgets

Budgetary Policy  
 Score: 7

Budgetary developments since 2013 have demonstrated that Malta is set to meet most standards of financial sustainability. As of June 2015, Malta was no longer subject to the EU's Excessive Deficit Procedure. Indeed, deficit levels have been decreasing steadily; the deficit fell to 2.0% of GDP in 2014 and to

1.5% of GDP in 2015. Significantly, a surplus equivalent to 1.0% of GDP was registered in 2016, and increased substantially to 3.9% of GDP in 2017, but is expected to decline to 1.1% of GDP for 2018. The European Commission has found Malta's 2019 budget to be in line with the euro area's Stability and Growth Pact, and the country is of only 10 EU members to have passed the fiscal test.

The government is expected to maintain a surplus between 2018 and 2021. The introduction of legislation to enhance the transparency of government finances represents an additional step forward. However, the Malta Fiscal Advisory Council has advised the government to remain vigilant in view of rising forecast expenditures. The 2018 European Commission Staff Working Document on Malta's Country Specific Recommendations also notes that public expenditure in the healthcare and pension system is expected to increase at a faster rate than that experienced by other member states, thereby creating challenges to fiscal sustainability. In terms of pensions, the document advocates increasing the retirement age and reducing incentives for early retirement. New measures in the 2019 budget are expected to reduce the fiscal surplus by 0.3% of GDP, with additional measures including the rent subsidy and free transport expected to reduce it by a further 0.2%. In all, a net surplus-decreasing impact of 0.6% is envisaged, a figure the EU Commission has deemed plausible. The government has established a Public Sector Performance and Evaluation Directorate within the Ministry of Finance, and a comprehensive spending review process has been introduced with the aim of improving expenditure efficiency. The 2018 IMF Country Report recommended that the revenues generated from the Individual Investor Program (IIP) be managed with prudence, given that they might be volatile and unsustainable in nature.

While Air Malta, a state-owned enterprise, continues to face challenges, it has recently enjoyed a stronger competitive edge than has been true for several years. Meanwhile, the country's energy provider, Enemalta, has been given a positive review by the rating agency Standard and Poor in view of its gradual reduction of long-standing government-guaranteed debts.

Citation:

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## Research, Innovation and Infrastructure

R&I Policy  
 Score: 6

Given Malta's very limited access to natural resources, the country's business R&D sector continues to require substantial development. In previous years, Malta had one of the lowest investment levels in the EU. The National Research and Innovation Strategy highlights the need to increase the R&D knowledge base, particularly by attracting more doctoral and post-doctoral graduates to the area. Nonetheless, there have been some recent improvements, and Malta is actively catching up with the EU average. The 2018 European Innovation Scoreboard classifies Malta as a moderate innovator whose performance has increased relative to that of the EU since 2010. The 2018 European Commission Malta Working Document also highlights the fact that, "improvement in the R&D performance is partly due to sustained efforts by the public authorities to build an R&D system based on indigenous strengths, involving several policy measures to support the emergence of an innovation ecosystem and innovative firms." Nonetheless, the document highlights the fact that structural factors are still hampering the growth of R&D-intensive firms. It adds that intellectual assets and attractive research systems are the strongest innovation dimensions, while finance, support and dimensions are the weakest such dimensions.

A better innovation ecosystem would enhance the capacity of innovative companies to scale up their activities; thus, the government has devised a rolling research and innovation action plan that is intended to reduce fragmentation and overlap. Esplora, Malta's Interactive Science Center, aims to instill a broader interest in science and innovation. Other significant actions include the FUSION program, which focuses on the analyses of companies' or researchers' ideas for commercial viability purposes, the introduction of research clusters (e.g., Malta Marittima), the research framework administered by the Malta College of Arts, Science and Technology (MCAST), the research trust, the Centre for Entrepreneurship and Business Incubation (CEBI) within the University of Malta, the MITA Innovation Hub, and the Malta Life Sciences Park, which provides high-end facilities for the chemistry, biology and digital-imaging sectors.

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## Global Financial System

Stabilizing  
 Global Financial  
 System  
 Score: 7

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

The Central Bank of Malta operates within the European System of Central Banks. Malta is also a member of MONEYVAL, a European committee of experts evaluating anti-money-laundering measures. Supranational regulatory regimes have strong influence on Maltese banking regulations. For instance, the 2014 European Bank Recovery and Resolution Directive was transposed into Maltese law in 2015. In the same year, the Central Bank of Malta introduced the concept of a central credit register, which is “a database which contains non-anonymous information, debtor exposure-by-exposure, of both legal and natural persons, provided by resident credit institutions (banks) licensed by the MFSA,” and which requires Maltese banks to report end-of-month balances of exposures exceeding €5,000.

The government established the Financial Intelligence Analysis Unit (FIAU), under the Prevention of Money Laundering Act, to help combat high risk or criminal financial activities. The FIAU is responsible for the collection, collation, processing, analysis and dissemination of information with a view to combating money laundering and the funding of terrorism. The unit is also responsible for monitoring compliance with the relevant legislative provisions as well as issuing guidelines to curb money laundering. Although the FIAU forms part of the Ministry for Finance, the unit functions autonomously and has a separate judicial personality. Throughout its years of operation, the FIAU has signed MoUs with other FIAUs, and spearheaded the transposition of the EU’s Fourth Anti-Money Laundering Directive into Maltese law. The

new regulations came into force in 2018; among other provisions, they provide for the establishment of a National Coordinating Committee, which brings together all key governmental stakeholders and authorities in the area. The Maltese police forces also include an Economic Crimes Unit and National Counterfeit Unit. However, these remain relatively weak, and there have been few convictions or sanctions for money laundering.

Policies within the Maltese financial sector have recently raised concerns at the European and international level, and the sector has been accused of being slow to react to problems in a number of cases. The Standard and Poor's credit-rating agency recently highlighted increased reputational and operational risks within the Maltese banking sector, and increased the country's risk level by two points on its 10-point scale. The European Banking Authority (EBA) has also found Malta to be in breach of the Anti-Money Laundering Directive; in response, MFSA has already started to implement a number of key strategic initiatives aimed at strengthening the Authority's supervisory capacity and regulatory performance. These include: "Reviewing and improving internal authorization procedures to strengthen the engagement between the Financial Intelligence Analysis Unit (FIAU) and the MFSA's anti-money laundering (AML) team; reviewing and improving protocols for cooperation with the FIAU for conducting supervision of credit institutions both during authorization and on an on-going basis; process Improvement and digitization of procedures and knowledge management for conducting due diligence and fit and proper checks both during authorization and throughout the licensee's lifecycle; integrating AML and combating the financing of terrorism (AML/CFT) risks in the risk-assessment framework and in the business-model analysis of banking supervision at the MFSA; reviewing the organization of financial supervision to further integrate AML/CFT risks into prudential supervision." It is also looking to increase its human resources substantially, especially with regard to supervisory positions. In October 2018, the MFSA also issued guidance notes to politically exposed persons to strengthen its AML procedures.

Citation:

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## II. Social Policies

### Education

Education Policy  
Score: 5

Due to a lack of natural resources in Malta, economic growth is intrinsically linked to human resources. Attracting investment and sustaining employment depend very much on the skill and education levels of the workforce. In this, the results are mixed.

Since 2013, the government has implemented a number of programs, some with fiscal support, to encourage more students to continue their educations. These include free support for students at risk of failing and/or who have failed admission to higher-education institutions, as well as the extension of services and facilities at the Malta College of Arts, Science and Technology (MCAST) to better address learning challenges at different educational levels. Extra summer classes for those wishing to retake regular-level exams and an alternative-learning program have been introduced. The Malta Visual and Performing Arts School was officially inaugurated in 2018, catering specifically to secondary students with special talents in the arts. New vocational subjects have been introduced in schools with the aim of complementing the traditional academic route. A project to provide every child in the fourth year of primary school with a tablet computer is also underway. New schools are being built and others modernized. A staggered removal of exam fees was announced in the 2018 budget.

Despite these investments, attainments are not strong. The 2016 Trends in International Mathematics and Science Study (TIMSS) ranked Malta 20th for mathematics and 22nd for science out of a total of 39 participating countries, while the 2016 Progress in International Reading Literacy Study (PIRLS) ranked Malta 40th out of 50 participating countries.

Furthermore, in 2015, just 27.8% of the Maltese population had attained a tertiary level of education compared to an EU-28 average of 38.7%. Malta

currently has the highest early leavers rate in the EU, with nearly one in every five Maltese youth between the ages of 18 and 24 withdrawing from education or training. The PISA 2015 survey found that Maltese students had improved their ranking in the subjects of mathematics, reading and science, and noted additionally improved performance among immigrant children and a narrowing of the academic-achievement gender gap.

Malta provides a high level of equitable access to education at all levels. A total of 80% of all schools are free, while various measures exist to support students. Access to higher education remains open for all due to the absence of tuition fees and the availability of stipends for students. The provision of free preschool state facilities for children three years and over has been greatly expanded. Changes to the education system outlined in the last quarter of 2017 have attempted to address remaining concerns. These include the establishment of the consultative National Board for Compulsory Education, enhanced services for children who require additional support, increased investment in applied learning and scholarships for post-graduate studies, and increased financial support to Gozitan and adult students. In 2018, a new post-graduate diploma in the Maltese sign language was launched with the aim of providing greater assistance for deaf children in school.

A proposed Malta University Act intended to render the university more financially secure while making its structures more efficient and transparent met with opposition, and was withdrawn by the government. The same is true of recently proposed changes to the Education Act. A number of administrative challenges have also slowed reforms. These include difficulties with teacher recruitment, high student-teacher ratios and delays in the building of new schools. The education sector more generally has long failed to meet the needs of the economy in various sectors, a fact that should also prompt further reforms.

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## Social Inclusion

Social Inclusion  
 Policy  
 Score: 7

Malta has a consolidated social benefits system that supports those with low incomes; in addition, health care and education are available free of charge. However, the high risk of poverty among the unemployed and the elderly suggest that welfare benefits and pensions have not been consistently adequate. To this end, budgetary measures have been introduced over the last three years aimed at raising benefit levels within the lower pension band, and at creating incentives to bring people back to work. Social-security expenditures totaled to €497.0 million during the first half of 2018, 3.6% higher than the expenditure for the same period in 2017. In 2017, the at-risk-of poverty or social exclusion rate was 19.2%, which represented a 0.9% decrease over the preceding year. The 2018 Commission Staff Working Document highlighted that poverty and social exclusion risks are declining but remain significant for particular population segments such as single-earner households and the low-skilled. A total of 2.6% of those living in private households reside in overcrowded accommodations, and rising housing prices (up by 5.7% since 2017) are increasingly being regarded as a source of concern. Indeed, the increasing demand for rental accommodation has directly affected lower-income Maltese tenants. A recently published white paper on the issue of rental-market reforms aims to create a more balanced scenario, and the 2019 budget increases rent subsidies for the vulnerable. The government has also introduced a scheme to help low-wage earners to buy housing. Data on the number of homeless individuals in Malta remains absent or incomplete.

Disabled persons remain relatively marginalized, but unemployment rates are decreasing yearly. A number of significant measures introduced in the 2015 and 2016 budgets contribute to this trend. These measures included an obligatory contribution from employers who do not employ disabled individuals as well as tax credits and incentives for employers who do employ disabled individuals. Disabled individuals who are in employment are also entitled to receive full benefits irrespective of their salary. A €3.3 million project has been implemented with goals of training 300 people with disabilities, 750 families and employers and workers. Foreigners, and particularly migrants from outside the EU are also likely to be at the risk of

poverty and social exclusion. The country's first migrant-integration strategy was launched at the end of 2017. Nonetheless, integration remains a key concern, particularly in localities with large non-EU migrant communities, where children of African parentage in particular face poverty. Africans in Malta are among the poorest paid in the EU. Recent events have also shed light on the squalid conditions in which these migrants are sometimes forced to live.

Several measures have been introduced over the last few years to address cross-cutting social problems. These include supplementary benefits for children, breakfast at school, free school transport, greater support for low-income working parents through the creation of after-school clubs for their children, fiscal incentives for people to invest in pensions programs, an annual bonus for senior citizens over the age of 75 and the introduction of the Silver T transport service for the elderly. These social measures have been consolidated further in the 2019 budget with the removal of means-testing provisions for rental subsidies, additional benefits for individuals with disabilities, and supplementary allowances for minimum-wage earners and pensioners.

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 Times of Malta 30/11/18 Africans in Malta among poorest paid in the EU

## Health

Health Policy  
 Score: 7

in 2018, Malta was ranked at 9th place in the annual health-related index published in the medical journal Lancet. With regard to general performance, the country advanced five places relative to the previous year, and obtained

full marks for 10 indicators. The Maltese population enjoys the highest healthy life expectancy in the EU, and access to services is generally good. Malta provides quality health care to all citizens, with extensive inpatient and outpatient hospital services offered for free. This is reinforced by agreements with the United Kingdom and Italy to service patients in need of special treatments unavailable locally. However, the Euro Health Consumer Index 2017 found that despite Malta's decent access to health care, performance lagged when it came to treatment results. Moreover, there were noticeable gaps in the public subsidy system and little data on drug usage. Vulnerable groups are entitled to state support for a list of prescription medications, and all citizens are entitled to free medicine for specified chronic diseases (e.g., high blood pressure and diabetes). Couples are entitled to IVF services, and the government also supports oncology patients, providing otherwise expensive treatments for free.

Malta fares well in terms of self-reported unmet need for medical care, with just 2.8% of the total population reporting such a need, compared to the EU-28 average of 4.5%. Much has been done to reduce patient waiting times and dependence on private hospital care. A 2017 National Audit Office (NAO) report stated that there had been a 22% decrease in patient waiting time for elective operations. Nonetheless, the average patient waits eight months for their first outpatient appointment, a time double that of the United Kingdom. However, between 20% and 50% of these first appointments could have been treated by regional units, indicating that primary care services is not serving as an effective gatekeeper for secondary care. The report also indicates that the main hospital had improved outpatient services.

The government has initiated a number of infrastructure projects over the last few years. For example, the general hospital's limited bed capacity has been increased by building new wards and devising plans to add new buildings to the existing infrastructure, while a new oncology hospital has been added on the same site. An additional 300 beds are expected to be added over the next four years, along with a new outpatient block, an acute-care mental hospital and a new maternity ward. A long-term strategic health care plan for the period 2020 – 2030 is currently being drafted, while state-of-the-art robotic technology for surgical operations is expected to enter service in 2019. Patients will also started being treated remotely. There have been repeated calls for reform of the mental-health sector and for a new mental health hospital. A 2018 NAO audit described the country's mental-health hospital as underfunded, understaffed and lacking in adequate security. Meanwhile, medical cannabis was legalized in 2018. A WHO study determined that Malta has the second highest rate of obesity in Europe.

The private sector accounts for approximately two-thirds of the workload in primary health care; however, health care delivery in Malta is dominated by the public sector with only a small number of private hospitals. Malta also has fewer hospital beds per 100,000 inhabitants than many of its European counterparts. Health-related expenditure is equivalent to 2.9% of GDP. The country's stock of doctors and nurses is close to the EU average. The European Commission has expressed concerns about Malta's ability to meet growing long-term care demands due to its aging population and has recommended that Malta take action to ensure the sector's sustainability.

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## Families

Family Policy  
 Score: 7

With a difference of approximately 20% between the employment rates for women and men (80.3% for males vis-à-vis 60.2% for females), Malta has the widest gender-based employment gap in the European Union. However, women's participation in the informal economy (which accounts for almost 25% of GDP) may make this figure somewhat inaccurate. Figures released by the European Commission show that women in Malta earn about 11% less than their male counterparts. The Global Gender Gap Report 2017 ranks Malta at 93rd place out of 144 countries, and Malta's score on the EU's Gender Equality Index 2017 is below the EU-28 average. According to data released by the National Statistics Office (NSO) in 2018, women live longer than men, and more women than men graduate from universities, but they earn less and are at greater risk of poverty.

Labor-market participation rates are high for women aged 30 or less, but this figure decreases for subsequent age brackets. In recent years, new workplace policies were designed to ensure that employed parents retain or are able to return to their jobs. This has included parental leave (both maternity and paternity leave), reduced working hours, career breaks, the introduction of financial incentives for mothers returning to work, free child-care centers, school breakfasts, and after-school clubs. These measures are enabling more women to enter and remain in the labor market. Indeed, the parents of more than 6,000 children are benefitting from free child-care facilities. These measures are enabling more women to enter and remain in the labor market, with Malta experiencing the EU's highest increase in labor-market participation rates among women since 2008. Indeed, this rate increased from 48.8% in 2012 to 60.2% in 2017. Data published by the National Statistics Office in 2017 indicate that a total of 13,306 children aged five or younger are enrolled in some form of non-compulsory early childhood education. A European Commission report shows that since 2011, the percentage of Maltese under three years of age in such education shot up from 11% to 31%, in 2016 putting Malta close to the Barcelona target of 33%. The government has pledged to increase the provision of child care for parents that work at night. Discussions are currently ongoing as to whether parents should be able to utilize their sick leave for instances when their children are unwell. Since 2015, the Maternity Leave Trust Fund has legally obliged employers to contribute the equivalent of 0.3% of each employee's salary, irrespective of the employee's gender. Notwithstanding, family/child benefits as a share of total social benefit remains low, at just over 6%. The 2019 budget is introducing tax rebates for parents whose children attend private schools, an increase in child allowances for households earning less than €20,000 a year and the removal of MATSEC exam fees.

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## Pensions

Pension Policy  
Score: 6

Government expenditure on social-security benefits amounted to €197.0 million during the first six months of 2018, with an increase of €14.1 million for retirement pensions alone. Indeed, pensions represent a substantial public expenditure with projections indicating that pension-related expenditure will amount to 12.8% of GDP by 2060; this has been a major concern at the EU level. Indeed, the sustainability of pensions has been a recurring point of concern in the European Commission's Country Specific Recommendations in the last few years. This concern was restated in the 2018 Country Specific Recommendations for Malta.

In 2014, the parliament voted to introduce a third pillar to the pension system. However, it will be some time before this reform can reduce the stress of pension costs on public finances. Second-pillar pensions have not yet been introduced, though this is increasingly regarded as an important addition to the pension system. The labor unions have been calling for greater government support for work-based pensions. The Pensions Strategy Group 2015 report provided a detailed overview of possible scenarios up to 2060, and identified several guiding principles for the development of a flexible and sustainable pension system. However, the report was criticized for failing to address the issue of how to get people to save voluntarily, and for offering only weak definitions of what constitutes a strong system and what benchmarks should be used. Within this context, a government scheme is aiming to encourage increased voluntary saving through a system of occupational pensions.

Nonetheless, 26.4% of individuals aged 65 years and over are at risk of poverty and social exclusion. The Maltese pension system is based on a pay-as-you-go model, as well as a means-tested non-contributory system. Until recently, pensions were not linked to inflation, and considerable erosion in real value occurred. Although this has been partially rectified, the real value of pensions today cannot make up for decades of decline. Low tax ceilings have also meant that pensioners have been required to pay income tax on their pensions. As it stands, Malta's pension system protects against absolute poverty, but does not constitute an adequate income replacement. Additionally, women are worse off and a European Parliament report states that the gender gap in pensions is one of the EU's greatest.

Measures have been taken since 2013 to address these shortcomings. Most notably the 2016 budget included incremental benefits for pensioners who receive less than €140 per week, and no tax increases for pensioners, while the 2017 budget introduced a two-year plan for the removal of all income tax on

all pensions (public, private or foreign) up to a maximum of €13,000. The non-taxable income ceiling will be raised further during 2019, and a rise in pensions over and above cost-of-living adjustments has also been announced. Government bonds designed to provide pensioners with an additional source of revenue have also been launched. Increases have also been made to disability pensions, and allowances provided to those caring for the elderly. NGOs have also flagged the issue of lack of pensions for migrants working in undeclared jobs, a fact that will impact these individuals and the economy more broadly in years to come. The 2018 European Commission adequacy report recommended that a mechanism be introduced to ensure that national insurance contributions after retirement are reflected in pension amounts, and that pensions be increased through a formula that equally reflects wage inflation and retail price inflation.

Citation:

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## Integration

Integration Policy  
Score: 4

Malta's geographical location places it at the center of migration flows from Africa to Europe. On a per capita basis, the island receives a relatively high number of migrants and asylum seekers, with the numbers having increased drastically over the last decade. In 2017 and 2018, Malta received 168 refugees and asylum seekers from Italy and Greece – more than the 131 it legally committed to accept under the EU relocation program.

Malta has begun to consolidate its policy approach to integration only recently, with a migrant integration policy launched at the end of 2017. Under the current government, the Ministry for European Affairs and Equality is responsible for the integration of migrants. The new Human Rights and Integration Directorate unit within this ministry is responsible for the provision of integration courses including Maltese, and English, as well as the cultural-orientation classes, awareness campaigns and spearhead measures listed in the Migrant Integration Action Plan. However, teacher training in this area needs to be stepped up. Notable among these measures is the ability granted to long-term migrants to apply for residency permits. Meanwhile, the Agency for the Welfare of Asylum-Seekers is responsible for the provision of some services, including employment, housing, education, health care and welfare information. The agency is also a facilitator between public services, and serves as a pre-integration functionary. The office of Refugee Commissioner spearheads important initiatives such as the new initial reception centers, the creation of a work registration system, and detention-policy reform.

The number of migrants granted subsidiary or humanitarian protections is very high and UNHCR figures indicate a rejection rate of 12.5% for the year 2017. In 2016, the government introduced a new migration strategy which terminated the practice of automatic detention. Moreover, refugees and asylum-seekers granted protection are eligible for unemployment benefits. Maltese legislation has now been brought in line with EU Directive 2003/86, and the relevant domestic law was amended in 2017 to facilitate family reunification, especially in the case of refugees. These reforms aim to lessen the hardship on migrants seeking work and their own accommodation. Furthermore, the Malta Declaration was signed by all EU state leaders in February 2017 as the first step toward concrete solutions to combat illegal migrant routes in the Mediterranean. At a recent public consultation, the French Minister for European Affairs commended Malta for its role on the issue of migration long before it became a key European concern. In his recent address to the UN General Assembly, the prime minister highlighted the UN's Global Compact for Migration as an important milestone, and Malta has now endorsed it. However, he also called for a broader global response to human

trafficking networks in the Mediterranean. Meanwhile, a U.S. State Department report stated that Malta does not have minimum standards for the elimination of human traffic. Stand-offs between Malta and Italy related to migrant search and rescue areas occur regularly.

Evidence of poverty and homelessness among migrants indicates the need for government to allocate more resources to this group. The risk of poverty for migrants increased by 9% between 2010 and 2016, reaching 29.4%. The incidence of rent-related exploitation has also increased. Integration difficulties in communities with large migrant populations remain especially pronounced, and Malta has been urged by the European Commission against Racism and Intolerance to consolidate its efforts in the area of migrant integration. This may prove to be problematic given that 63% of Maltese think that immigration is a problem; moreover, the country's native population is among the least likely to interact with migrants across the European Union.

In December 2018, Minister for European Affairs and Equality Helena Dalli proposed an extension of voting rights in local elections to third-country nationals. However, the cabinet did not support the proposal. The issue of citizenship for the children of asylum-seekers born in Malta also needs to be urgently reassessed. These children currently have no right to citizenship. Malta has signed but not ratified the European Convention on Nationality to address the acquisition of citizenship through naturalization. According to Education Ministry statistics, some school districts contain between 50% and 70% immigrant children from European or other countries. If the government does not plan for the future, the lack of integration will become a major problem.

Citation:

Commission Staff Working Document - Country Report Malta 2018 SWD (2018) 216 final p.26

The Malta Independent 15/012/2017 Equality Minister Helena Dalli launches migrant integration policy

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<https://homeaffairs.gov.mt/en/MHAS->

[Departments/The%20Office%20of%20the%20Refugee%20Commissioner/Pages/Refugee.aspx](https://homeaffairs.gov.mt/en/MHAS-Departments/The%20Office%20of%20the%20Refugee%20Commissioner/Pages/Refugee.aspx)

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 Amnesty International report: Malta 2017/2018

### Safe Living

Internal Security  
 Policy  
 Score: 6

Malta is generally considered a safe place to live. Crime rates have remained largely stable with the crime rate experiencing a slight drop during 2017, though fraud cases have increased drastically. Conflicts between criminal organizations involved in drug trafficking and money laundering also occur from time to time. Malta has one of the lowest murder rates in the world. However, the car bombing of a well-known Maltese journalist during the period under review garnered intense international attention.

There are few external security threats to the state, making it difficult to assess local readiness or the state's ability to protect citizens if such threats were to materialize. The U.S. State Department highlights the fact that like all other European countries, Malta is vulnerable to transnational terrorist groups. However, in its 2018 report on crime and safety in Malta, the U.S. Department of State's Overseas Security Advisory Council (OSAC) assessed the country as being a low threat location. This is particularly significant when one considers Malta's geographic location and open borders with other Schengen-area members. Numbeo ranked Malta 25th worldwide on its Safety Index based on data compiled in mid-2018.

Malta is affiliated with Interpol, and is also party to several cross-border security cooperation efforts, particularly those coordinated by the European Union. Frontex operations in the Mediterranean area are also of pivotal importance to the island. Operation Themis was launched early in 2018, and unlike its predecessor (Operation Triton) does not stipulate that individuals rescued at sea should automatically be taken to Italy, leading to significant tension between Italy and Malta. As Malta ensures the security of an external frontier of the European Union, it has received substantial assistance through the External Borders Fund. Through this fund, the Armed Forces of Malta (AFM) continue to obtain important resources for the enhancement of the existing border-control system, which is primarily directed toward policing the island country's maritime borders from irregular migration and drug smuggling. Moreover, an additional €3 million in EU funding has been earmarked for Malta for the 2014 – 2020 programming period through the Internal Security Fund and the Asylum, Migration, and Integration Fund. A

total of €2 million in EU funds have been allocated for the modernization of the Maltese police forces and for border-security projects.

Malta's Secret Service is small, and depends heavily on intelligence from foreign intelligence services. Moreover, confidence in the Maltese police force is generally low, and four commissioners have resigned over a five-year period. A 2016 report found that the police force lacks direction. A policy revision that no longer requires police officers to have clean conduct for the purposes of rehiring and promotion was not received well. A total of 24 murders have remained unsolved since 2008. Pressure is growing for the resignation of the current police commissioner. Institutional capacity to deal with organized crime has not kept pace with the rapid change in Malta's economic and social structures. There has been some discussion of setting up an independent anti-organized-crime commission tasked with investigating corruption and organized crime, based on models used internationally. A 2018 assessment by the U.S. State Department found that for the seventh consecutive year, Malta had failed to meet minimum standards in the fight against human trafficking.

Citation:

Times of Malta 30/04/2018 'Massive increase' in fraud reports in 2017, despite slight drop in crime rate

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

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

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

<https://pulizija.gov.mt/en/police-force/police-sections/Pages/Interpol.aspx>

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The Malta Independent 22/05/2017 €2 million in EU funds for police modernisation, border security projects

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Lovin Malta 10/08/2018 There Have Been 24 Unsolved Murders In Malta Since 2008

Times of Malta 23/10/2017 Have your say: Do you have confidence in the police?

Times of Malta 06/09/2018 Malta again fails to take action to fight human trafficking - US State Department

Times of Malta 21/10/18 setting up of anti organised crime commission being raised

## Global Inequalities

Global Social  
Policy  
Score: 4

The Maltese government has very limited opportunities to help shape or advance social inclusion beyond its borders. What little influence of this kind it has acquired is related to its participation in international organizations (such as the UN and WHO) and EU Ministerial Councils. In 2004, Malta committed itself to allocate 0.33% of GNI to Official Development Assistance (ODA) by

2015. However, Malta's foreign affairs minister stated that Malta was pledging only €900,000 in 2017, even though the 2016 national contribution should have been €3 million. Malta has also received criticism from CONCORD (a European confederation of Relief and Development NGOs) regarding the actual share of the funds that reach these developing societies at the grassroots level. An analysis of the 2016 funds indicates that a large percentage was put toward domestic use. More recent figures are not available, but a 2018 Implementation Plan delineates several main areas of implementation (co-funding of official development assistance projects, capacity building, the creation of the Arvid Pardo scholarship fund, and contributions to trust funds for the purposes of humanitarian aid funding).

Malta supports EU efforts to address the refugee crisis, and was the only EU member state to have fulfilled its asylum relocation commitments in 2017. The country had accepted 168 refugees as of October 2018. Malta will also provide its support for the UN Global compact for Safe, Orderly and Regular Migration. In the last quarter of the review period, the prime minister attempted to facilitate the creation of an ad hoc system for the redistribution of asylum seekers reaching Southern Europe among EU states. Moreover, through the European Union, Malta contributes to the EU Emergency Trust Fund supported by the Joint Valletta Action Plan and the Malta Declaration during Malta's EU presidency in 2017. Indeed, Malta is already one of the top 10 EU donors to this fund on a per capita basis, and a slated 45% increase is set to make the country one of the largest donors. Projects implemented by Maltese non-governmental development organizations (NGDOs) also contribute significantly to development projects in other countries. Malta is attempting to establish a leading role in the area of development education, and has introduced a master's degree in humanitarian action, targeting field workers in the Middle East, North Africa and the Gulf region.

Malta's development policy attaches special importance to countries in the Horn of Africa and Sub-Saharan Africa, the main source of asylum-seekers and clandestine immigrants to Malta. To this end, a Maltese High Commission is set to open in Ghana, making it the country's first mission to sub-Saharan Africa. Malta's development policy also seeks to assist with development in Mediterranean states, notably North Africa and the Palestinian territories, providing scholarships and other forms of aid. Malta is one of 26 states serving as a permanent member of the Committee on the Exercise of the Inalienable Rights of the Palestinian People. Malta also actively assists other small states through the Commonwealth by making available its acquired experience and expertise as a developed small island country. In general, Malta follows the lead of the European Union; its policies on tariffs are in line with those agreed to in Brussels.

Between 2015 and 2018, Malta used its role as chair of the Commonwealth Heads of Governments Meeting to press for development in a number of areas, including polio eradication, financial support for poorer Commonwealth states, combating climate change and women rights. Malta also hosted the Commonwealth Local Government Forum in November 2017, while plans for the island to host the first Commonwealth Conference on direct foreign investment were announced in 2018.

Citation:

Official Development Assistance Policy and a Framework for Humanitarian Assistance 2014 – 2020 p.8  
 Malta Today 06/09/2017 Malta's overseas development aid way off €30 million target  
 Official Development Assistance Policy and a Framework for Humanitarian Assistance- Implementation Plan 2018  
 Malta Today 25/09/17 Malta the only EU country to fulfill asylum relocation quota  
[https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/press-material/docs/state\\_of\\_play\\_-\\_relocation\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/press-material/docs/state_of_play_-_relocation_en.pdf)  
 European Council 03/02/17 Malta Declaration by members of the European Council on the external aspects of migration  
[https://ec.europa.eu/europeaid/regions/africa/eu-emergency-trust-fund/north-africa\\_en](https://ec.europa.eu/europeaid/regions/africa/eu-emergency-trust-fund/north-africa_en)  
 Newsbook 16/10/2018 Malta to be one of largest donors to Africa's Emergency Trust Fund  
<https://www.um.edu.mt/arts/int-relations/courses/ma-humanitarianaction>  
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<https://www.um.edu.mt/newspoint/noticeboard/opportunities/2018/04/scholarshipsforpalestinianstudents-postgraduatestudiesatum>  
 Times of Malta 26/11/2015 Commonwealth trade facility to be set up  
 Times of Malta 28/11/2015 Commonwealth can bridge divide on climate change  
 Times of Malta 25/11/2015 Malta to host Commonwealth Center to help small states, contribute €100,000  
 Times of Malta 27/11/2015 Financial services: 'some of best growth opportunities in Commonwealth'  
<http://www.cvent.com/events/commonwealth-local-government-conference-2017/custom-114-aa1de6ec6d75469b9be8f952bfedd9a6.aspx>  
 TVM 16/04/2018 PM announces that Malta will host first Commonwealth Conference on direct foreign investment

### III. Environmental Policies

#### Environment

Environmental  
 Policy  
 Score: 4

Malta's environmental challenges are complicated by large population density, a constant challenge to create employment opportunities, attract foreign investment and improve standards of living. As an EU member state, Malta is bound to fulfill key climate targets within the context of the Europe 2020 Strategy. Only 6% of Malta's energy consumption was obtained from renewable energy sources; ongoing efforts are required to ensure that the established national target of 10% is met. Moreover, Malta is one of the few EU member states experiencing difficulties in staying on track with regard to

renewable energy, energy efficiency and emissions not covered by the EU Emissions Trading Scheme. Consequently, Malta is paying several hundreds of thousands of euros for Bulgaria's extra emission allowances. This shortcoming is largely a result of the country's continued high dependence on cars, the growing dependency on air conditioning and the slow reduction in the island country's forest and parkland area.

Several initiatives aimed at the targets have been undertaken. These include the generation of photovoltaic power, the establishment of photovoltaic farms, construction of an interconnected electricity system with Sicily, promotion of fuel-efficient cars, plans for a more cycle-friendly road network, the promotion of car-sharing facilities, free public transport access to young people and the construction of a gas-fired power station. A new waste management plant that will manage 40% of Malta's waste is in the pipeline, while a differentiated waste-collection system that had previously been voluntary became mandatory at the end of October 2018. New regulations have been introduced to strengthen the environmental impact assessment (EIA) procedure. The effect of these initiatives will primarily be felt in the future. Also, an assessment of government spending indicates that less is being spent on the environment than in previous years.

Fresh water is a scarce resource in Malta, yet until recently the government's approach to this important issue was inconsistent and in general inadequate to protect the island country's water reserves. The production of water for domestic and commercial use is heavily dependent on reverse-osmosis plants. To relieve pressure from reverse-osmosis water generation, a National Flood Relief Project was concluded at the end of 2015 with the aim of increasing the amount of water collected annually. Government re-piping has also reduced loss of water from leaky pipes by 35%, though theft still accounts for a loss of between a 1/5 and 1/4 of total production. Moreover, the 2015 – 2021 Water Catchment Management Plan for Malta identifies several key measures that need to be implemented if optimal water conservation is to be attained. The plan's implementation is being supported by a €17 million EU-funded project. A €400,000 project to train businesses on water sustainability was also launched in October 2018.

The Maltese countryside is protected from unsustainable development through a regulatory process of permits and enforcement. Proposed amendments to the environment impact assessment regulation in order to correct identified and persistent shortcomings have been made. Nonetheless, EU data highlights the fact that Malta has one of the highest proportions of artificial land cover, coupled with a population density that is among the highest in the EU. The

annual number of building permits for new dwellings has increased by 230% since 2013, with 283 approvals for dwellings in outside development zones in 2016. The Malta Environmental and Planning Authority (MEPA) has been restructured and is now divided into two separate entities (Planning Authority and Environment and Resource Authority) which are respectively responsible for planning and environmental issues. However, this split and many of the related changes have generated considerable controversy, including increased ministerial powers in the selection of board members, reducing the autonomy and independence of these boards and the strange anomaly that allows a representative of the environmental authority to sit on the planning authority boards only when invited to do so. A new agency called Ambient Malta was established in August 2018. This is not a regulatory institution, but instead is intended to bring together every environmentally related directorate. Its aim is to improve people's quality of life and appreciation of the environment. The idea of setting up an environmental court with jurisdiction over areas in the public domain has also been mooted.

The government has introduced various policies to preserve Malta's biodiversity, as the small island country is home to a "varied and interesting array of habitats and hosts endemic, indigenous, and migratory species," as stated in the National Environment Policy. Yet Malta's biodiversity continues to be threatened through land development, invasive species, overexploitation of species and climate change. The policy outlines measures aimed to halt the loss of biodiversity by 2020. These include the compiling of a dedicated National Biodiversity Strategy and Action Plan, the creation of additional marine protected areas and strengthening the management of existing protected areas. The recent establishment of Ambient Malta may also contribute positively to preserving the island's natural capital. However, the government decision to extend the hours of hunting to 12:00 in the Majjistral Nature and History Park, Malta's first national park, against the unanimous objection of the advisory board undermines these policies, as did the decision to allow autumn hunting in 2018 despite flagrant abuses. The introduction of a fuel service-station policy deemed to be negatively impacting virgin land was meant to be reassessed; however, this had not taken place by the end of the review period. Spending on environmental protection has decreased by around €6 million as compared to 2012 levels.

Citation:

[https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-your-country/malta/europe-2020-targets-statistics-and-indicators-malta\\_en#share-of-renewable-energy](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-your-country/malta/europe-2020-targets-statistics-and-indicators-malta_en#share-of-renewable-energy)  
Commission Staff Working Document - Country Report Malta 2018 SWD (2018) 216 final p. 39

Times of Malta Malta again fails emission test, has to pay "hundreds of thousands"

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 The Malta Independent 27/08/2018 Bins for waste separation being distributed to households nationwide  
<https://era.org.mt/en/Pages/EIA.aspx>  
 Times of Malta 31/12/2015 Work on national flood relief project concluded  
 Times of Malta 16/08/17 Leaky Pipes would fill 1,600 pools each year  
 The 2nd Water Catchment Management Plan for the Malta Water Catchment District 2015 – 2021  
<https://www.energywateragency.gov.mt/news/water-management-framework-malta/>  
 Times of Malta 25/10/2018 €400,000 programme on water sustainability launched  
[https://ec.europa.eu/eurostat/statistics-explained/index.php/Land\\_cover\\_statistics#Land\\_cover\\_in\\_the\\_EU\\_Member\\_States](https://ec.europa.eu/eurostat/statistics-explained/index.php/Land_cover_statistics#Land_cover_in_the_EU_Member_States)  
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 TVM 04/04/2016 Split of MEPA into two independent authorities comes into effect  
 Times of Malta 12/07/2015 MEPA split: ‘We’re all in for a rough ride’  
 National Environment Policy 2012 p.76-77  
 Times of Malta 03/12/16 Renewable energy in Malta  
 Malta’s National Biodiversity Strategy and Action Plan (2012-2020)  
 Times of Malta 21/08/2018 Permits for new dwellings in Malta have increased by 230% since 2013  
 The Malta Independent 30/08/2018 Updated: Autumn hunting season between 1 September-31 January; BirdLife writes to PM  
 Times of Malta 30/01/2018 Whichever way you measure it government spending is less green than ever  
 Times of Malta 03/08/18 New agency geared towards environmental protection launched

## Global Environmental Protection

Global  
 Environmental  
 Policy  
 Score: 6

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

Malta is party to a large number of multilateral environment agreements. As an EU member state, Malta is bound by the obligations of the EU’s extensive environmental acquis. When Malta joined the European Union, it adopted some 200 environmental laws, which are now part of the overall Maltese legal framework. Malta has attempted to play a part in formulating a Mediterranean strategy for sustainable development. Nonetheless, the island fell eight places in the UN’s Sustainable Development Goals ranking in 2018.

In the run-up to the Paris Summit on Climate Change, Malta’s prime minister hosted a special session on Climate for Leaders during the 2015 Commonwealth Heads of Government Meeting (CHOGM) in Malta. More than a quarter of the 2015 CHOGM participants attended the Paris Summit and the 2015 CHOGM was used as a forum within which support was consolidated. In 2016, Malta became one of the first countries to complete

domestic preparations for the ratification of the Paris Agreement and subsequently deposited its Instrument of Ratification to the UN together with other EU member states.

In October 2017, Malta hosted the EU's Our Ocean Conference. The conference led to the adoption of 437 tangible and measurable commitments, among other deliverables. Moreover, Malta recently proposed the establishment of a framework that would coordinate actions related to ocean governance both within and outside the UN. However, Malta remains an insignificant, if active, player in global environmental protection.

Citation:

Times of Malta 12/12/2008 UN Secretary General recalls Malta's climate change initiative

<http://www.un.org/apps/news/story.asp?NewsID=30544&Cr=Somali&Cr1=#.WBT4qfl95PY>

Newsbook 11/10/2018 Malta falls 8 places in UN Sustainable Development Goals ranking

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

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

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

<http://ourocean2017.org/>

Times of Malta 30/07/2018 Malta proposes UN panel on ocean governance

# Quality of Democracy

## Electoral Processes

Candidacy  
Procedures  
Score: 9

Elections are regulated by the constitution and the General Elections Act. The system used in Malta is the Single Transferable Vote (STV). Candidates can stand either as independents or as members of a political party. Parties can field as many candidates as they wish, and candidates may choose to stand in two electoral districts. If elected in both districts, a candidate will cede their second seat. The vacated seat is then assigned to the candidate with the most second preference votes on the ballot. The system allows for a diversity of candidates and restrictions are minimal, though legal restrictions based on residency, certain official functions and court judgments exist. There have been persistent calls for electoral system reform on the basis of several issues. These include the lack of an official minimum threshold, absence of national quotas for parties to gain access to parliament, candidates are listed alphabetically, lack of correctives to encourage the election of female candidates and multiple candidates from the same party can be elected in the same district, the latter placing too much power in the hands of canvassers. The present electoral law does not allow coalitions of parties to contest elections formally, but does not prevent parties from arriving at pre-election agreements regarding future coalitions. Recent provisions to ensure proportionality only increase bipartisanship. There is also no state funding for parties, though the two main parties receive €100,000 annually, which may be used for campaigning. Meetings of the electoral commission are closed and there is an absence of representatives from non-parliamentary parties.

Citation:

Malta Today 05/07/17 Now is the time for Electoral reform  
OSCE/ODIHR (2017) Election Assessment Mission Final Report - Malta

Media Access  
Score: 5

Malta has both state and private media. The Maltese constitution provides for a Broadcasting Authority (BA). Owing to its composition and appointment procedure, the BA is not perceived as an independent regulator. Its job is to supervise broadcasting and ensure impartiality. However, the BA focuses on the PBS (public broadcasting service) and not private outlets. It also does not monitor campaign coverage but rather acts on complaints. During elections, the BA provides for equal time for the two major political parties on state

television on its own political debate programs as well as airtime for political advertising. The 2017 Media Monitor gave the country low risk score of 25% in terms of the media and democratic electoral processes, thus emphasizing that different political actors were represented fairly, as mandated by law. However, smaller parties or independent candidates do not receive equal treatment on state media. In the 2017 elections, the small parties were not able to participate in the main pre-election debates on the PBS; several formal complaints were filed by the smaller parties. The PBS management is appointed by government, which is said to negatively impact its independence. Complaints to the broadcasting watchdog have dwindled and no fines were levied in 2017. There is no law that makes government office incompatible with media ownership; indeed, both major political parties own media outlets. This gives them an advantage over smaller parties, and has a restrictive effect on genuine debate. The 2017 Media Monitor notes that Malta is the only EU country where political parties have such extensive media ownership. The BA and the Press Act require party-run media to allow for a right of reply to an aggrieved party or individual. Access to newspapers becomes increasingly restricted at election time; unrestricted access is obtainable at a cost.

Due to increased competition and the proliferation of privately-owned radio and television stations, all candidates can now obtain airtime to present their views, albeit at a cost. However, the 2017 OSCE election assessment mission report stated that independent candidates and small parties enjoyed little visibility apart from on social media.

Citation:

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

Social Media during the 2013 General Election in Malta. Department of Information Malta  
[www.consilium.europa.eu/media/.../1 st-panel-oswald-main-slide-speaker...](http://www.consilium.europa.eu/media/.../1 st-panel-oswald-main-slide-speaker...)

Sammut,C (2007) Malta and the Media Landscape

Monitoring Media Pluralism in Europe: Country Report Malta 2017

Voting and  
 Registration  
 Rights  
 Score: 8

Malta's electoral laws are effective and impartial, and are controlled by a constitutionally-designated electoral commission. While there is no legal obligation to vote, turnout at general elections is high at over 90%. Maltese law states that any individual sentenced to a minimum prison term of one year cannot vote in elections. In the absence of postal or electronic voting mechanisms, residency qualifications are an obstacle to voting since voters are required to physically cast their ballots in Malta. The government is currently considering a rule that would enable Maltese living abroad to vote at the Maltese embassy. However, Maltese citizens living abroad can today access highly subsidized fares to Malta for the purpose of voting. Amendments to the Electoral Law 2012 have strengthened the voting rights of some citizens, primarily those who celebrate their 18th birthday after the publication of the electoral register. In addition to voting in local elections, 16-year-olds now

also have the right to vote in national and European Parliament elections. Other changes have helped patients cast their votes during a hospital stay. Notwithstanding, legislation must be harmonized to ensure full voting rights for individuals with mental disabilities. Residents who are not citizens may not vote in national elections, yet in line with EU law, they may participate in local or European Parliament elections, though there have been registration problems. Immigrants and refugees, however, do not have the right to vote. Recommendations have been made to increase transparency in the system. These include a secrecy mechanism for assisted voters as well as laws enabling international observers to examine the election process, the setting of deadlines and publishing of all records of complaint. Malta is shifting from a manual to an electronic ballot-counting system, which will be used first in the European and local council elections in May 2019

Citation:

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

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

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

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

<https://www.timesofmalta.com/articles/view/20180305/local/16-year-olds-granted-the-vote-in-national-elections.672453>

Times of Malta 19/11/18 Government considering ways for Maltese abroad to vote in embassies

Malta Today 02/12/18 Labour ministers shoot down voting right proposal for non EU nationals

Malta Today 13/11/18 Voting counting hall transformed as electronic system in place for European elections

#### Party Financing

Score: 4

Malta passed its first party financing law in July 2015, which requires that political parties should be subject to international standards of accounting and auditing; cannot accept donations from companies associated with the government; cannot accept donations from entities, foundations, trusts and nominees whose beneficiaries are unknown; donations in excess of €7,000 must be recorded online and reported to the Electoral Commission; and donations from individuals must be capped at €25,000. As a consequence of this legislation, political parties have been required since 2016 to publish details on the financing of their electoral campaigns. However, the effectiveness of this legislation has been challenged by a loan scheme launched in 2016 by the opposition party, which it claims allows it to keep the names of donors secret. The electoral commission lacks the power to ensure compliance since it is unable to control sources of income beyond donations. Other flaws of the new legislation include the absence of a requirement to use a designated bank account or to disclose donations to entities owned by political parties as well as an excessive disclosure threshold, a failure to cap spending at € million, and a lack of detailed and timely reporting. It has also been noted that there is insufficient harmonization of the regulations relating to the Financing of Political Parties Act (FPPA) and General Elections Act,

raising concerns over which act would take legal precedence. The role of the electoral commission as the appropriate body to act as investigator and adjudicator with regard to the FPPA has also been questioned. Indeed, a recent Constitutional Court ruling stated that the law allowing the Electoral Commission to act as investigator, prosecutor and judge breached the constitution and Article 6 of the European Convention. The government has stated that it will develop amendments to the law; however, the precise role of the party financing watchdog remains uncertain in the meantime.

Citation:

<http://www.timesofmalta.com/articles/view/20150721/local/pns-conditional-yes-to-party-funding-bill.577469>

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Times of Malta 14/10/18 State of limbo looming for party financing watchdog

Popular Decision-Making  
Score: 3

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

Citation:

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Media Freedom  
Score: 6

### Access to Information

Private media operates free from government interference. Mechanisms exist to ensure that state media operate independently from government interference; since 2014, we have witnessed further progress on this issue. While the prime minister appoints all the directors of the State Media Board, as well as all the members of its editorial board, complaints of bias against the state broadcaster have dwindled, and the opposition leader recently said that the broadcaster has been more open to discussion of the party's complaints. In Malta, media independence more generally is influenced by who owns the media. Nearly all media in Malta are owned by individuals with a stake in or connection with a political party. Journalists in all media often display a clear party preference close to that of the media organization's owner. This, rather than government interference, is the primary reason that Malta's media suffers from a lack of public trust. Malta's ranking in the 2018 World Press Freedom Index fell to 65th place. The report is also critical of local SLAPP laws, which may be used to muzzle the media. In a 2016 European Commission report on media pluralism, 76% of respondents stated that the media provides a diversity of views and opinions, but only 28% thought that the media provided information free from political or commercial pressure. In the same survey, 44% believed that the media provided trustworthy information, with the lowest scores assigned to newspapers and social media. Also, only 39% viewed the national regulator as free and independent. The 2017 Media Monitor also ranked Malta as a medium-risk country with regard to political-independence indicators and regulatory safeguards. Although state and party-related activities dominate the media, the reality of media diversity and a recent increase in competition ensure that the system is essentially pluralist, and that a range of opinions remain available. However, given the difficulties associated with maintaining anonymity in public procurement tendering processes in a small society such as Malta, most Maltese administrations have proven reluctant to respond to media requests for information.

In 2016, Malta reformed its defamation laws to allow for greater freedom from prosecution. Prior to this reform, Malta overhauled its censorship laws, allowing for near zero control on the media and the arts. Journalists continue to claim that existing draconian libel laws undermine their work. However, in 2018 the government removed the criminal libel section from Malta's press laws, thereby removing the threat of a prison sentence. Other proposed reforms include the removal of defamation of the president, a cap on libel damages (including a clause stating that courts need to take into account the impact that financial damages may have on a media outlet), and voluntary registration of media outlets. The OSCE welcomed recent changes made to the

proposed legislation, but offered additional recommendations, including that a more balanced approach is needed with regard to the defense of truth.

Citation:

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

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

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

Standard Eurobarometre 84 Autumn 2015

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

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

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

Special Eurobarometer 452. Media Pluralism and Democracy November 2017

World press freedom index of reporters without borders 2018

Media Pluralism  
Score: 6

Maltese media outlets, including visual media, electronic media and print publications, are primarily owned by a mix of actors: political parties, the Catholic Church, private entrepreneurs and the General Workers' Union (GWU), a major left-wing trade union. Thus, Malta's media landscape reflects a plurality of ownership. Pluralism of opinion within the media depends entirely on the willingness of ownership to allow the publication or dissemination of opposing viewpoints or dissent from current orthodoxy. The state media has expanded the range of viewpoints presented, and has had few legal cases brought against it in recent years, a significant change. The state fulfills its obligations better now than in the past. However, competition for market share has forced privately owned and politically owned media alike to publish dissenting opinions more often. The 2017 report on media pluralism in Malta by the Centre for Media Pluralism and Media Freedom (CMPF) at the European University Institute, assigned the country a medium score in terms of basic protection of journalists against violence. This score was primarily associated with the murder of a journalist (Daphne Caruana Galizia) in 2017. The report stated that, "The highest scoring risk indicators are: political independence of media, in particular of public service media; commercial and owner influence over editorial content; cross-media concentration of ownership; access to media for minorities and for people with disabilities; and media literacy. Editorial autonomy seems not to be well protected, either from political, or from commercial influences. However, media ownership is quite transparent." Malta scored well in terms protecting the freedom of expression; yet here too, the country's ranking fell, again primarily due to Caruana Galizia's murder. The report pointed out that Malta is the only EU country where the two major political parties own television and radio stations as well

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

Citation:

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 Media Pluralism in Malta, A Test Implementation of the Media Pluralism Monitor 2016  
 Media Pluralism in Malta, A Test Implementation of the Media Pluralism Monitor 2017

Access to  
Government  
Information  
Score: 4

The Freedom of Information Act was passed in 2008 and only came into force in September 2012. Since this time journalists have had better access to information from government bodies. However, exemptions compromise the bulk of the legislation. Under Article 5(4), no Maltese citizen is entitled to apply to view documents held by the Electoral Commission, the Employment Commission, the Public Service Commission, the Office of the Attorney General, the National Audit Office, the Security Service, the Ombudsman Office and the Broadcasting Authority, when the latter is exercising its constitutional function. Under Article 3, only Maltese and EU nationals who have been resident in Malta for a minimum of five years may access information. The prime minister also holds the power to overrule the Information and Data Protection commissioner, despite the latter's declaration that a request for information should be approved. Moreover, there are a number of laws that still contain secrecy provisions to which the act does not apply. While this may be justified in some cases, it might undermine the essential workings of the act, as it could be in the political interest of the prime minister to suppress the publication of documents, which might embarrass or undermine his administration. The act does not meet the standards of the Council of Europe's Convention on Access to Official Documents. The 2017 Media Pluralism Monitor assigned Malta a 56% risk rating in this area. The report stated that this rating was in part a result of the weakness of legislation protecting whistle-blowers, since the law offers no protection if such individuals fail to try internal reporting procedures first, or if they report to the press or other media. Between 2015 and 2017, government ministries received 402 requests under the Freedom of Information Act from media houses and

members of the public. A total of 54% of these requests were upheld in full or in part.

Citation:

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

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Times of Malta 27/08/16 Has the Freedom of information Act worked?

Times of Malta 30/11/17 Over 400 Freedom of information requests in 3 years

### Civil Rights and Political Liberties

Civil Rights  
Score: 7

The state generally respects human rights, and human rights are subject to judicial protection. Malta affords the highest possible level of protection to civil and political human rights, as enshrined in chapter four of the 1964 constitution. These rights are legally enforceable before the courts. However, analysts note that economic, social and cultural rights, which are found in chapter two of the constitution, are identified as “principles,” and thus need to be upgraded. The integration of the European Convention on Human Rights into Maltese law has strengthened protection of human rights, and decisions by the European Court of Human Rights are normally implemented; however, experts have criticized general practices saying that court procedures take far too long. This appears to be the case with human trafficking, where Malta is still said to not meet minimum standards. However, recent reforms in the courts have improved matters. A recent landmark Constitutional Court ruling declared that two statements made by the accused when his lawyer was not present were inadmissible, and were thus expunged from the record; this reinforced the principle that a lawyer must be present at all times when an accused person is being questioned. A new section in the superior court of appeal has been created with the aim of increasing the system’s efficiency and effectiveness. The extension of rights to members of the LGBT community has improved civil-rights protections. For the third year running, the country has retained its place at the top of the European index that assesses rights granted to LGBTIQ persons in 49 countries. An increased focus on gender equality has improved matters considerably as has the transposition into domestic law of the Council of Europe Convention on Preventing and Combating Violence Against Women and Domestic Violence (Istanbul Convention). There has been a similar development regarding disabled persons in Malta, and a national disabilities strategy is being finalized. A 2018 report by the Aditus Foundation, a human-rights organization, noted further reforms concerning the civil rights of immigrants and asylum-seekers, including the

removal of automatic detention, a shift to open centers and a more efficient processing system, improved rights by applicants to access their own files, and better family reunification measures. Moreover, a relatively high number of asylum-seekers have been accorded humanitarian protection status. However, the rate of recognition for actual refugee status remains low. Better access to housing and support for migrants to integrate with the community needs to be made available. The prime minister has declared that the government will tackle the exploitation of refugees by employers, while a Human Rights and Equality Commissioner has been appointed and a new integration policy is being launched. Malta has not, however, ratified the relevant conventions on statelessness. The dereliction of the rights of prisoners confined in overcrowded and substandard conditions has also been noted. On a recent visit to Malta, the Council of Europe's commissioner for human rights noted the introduction of the morning after pill, but stressed the lack of debate on access to safe abortions. The issue of abortion remains a very sensitive and divisive issue.

Citation:

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 Amnesty International Annual Report Malta 2015/16  
 Times of Malta 03/01/16 New Migrant strategy is a step in right direction  
 Times of Malta 19/11/16 No More temporary humanitarian protection N for failed asylum-seekers  
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 Times of Malta 12/12/2018 In Malta some rights are more valued than others  
 Times of Malta 05/12/2018 Human Rights Day

Political Liberties  
 Score: 7

The constitution of Malta and its chapter on fundamental human rights provide for a broad range of political and civil liberties. The incorporation of the European Convention on Human Rights into the Maltese constitution as well as membership in the European Union has also enhanced political liberties in Malta. The Maltese judiciary serves as the ultimate guarantor of Maltese rights and liberties, and governments respect court decisions. Maltese citizens also

have the right to take a case before the European Court of Human Rights (ECHR), and several individuals have done so with success. The Ombudsman also plays a part in the protection of civil liberties. A traditionally clientelistic and partisan approach to politics has in the past hindered the exercise of individual political liberties, although this seems to be less marked today, as the Maltese are strong users of social media, and frequently use these platforms to air their views on political issues. In the World Economic Forum's Global Competitiveness Index 2017-2018, Malta's ranking fell in terms of public trust in politicians and favoritism in decisions by government. However, there was an improvement in the score for transparency of government policymaking. The 2018 Freedom House index downgraded Malta's score in terms of political rights from a four to a three, citing a lack of transparency in the allocation and terms of public contracts, and the influence of powerful economic interest groups in national politics. The 2017 Eurobarometer, in contrast, reported an increased trust in government in 2016 (55%) over 2012 (34%). Excessive delays in the deciding of court cases and the costs of such delays often deter people from seeking legal solutions, although the picture has improved sharply on this issue. The right to a lawyer during police interrogation has now been fully implemented. However, Malta has one of the EU's weakest systems for allocating legal aid, and lawyers appointed under this system have at times been found to have failed to fulfill their duty. Legal aid lawyers are very poorly paid. The current threshold to be eligible for legal aid is also very low.

## Citation:

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Freedom in the World 2015 Malta

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

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

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

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

Access to Legal Assistance in Malta, Aditus 2017

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Global competitiveness report 2017-2018 World Economic Forum

Malta Independent 31/07/16 55% of Maltese trust government in 2016 compared to 34% in 2012

Times of Malta 23/02/18 Legal Aid system must work

Freedom in the world: Malta 2018

Non-discrimination  
Score: 5

The Maltese constitution's chapter on fundamental human rights forbids discrimination on the basis of race, religion, gender or politics. Other laws forbid discrimination on the basis of physical disability or handicap. In Malta, the civil courts and the Constitutional Court are staunch defenders of anti-discrimination legislation. Since 2013, the government has strengthened the

rights of gay, lesbian and transgender people through the establishment of civil unions and a gender identity act. Malta also has a number of independent commissions to protect the rights of vulnerable groups, such as children and disabled people. In the last budget, the government increased the fine for employers who discriminate against disabled people.

Women are generally underrepresented in the social, economic and political life of Malta; although much progress has been made in recent years, there remains a lack of consensus concerning the introduction of positive discrimination measures to address this problem. In 2018, Malta was ranked 15th in the EU-28 in an index published by the European Institute for Gender Equality. In the workplace, women remain disadvantaged when it comes to earnings and pensions. Discrimination on grounds of political affiliation remains a problem, a direct result of the electoral system used in Malta. Aggrieved ordinary citizens may take their case to the Constitutional Court, the Employment Commission or the Ombudsman Office, while public servants may also bring a case before the Public Service Commission. Nevertheless, allegations of discrimination on political grounds remain common, although at lower levels than previously. In addition, it has been alleged that many cases of discrimination remain unreported. In 2018, the National Commission for the Promotion of Equality highlighted the discrimination faced by sub-Saharan migrants Malta in accessing employment, in employment itself, in accessing housing, and when contacting school authorities as parents.

Citation:

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Malta is almost half way to gender equality, European Institute for Gender equality 24/06/16

Times of Malta 04/11/17 Women in Malta earn half of what men get

Malta Independent 15/01/18 Discrimination affecting large number of ethnic minorities

## Rule of Law

Legal Certainty  
Score: 6

Since Malta joined the European Union, the predictability of the majority of decisions made by the executive has steadily improved, with discretionary actions becoming more constrained. Overall, legal certainty is robust, though there continue to be instances where the rule of law is misapplied by state institutions. However, governments do generally respect the principles of legal

certainty, and the government administration generally follows legal obligations; the evidence for this comes from the number of court challenges in which government bodies have prevailed. The rule of law is what one might consider a work in progress. The judicial system has been strengthened and more legislation put into place. The Ombuds Office and the National Audit Office (NAO) continue to provide strong oversight over many aspects of public administration. After much delay, the officer who will be in charge of the Standards in Public Life Act was appointed with full agreement by both major political parties.

However, reports from public bodies such as the Ombuds Office and the National Audit Office demonstrate that government institutions do sometimes make unpredictable decisions, notably in the use of direct orders by ministries in concessions of public land to private business operators. Moreover, there is a lack of transparency in the allocation and terms of public contracts. In October 2018, the NAO issued a damning report on a 2011 concession of public land made to a consortium with plans to build a national aquarium. Parliament is also slow to legislate on articles of the law that have been declared unconstitutional and need to be revised. Several laws and practices enacted before EU membership are now in breach of the Maltese constitution or the European Convention on Human Rights, notably in the case of property acquired by the government decades before membership. There is no overarching sentencing policy that ensures legal certainty; instead, sentences that ignore clear provisions in the constitution and which are instead based on other laws still take place. The Coordination of Government Inspections Act 2017 restricts the number of inspections undertaken by government departments. The act does not exempt independent institutions such as the auditor general and data protection office, potentially restricting these institutions. The recent practice of placing members of parliament on regulatory boards is also unconstitutional.

Citation:

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#### Judicial Review

Score: 7

Malta has a strong tradition of judicial review, and the courts have traditionally exercised restraint on the government and its administration. In a 2017 case, Judge Wenzu Mintoff ruled against the ruling Labor party in a case involving the ombudsman. Judicial review is exercised through Article 469A of the Code of Organization and Civil Procedure and consists of a constitutional right to petition the courts to inquire into the validity of any administrative act or declare such act null, invalid or without effect. Recourse to judicial review is through the regular courts (i.e., the court of civil jurisdiction) assigned two or three judges or to the Administrative Review Tribunal and must be based on the following: that the act emanates from a public authority that is not authorized to perform it; or that a public authority has failed to observe the principles of natural justice or mandatory procedural requirements in performing the administrative act or in its prior deliberations thereon; or that the administrative act constitutes an abuse of the public authority's power in that it is done for improper purposes or on the basis of irrelevant considerations; or as a catch-all clause, when the administrative act is otherwise contrary to law.

There have been calls to reform certain aspects of the process. The minister for justice has agreed that reforms are needed with regard to the role of the attorney general, who serves both as the country's chief prosecutor and as a legal adviser to the government. These two roles should be decoupled, the minister has argued, with one individual serving as an independent prosecutor general, and a second taking on the role of the attorney general, acting as the government's advocate.

The process through which court experts are chosen should also be revised to be more transparent.

Recent judiciary reforms have included the establishment of a commercial section, the reform of the Family Court, and the creation of a new section in the Appeals Court to help speed up case processing.

The 2018 Justice Scoreboard noted that more cases were being dealt with, the time needed to resolve cases had fallen drastically, the percentage of resolved cases had increased and the number of pending cases had fallen. Of those surveyed (i.e., the public and firms), more than 40% rated the independence of the courts and the judiciary as good or very good. However, this was a decline from 50% in 2017; respondents cited perceived interference and pressure from the government and politicians, as well as from economic and other interests as the primary reason for the decline. However, the percentage

of respondents to cite interference with court decisions was relatively low, at 20%. In 2017, no judges were transferred except by decision of the Judiciary Council, and there were no dismissals. The number of serving judges has increased over the last four years, though the number of active lawyers seems to have fallen. Malta has the EU's third-highest rate of judges who are participating in training activities focused on EU law or the law of another member state. However Malta does not as yet provide training for judges in the areas of IT, judgecraft, ethics, court management, or communication with the press. Measures to deal with court backlogs remain weak. In the World Economic Forum's global score board for 2018 on the independence and impartiality of the judiciary, Malta achieved a 4.4 from 7 and retained 51st place. The appointment of more judges, improved planning processes and increased use of ICT have had a visible effect on the judicial process. Increased scrutiny of the bench by the Commission for the Administration of Justice should help to increase public confidence in the courts. The number of judges as a percentage of the population remains low, indicating difficulty in finding suitable candidates to take up the post; this may be linked to inadequate salaries (though in 2018 the judiciary received a substantial pay increase) or the responsibilities that judges bear. Online information on published judgments are available, but there is no online information on the preliminary stages of a case. Delays and deferments may count against the process, but have fallen in number in recent years.

## Citation:

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Malta Independent 20/01/19 Government will have no say in judicial appointments in upcoming reform - Owen Bonnici

Appointment of  
Justices  
Score: 4

Superior Court judges and magistrates are appointed by the president, acting in accordance with the advice of the prime minister. The independence of the judiciary is safeguarded through a number of constitutional provisions. Until 2016 the prime minister enjoyed almost total discretion on judicial appointments; since that time, appointments have been made by the legislature, following recommendations from the Commission for the Administration of Justice. Other restraints are set in the constitution, which states that an appointee must be a law graduate from the University of Malta with no less than 12 years of experience as a practicing lawyer. Magistrates

need to be similarly qualified, but are required to have only seven years of experience. Today, all candidates who apply for the post are vetted by the Commission for the Administration of Justice before they can be appointed. However, the lack either of formal calls to fill judicial positions or of a ranking system to assess applicants impedes the process. However, Justice Minister Owen Bonnici has recently stated that the government is planning further changes to the process, which will ensure that the executive is no longer be involved in the appointment of judges and magistrates. Instead, a reformed Judicial Appointments Committee will be empowered to act independently in the selection process. A recent law on the suspension of judges however has been criticized by the dean of the law faculty at the University of Malta on the basis that suspended judges have no right to challenge the suspension and that the removal or dismissal of a judge should not be done by a body that is part of the legislature.

Citation:

European Council calls on Malta to improve transparency of Judicial Appointments. Independent 10/02/14

<http://www.timesofmalta.com/articles/view/20150517/local/government-ignored-bonello-commission-recommendations-on-appointments.568405>

<http://www.timesofmalta.com/articles/view/20150819/local/minister-warns-against-reforming-judicial-appointments-system-for-the.581166>

<http://www.timesofmalta.com/articles/view/20150518/local/bonnici-we-will-reform-way-judiciary-appointed.568596>

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

<http://www.timesofmalta.com/articles/view/20160225/local/judicial-commission-to-vet-nominees-to-bench.603674>

<http://www.timesofmalta.com/articles/view/20160718/local/historic-constitutional-amendments-on-judicial-appointments-discipline.619296>

<http://www.timesofmalta.com/articles/view/20160720/local/judiciary-welcomes-judicial-reform-legislation.619498>

Interview with Professor Kevin Aquilina

Malta Independent 20/01/19 Government will have no say in judicial appointments in upcoming reform - Owen Bonnici

Corruption  
Prevention  
Score: 5

The government generally implements anti-corruption laws effectively. Malta's Criminal Code criminalizes active and passive bribery, extortion, embezzlement, trading in influence, abuse of office, and receiving and offering gifts. The penalty for bribery, whether in the private or public sector, can be up to eight years' imprisonment. Money laundering is criminalized under the Prevention of Money Laundering Act, which stipulates procedures for the investigation and prosecution of money laundering, and establishes the Prevention of Money Laundering and Funding of Terrorism Regulations.

A number of institutions and processes work to prevent corruption and guarantee the integrity of government officials, including the Permanent Commission Against Corruption, the National Audit Office, the Ombuds Office and the Public Service Commission. The judiciary also plays an

important part in ensuring accountability. The 2018 Malta Corruption Report (Business Anti-Corruption portal) states: “The Maltese judiciary carries a low corruption risk for companies. The courts are perceived as independent and the public generally believes that the courts are free from corruption. Businesses report that bribes in return for favorable court decisions are generally rare. Businesses also report confidence in the ability of the police to protect companies from crime and uphold the rule of law.” The government also abides by a separate Code of Ethics that applies to ministers, members of parliament and public servants. Ministers and members of parliament are also expected to make an annual asset declaration. The Public Accounts Committee of the unicameral House of Representatives can also investigate public-expenditure decisions to ensure that money spent or contracts awarded are transparent and conducted according to law and general financial regulations. Internal audit systems can also be found in every department and ministry, but it is difficult to assess their effectiveness.

In 2013, the government strengthened the fight against corruption by reducing elected political figures’ ability to evade corruption charges by removing statutes of limitation on such cases. It also introduced a more effective Whistleblower Act, although this needs further reforms. More importantly, in 2016 the government passed a law on Standards in Public Life, and in 2018, the government and the opposition agreed on the appointment of the person who is to oversee the workings of this law.

Both the National Audit Office and the Ombuds Office are independent, but neither enjoys sufficient legal powers to allow them to follow up their investigations at the judicial level. In 2018, the NAO launched a five-year plan to improve governance across the public service. This office has frequently complained about non-compliance with financial regulations and fiscal obligations. In 2018, the ombudsman called for greater government transparency and accountability. The latter’s 2017 recommendation that legislation to regulate lobbying be passed has not yet been addressed. The Permanent Commission Against Corruption, established in 1988, has proved ineffective despite having investigated some 300 cases of alleged corruption. The opposition’s continued delay in naming its representatives has not helped matters. The Public Service Commission, which is tasked with ensuring fairness in recruitment and promotions in the public service, remains under-resourced.

Conflicts of interest remain prevalent. The 2018 GAN report states that the public-services sector carries a low corruption risk for businesses operating in Malta, while Malta’s land administration suffers from moderate risks of

corruption. It additionally says that corruption risks at Malta's border are moderate, but that Malta's public procurement sector carries a high corruption risk for business. Malta's Environment and Planning Authority (MEPA) has for decades been under scrutiny due to allegations of corruption and other irregularities in its decision-making process. This situation is exacerbated by the prevalence of the face-to-face relationships common in small countries, and the fact that most of Malta's parliamentarians aside from members of the government serve on a part-time basis, and thus maintain extensive private interests. According to a 2018 report by the European Greens, Malta loses 8.65% of its GDP to corruption. In comparison, the lowest figure in this respect is 0.76% in the Netherlands, while the highest is 15.6%, in Romania. Malta gained one point in the 2017 Corruption Perceptions Index, climbing from 55% to 56% (with 100% being the best possible score).

Citation:

Transparency International: The 2014 Corruption Perceptions Index CPI. [Transparency.org/](http://Transparency.org/)  
 Audit office finds lack of adherence to procurement regulations by the office of the prime minister Times of Malta 14/12 2015  
 Audit office flags unauthorized payments by science council Times of Malta 14/12/2015  
 No independent testing of concrete at child development center in Gozo Times of Malta 14/12/2015  
 Audit office calls for better verification of applications for social assistance Times of Malta 14/12/2015  
<http://www.timesofmalta.com/articles/view/20160503/local/minister-to-keep-pressure-on-mfsa-independent-regulator.610814>  
<http://www.timesofmalta.com/articles/view/20160928/local/government-statement-pm-has-no-clue-if-chief-of-staff-will-benefit.626373>  
<http://www.timesofmalta.com/articles/view/20160510/local/zammit-dimech-cachia-caruana-deny-panama-papers-links.611633>  
<http://www.timesofmalta.com/articles/view/20151129/local/minister-tells-his-business-partners-to-obey-the-law.593836>  
<http://www.timesofmalta.com/articles/view/20160407/local/konrad-mizzi-to-address-labor-conference-as-pressure-over-panama.608123>  
<http://www.timesofmalta.com/articles/view/20161008/local/does-keith-schembris-opm-contract-contain-conflict-of-interest-rules.627308>  
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<https://www.timesofmalta.com/articles/view/20181008/local/audit-office-adopts-new-strategy-to-improve-governance.691098>  
 GAN Business anti corruption Portal 2018 Malta Corruption Report  
 The Cost of Corruption across the EU. The Greens/EFA Group 2018

# Governance

## I. Executive Capacity

### Strategic Capacity

Strategic  
Planning  
Score: 7

Each government ministry has a director and unit responsible for strategy and planning. These are strongest in the Ministry of Finance, the Malta Planning Authority, the Malta Transport Authority, the Ministry of Justice and Home Affairs, and the Education Ministry. In 2015, a new unit focused on information and the implementation of standards was introduced in the office of the prime minister to facilitate coordination between various stakeholders when implementing projects. Strategic planning has been boosted by the government's efforts to reduce public debt. The National Statistics Office has also been reformed. Over the last year, the influence of strategic planning units over fiscal and education policy has increase. The success of Malta's EU presidency, supported by a four-year program that upgraded coordination vertically and horizontally across government entities, has shown the substantive improvements that have been achieved. A Budget Implementation unit also monitors the implementation of policies with relevance to the budget.

Within ministries, the permanent secretary is responsible for developing strategy, including identifying key performance indicators, and determining timeline and budgets. Strategic plans normally run over three-, four- or five-year cycles and are often developed in the course of consultation with internal and external stakeholders. Internationally recognized benchmarking methodologies are used to track progress. These plans typically include strategic priorities, strategic actions, core commitments and deliverables. In some cases, ministries employ consultants to produce reports on current policy issues, a practice that may be regarded as forward planning. The Management Efficiency Unit coordinates separate ministry plans and the Malta Information Technology Agency (MITA), which reviews government IT requirements, also assists. Usually when a policy is to be reformed or updated a strategic plan is released for consultation. It has been proposed that the annual

government budget be instead shifted to a multi-year time frame to ensure a greater degree of continuity and long-term planning.

A plan to develop special strategies for disadvantaged regions is being established. Government-allied Member of Parliament Glenn Bedingfield has been tasked with spearheading a soon-to-be launched strategy for Cottonera. The strategy will seek to improve environmental and social standards in this inner-harbor area, and will include short- and long-term restoration goals.

Citation:

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

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

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

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

Strategic Plan 2017-2020 Academy for disciplined forces Malta

Mobile Government Strategy 2017-2018ffddddd

Ufficcju tal - prim Ministru, Rapport Annwali 2015

<https://www.timesofmalta.com/articles/view/20181017/local/79-of-budget-2018-measures-were-fulfilled.691830>

Expert Advice  
Score: 5

Consultation processes involving academic experts has always been rather intermittent, but since 2013, such experts have been involved in a greater number of areas including family issues, gay rights, care of the elderly, health issues such as diabetes, IT in schools, and others. With the exception of standing parliamentary committees, which regularly consult with academic experts, the government tends to consult with outside experts in an issue-based and ad hoc manner. Academic input is at the line ministry level. Policy issues have at times been the focus of studies directly commissioned from faculties, institutes and other bodies. Information required by the government may also be contracted out on an individual basis. Driven particularly by the needs of the country's EU presidency, this process has become more inclusive since 2017, with many academics providing support for government policymaking. In 2017, two academics were consulted during the drafting of a white paper on a new inspections process. When drawing up new key policy indicators (KPIs) on public administration academics from across Europe were commissioned to prepare the report. New proposals on maintaining or creating affordable rental housing have also been based on academic research. A number of experts have also been appointed as non-resident ambassadors.

The government has increasingly used policy documents when inviting consultation with NGOs and experts. In other cases, calls for expression of interest have been the method. Until recently, Malta did not have a formalized

process of consultation. This rendered the process rather patchy, with one ministry consulting regularly and others rarely. Today, web-based consultation processes have become more refined, and calls for consultation more frequent. Nonetheless, gaps in the consultation process remain. In some policy areas, consultation remains sketchy or minimal, while in others, policy areas stakeholders are brought in only at a late stage. Occasionally, experts selected for the consultation process are accused of having conflicts of interest.

Citation:

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

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

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

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

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

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

<https://www.timesofmalta.com/articles/view/20181002/local/white-paper-on-valletta-monti-stalls-to-be-published-Shortly.690602>

[https://www.maltatoday.com.mt/news/national/90252/watch\\_local\\_government\\_white\\_paper\\_proposes\\_more\\_responsibilities\\_for\\_regional\\_committees#.W9MPkXszaM9](https://www.maltatoday.com.mt/news/national/90252/watch_local_government_white_paper_proposes_more_responsibilities_for_regional_committees#.W9MPkXszaM9)

[https://www.maltatoday.com.mt/news/national/90157/rent\\_reform\\_will\\_not\\_fix\\_prices\\_targets\\_stability\\_through\\_longer\\_leases#.W9MQJ3szaM8](https://www.maltatoday.com.mt/news/national/90157/rent_reform_will_not_fix_prices_targets_stability_through_longer_leases#.W9MQJ3szaM8)

### Interministerial Coordination

GO Expertise  
Score: 5

Government ministries in Malta enjoy almost complete autonomy, with limitations only in the form of budgetary constraints imposed by the Ministry of Finance and cabinet approval. The Prime Minister's Office (PMO) relies largely on the attorney general's office to evaluate draft bills; however, it also consults with specialists on legal and non-legal issues. Before going to the Attorney General's Office, draft laws and policies are scrutinized by the cabinet. In recent years, the PMO has increased the number of experts supporting the policy process. The 2015 ministerial code of ethics specifies the number of consultants and advisers each ministry is allowed to engage. Consultation with a greater number of sectoral-policy experts, in some cases employed by the government itself, has contributed an improvement in the policy process.

In March 2013, the government appointed a minister, as part of the PMO, to oversee the implementation of the government's manifesto and more recently introduced a specific strategy to implement the government's program. This strategy operates on a three-year planning cycle in conjunction with the budgetary cycle implementation program. Ministries have full responsibility

for the policy, and draw up action plans that are monitored on a monthly basis by the PMO; areas of concern are flagged and brought to the attention of the public service and cabinet.. Malta's EU presidency has also contributed greatly to improving ministerial coordination. Great efforts are also being made to upgrade the capacity of the public service through the recruitment of graduates with specialized training. In collaboration with the University of Malta, MCAST and other bodies, the government has recently established the Institute for Public Service (IPS) to coordinate training at all levels. The PMO has recently demonstrated an improved ability to respond to policy implementation failures. For example, during the period under review, the PMO heightened its overview of ministries to make up for a number of policy failures that occurred during the previous legislature, although certain ministries still make occasional efforts to evade oversight.

Citation:

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

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

Line Ministries  
Score: 5

Since 2013, a sustained effort at coordination has been made in the Prime Minister's Office (PMO) and in line ministries. During the period under review, the government established an office within the PMO to coordinate the policies contained in the ruling party's electoral manifesto. In a new review strategy, ministries monitor the outputs of policies previously discussed with the cabinet; the OPM then monitors policies until they are implemented and supports the ministries in their implementation. Coordination meetings are also organized by the OPM bringing together the various ministries. Decisions taken by ministries have more than once been rescinded by the PMO, a practice less common in the past. The PMO may also seek to review its own policies with the help of the Management Efficiency Unit and occasionally employs consultants. Cabinet meetings have allowed experts to give direct advice to ministers, a departure from the past. From time to time, cabinet meetings are held in different regions for the purpose of consultations. As a consequence of a number of policy failures that occurred during the last legislative period, a greater share of policy proposals are now required to be approved by the cabinet.

Citation:

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

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

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

Cabinet  
Committees  
Score: 6

While government officials do organize cabinet committees to assist in clarifying issues prior to full cabinet meetings, these do not necessarily correspond to line ministries but to individual issues. Occasionally ministers form cabinet subcommittees to coordinate policies between ministries. The chair of the subcommittee, however, would not be from the ministry from which the policy originated. Cabinet committees on EU affairs, including on the EU's Common Foreign and Security Policy, have been appointed. In addition, an ad hoc cabinet committee oversaw the preparations and running of Malta's presidency of the EU in 2017.

Citation:

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

Ministerial  
Bureaucracy  
Score: 6

Civil servants from a ministry typically coordinate policy proposals with other line ministries before a policy is officially drafted. During the review period, a new system was established. The cabinet director general is in charge of administrative decisions and ensures that cabinet decisions are implemented in the different ministries. On Mondays, the chiefs of staff meet to draft memos for the cabinet. On Tuesdays, the cabinet meets and makes a decision. On Wednesdays, the permanent secretaries meet to decide on how to implement the cabinet's decisions. A commissioner for the simplification and reduction of bureaucracy has been established to implement reforms across government. These have been introduced horizontally (e.g., delegating staff recruitment to departments and agencies) and vertically (e.g., engaging ministries to improve efficiency). The permanent secretaries have requested that all departments examine current processes and consider methods of simplification. One result is the introduction of push service delivery, whereby individuals do not apply for social benefits but rather receive them automatically. Every year a report is published and made available to the public on the simplification systems that have been introduced. In 2017, the first 12 key performance indicators (KPIs) for the public service were put into place. This is a new concept for the public service, and is designed to establish clear objectives that need to be attained within a specific time-frame. A "mystery shopper" for government departments was also introduced, with the aim of identifying shortcomings in service delivery and allowing the situation to be remedied.

Occasionally interministerial committees help coordinate policy before the drafting process is started. This has increasingly become normal practice, with a number of interministerial committees created to support Valletta's campaign to be the 2018 European Capital of Culture, and to prepare for the Commonwealth Heads of State Summit in Malta, an EU-Africa summit, and Malta's presidency of the EU in 2017. These activities have laid stronger

Informal  
Coordination  
Score: 7

foundations for more effective coordination between the ministries and civil servants.

The government tendency toward informal coordination mechanisms has increased since Malta joined the European Union in 2004. Many directives from Brussels cut across departments and ministries, and this encourages ministries to talk to each other and work more closely together. Preparations for the EU presidency in January 2017 and the actions taken during the presidency itself raised this informal coordination to unprecedented levels. Currently, the PMO has begun exercising an expanded coordinating role that has advanced progress on a number of domestic issues and policies. Increased overview of ministries by the PMO's Principal Permanent Secretary and the PM's own team has enhanced coordination further. Overall, this has resulted from the establishment of the Ministry for European Affairs and Implementation of the Manifesto.

Digitalization for  
Interministerial  
Coordination  
Score: 7

The use of digital technologies in Malta to support interministerial coordination, as well as for client use, has now become widespread. This process is managed by the Malta Information Technology Agency (MITA), the government's internet agency, and supported by private-sector experts. Individual government ministries can access policies by other ministries that may touch on their own policy formulation, as well as any policies that come from the cabinet. In 2017, a total of 21 mobile apps for government services were launched; moreover, the [servizz.gov.mt](http://servizz.gov.mt) website went live, offering access to about 800 services and the associated forms. The [publicservice.gov.mt](http://publicservice.gov.mt) website was also launched to disseminate information and news about the country's public services.

Citation:

<https://www.timesofmalta.com/articles/view/20161003/local/malta-ranks-first-in-europe-for-egovernment-services.626864>

<https://www.timesofmalta.com/articles/view/20171210/business-news/Microsoft-highlights-Malta-s-eGovernment-as-a-case-study.665311>

<https://www.timesofmalta.com/articles/view/20171106/local/e-government-service-platform-wins-international-award.662430>

### Evidence-based Instruments

RIA Application  
Score: 6

As it has worked to fulfil its obligations under EU law, Malta's government has been improving and strengthening its regulatory processes. The process has generally been slow, but has gained momentum in recent years. However, some areas still lack a proper framework. Within the existing framework, the cabinet is required to approve RIAs for government notices, regulations and by-laws. This process is detailed in the Small Business Act, Chapter 512 in Maltese law. Recent reports from the EU have continued to confirm steady progress. To ensure that reviews contain sufficient detail, an International

Accreditation Forum (IAF) process was introduced. Each ministry is responsible for drawing these up, assisted by their legal offices and program-implementation policy directorates (a unit found in each ministry). Nonetheless, the Office of the Attorney General, which also has a legislative unit, often carries much of the responsibility for this task.

Citation:

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

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

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

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

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

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

Quality of RIA  
Process  
Score: 4

Malta's policy on regulatory impact assessments (RIA) is evolving. In some areas, the process of consultation is superficial, based mostly on public reaction to published consultation papers or a dedicated government website created for the purpose. In others it is more sophisticated. Previously, consultation prior to implementation was commonly extensive when regulations dealt with economic or labor issues; this practice has now increasingly been extended to social issues. The government has thus increased its consultation frequency and expanded its dissemination of information; nonetheless, in small states such as Malta, truly "independent" bodies are generally absent or rare. Furthermore, civil society groups must become more proactive if they are to help shape policies during the formulation stage.

Consultation activities have been codified to support environmental impact assessments. Guidelines initially allowed for an open, transparent and inclusive consultation process. However, in April 2016, the Planning Authority was separated from the Environmental Authority, a reform that may have confused this process. Critics have also charged that consultation sometimes involves only selected interest groups.

Citation:

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

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

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

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

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

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

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

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

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

Sustainability  
Check  
Score: 4

While regulatory impact assessments are a compulsory regulatory tool in Malta, the government has no formally adopted sustainability strategy. Until recently, sustainability checks were common mostly in areas involving planning and the environment; however, these have now successfully been extended to the economic sphere, as EU and credit-rating reports indicate. Yet generally speaking, the effectiveness of key regulations and policy initiatives is assessed mainly through Malta's National Reform Program, and the associated annual report that Malta (like all other EU member states) submits to the European Commission. This report is like a progress check, where Malta provides detailed updates relating to its Europe 2020 targets as a result of its policies. These reports include quantitative impact indicators that can illustrate the effectiveness (or failure) of regulatory projects that touch on social, environmental and economic issues. Overall, Malta has made progress in many areas, reaching many targets but lagging behind in others. Some indicators of progress include an increased level of subsidy provided to public transport programs, improved efficiency with the power-generation sector, and a plan for sustainable water use backed by actual budgetary allocations.

Citation:

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

Quality of Ex  
Post Evaluation  
Score: 6

In recent years, ex-post evaluations have been carried out for most significant policies. Various tools are used, and supported by enhanced digital processes. Improvements in ministerial coordination have also contributed to this development, along with ongoing review by the Office of the Principal Permanent Secretary. A "mystery shopper" for government departments was introduced in 2017, tasked with identifying shortcomings in service delivery so that they could be remedied accordingly. The National Audit Office performs audits to determine whether government entities have adequate systems of internal controls in place, with follow-up audits conducted to determine whether identified weaknesses have been dealt with. The 2018 follow-up audit report paints a mixed picture, with recommended improvements fully or partially implemented in some cases, and no changes made in others.

Citation:

Follow Up Reports by the National Audit Office 2018 <http://nao.gov.mt/en/recent-publications>

Public  
Consultation  
Score: 6

## Societal Consultation

The government has an obligation to consult. In addition, a ministry for dialog has been established. New policies and legislation must be published for consultation. A formal consultative structure, called the Malta Council for Economic and Social Development, works well in facilitating consultation between business associations, trade unions and government. The government has also setup a separate Council for Economic and Social Development for Gozo and a consultative council for the South of Malta. A consultation portal is also currently active. NGOs concerned with social policy tend to be regularly consulted; however, environmental NGOs are rarely integrated into the policymaking process. The Planning Authority has its own consultation processes, but the views of non-governmental actors are taken into account to only a very questionable extent. Overall, Malta has seen a substantial increase in the number of policy areas open for public consultation. Malta today has a proliferation of NGOs, and increased consultation has created wider scope for them to act. However, greater progress could be achieved if NGOs were to become more professional, and officialdom less sensitive to feedback and more prepared to react to criticism. One such case in which advice was ignored was the extension of hunting hours in Majjestral Park against the recommendation of the advisory committee.

Citation:

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

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

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

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

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

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

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

[http://www.maltatoday.com.mt/news/national/69495/green\\_ngos\\_to\\_get\\_collective\\_50000\\_in\\_government\\_funds#.We2bzVuCyM8](http://www.maltatoday.com.mt/news/national/69495/green_ngos_to_get_collective_50000_in_government_funds#.We2bzVuCyM8)

[http://www.maltatoday.com.mt/lifestyle/health/69774/watch\\_conference\\_highlights\\_ngos\\_contribution\\_in\\_health\\_sector#.We2cCluCyM8](http://www.maltatoday.com.mt/lifestyle/health/69774/watch_conference_highlights_ngos_contribution_in_health_sector#.We2cCluCyM8)

[http://www.maltatoday.com.mt/news/national/64883/social\\_dialogue\\_minister\\_stresses\\_role\\_of\\_ngos\\_in\\_outreach\\_programmes#.We2ciluCyM8](http://www.maltatoday.com.mt/news/national/64883/social_dialogue_minister_stresses_role_of_ngos_in_outreach_programmes#.We2ciluCyM8)

## Policy Communication

Coherent  
Communication  
Score: 6

The Department of Information is responsible for providing public information on, among other things, government policies and plans. Each ministry has its own communications office to keep the public informed. Regular meetings of the permanent secretaries have enhanced communication procedures within the government. Moreover, the run-up to the EU Presidency demanded improvements to the country's communication strategies. Today, individual ministers hold daily press briefings and occasionally engage public relations firms. Despite the apparent progress, no studies exist to assess the overall impact. Communication strategies are today formulated with a greater amount of expert input than was previously the case, and communication between ministries has been enhanced. In 2017, the government spent more than €2.5 million on social-media advertising. In 2018, the Malta Financial Services Authority spent €200,000 for communication-strategy advice, seeking to improve Malta's reputation with European institutions.

Citation:

How the Maltese government spend over 2.5 million in social media ads. Malta Today 07/11/17  
Times of Malta 06/11/18 MFSA spends €10,000 for communications advice

## Implementation

Government  
Effectiveness  
Score: 6

Government efficiency has continued to improve, although strong economic growth and the government's ambitious plans have created challenges for the administration. Central to this improvement has been the Prime Minister's Office and the work of the Principal Permanent Secretary's Office. Policy implementation is measured against agreed upon KPIs and benchmarks, policies are monitored and shortfalls highlighted. Templates are sent out to ministries with deadlines and then assessed and reviewed. Every February, the first round of audit closing meetings commence. In October 2018, the PMO and the Ministry of Finance stated that 79% of measures announced in the previous year had been successfully implemented. Ongoing training has been key.

However, problems remain. Recent National Audit reports have continued to highlight failures and inefficiencies under the previous and present administrations. Gaps include insufficient control over service providers and a lack of controls related to personal emoluments, missing documentation, deficiencies in stock management, and a lack of adherence to public-procurement regulations. Local councils' performance remains sub-optimal, although reforms are now being developed.

## Citation:

Gozo projects lacking good-governance rules Times of Malta 16/12/2015

Briguglio, M An F for Local Councils Times of Malta 12/12/16

Report by the Auditor General Public Accounts 2015

[http://www.maltatoday.com.mt/news/national/80417/half\\_of\\_nao\\_recommendations\\_implemented\\_auditing\\_is\\_not\\_a\\_witchhunt#.We2pXVuCyM8](http://www.maltatoday.com.mt/news/national/80417/half_of_nao_recommendations_implemented_auditing_is_not_a_witchhunt#.We2pXVuCyM8)

[http://www.maltatoday.com.mt/environment/townscapes/79047/no\\_value\\_for\\_money\\_in\\_fekruna\\_bay\\_expropriation\\_\\_nao#.We2pt1uCyM8](http://www.maltatoday.com.mt/environment/townscapes/79047/no_value_for_money_in_fekruna_bay_expropriation__nao#.We2pt1uCyM8)

[http://www.maltatoday.com.mt/news/national/79029/labour\\_urges\\_pn\\_to\\_stop\\_ignoring\\_nao\\_reports\\_pointing\\_fingers\\_at\\_azzopardi#.We2p4VuCyM8](http://www.maltatoday.com.mt/news/national/79029/labour_urges_pn_to_stop_ignoring_nao_reports_pointing_fingers_at_azzopardi#.We2p4VuCyM8)

The following reports are obtained here <http://nao.gov.mt/en/recent-publications>

Performance Audit: An evaluation of the regulatory function of the Office of the Commissioner for Voluntary Organisations -

REPORT BY THE AUDITOR GENERAL ON THE PUBLIC ACCOUNTS 2017 -

An investigation of matters relating to the contracts awarded to ElectroGas Malta Ltd by Enemalta Corporation

Report by the Auditor General on the Workings of Local Government for year 2017 -

Performance Audit: A Strategic Overview on the Department of Fisheries and Aquaculture's Inspectorate Function -

Follow-up Audit: Follow-up Reports, 2018 by the National Audit Office -

Times of Malta 05/02/18 Dirt in cleaning contracts? OLAF asked to probe 'corruption' at St Vincent De Paul Home

Documents claiming abuse sent anonymously

Ministerial  
Compliance  
Score: 6

The cabinet is the most important organizational device at the disposal of the government providing incentives to ensure ministers implement the government's program. Second to this are the weekly meetings of permanent secretaries. Meanwhile, the powers of the Prime Minister's Office have increasingly been used to drive policy implementation. The ministerial secretariat is generally responsible for overseeing the implementation of a program. However, this function has become more centralized; the government can now show how much of its program has been implemented. A yearly report provides details on each budget measure, indicating when it was implemented and by which ministry. A list of unimplemented measures is also included. In addition, the Management Efficiency Unit in the PMO provides ministries with advice and capacity-building tools. Informal coalitions, such as those between civil society groups or businesses and individual ministries, can drive implementation in certain policy areas, such as the extension of LGBT rights. The drive to introduce simplification measures across ministries facilitates decentralization (e.g., in recruitment accords), granting ministries greater independence as well as additional incentive to implement policies successfully.

## Citation:

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

Implementation of government measure 2018 [Publicservice.gov.mt](http://Publicservice.gov.mt)

Monitoring  
Ministries  
Score: 5

The Prime Minister's Office (PMO) monitors the implementation activities of most line ministries and the structures for doing so effectively are being continually refined. The PMO has an office dedicated to monitoring which is

increasingly fine-tuning the system. The PMO does not have a unit to assess policies in the ministries. Instead, the ministries themselves must do this work according to impact assessment procedures and the policy cycle. If problems surface in a ministry, the PMO steps in to assist. Furthermore, the cabinet office, which is part of the PMO, monitors policy implementation by line ministries, ensuring that they implement the decisions made by the PMO. There are ongoing attempts to enhance coordination, with improvements made during this review period based on lessons learned from failures in the last legislative period. Nevertheless, competition between ministries sometimes hinders or obstructs monitoring.

Citation:

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

Bartolo insists that ministries should support each other, pull the same rope Independent 10/06/15  
Times of Malta 17/10/18 79% of budget measures implemented

Monitoring  
Agencies,  
Bureaucracies  
Score: 5

Malta is a unitary state. As such monitoring of bureaucratic agencies is undertaken by, for example, parliamentary oversight, such as during parliamentary committee sessions or annual budget debates. A Parliamentary Public Accounts Committee (PAC) also exists. The National Audit Office produces an annual report on all public service entities (departments, agencies, etc.), though the reports are ad hoc, focused on different sections and departments of ministries and agencies every year. The ombudsman also produces a procedural audit, though it has been recommended that the ombudsman be given the same rights of oversight as held by the audit office in order to better review the workings of government. The 2017 Ombudsman report emphasized difficulties in receiving timely information, and further indicated problems related to the inappropriate disclosure of government information – specifically problems with binding parties signing government contracts to secrecy, and in areas where essential health and energy services in sectors have been partially or fully privatized, and some parties are not sufficiently legally prohibited from disclosing information to third parties. The Department of Local Government assesses the performance of local government bodies. There is also an internal audit office within ministries. The Prime Minister's Office, through the Office of the Principal Permanent Secretary, has become more involved in monitoring processes, and positive results are beginning to show. The recruitment of more qualified personnel and the provision of greater amounts of training are also proving effective in this regard, helping to improve adherence to EU directives. Nonetheless, NAO reports still point to problematic areas.

Citation:

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

Task Funding  
Score: 5

Task funding remains a contentious issue. Although many new schemes have been put in place, funding remains inadequate. Local councils in Malta are primarily municipal bodies, and cannot raise revenue through local taxes; however, as they are an integral part of the political system, and under party control, they come under pressure to carry out tasks beyond their remit. Nearly all funding for local-government activities comes from the central government, with a small fraction sourced from local traffic fines. The funding formula for local councils is based on geography and population, but – despite legal provisions – local councils run budget deficits, both because of inadequate funding and mismanagement by the councils themselves. At the beginning of 2015, the government launched a fund for local councils’ capital projects however it remains inadequate. Regional committees were generating revenue from contraventions through the local enforcement system, however, this task was taken over by a central government agency in 2014. There has been a steady, though not particularly substantial, increase in the overall budget. In 2018, the budget for every local council was increased by 4.27%, for a total increase of €7 million relative to the previous year. A 2018 – 2020 local-council-culture fund containing €750,000 has been introduced to pay for cultural events, and a capital-projects fund has also been created.

Citation:

44 local councils request devolution of government property Malta Today 11/09/2015  
 Money for local councils Times of Malta 14/02/2015  
<http://www.timesofmalta.com/articles/view/20151228/local/councils-shortcoming-identified-by-nao-unacceptable-parliamentary.597069>  
<http://www.timesofmalta.com/articles/view/20160706/local/auditor-general-criticises-funding-scheme-as-hasty.617914>  
<http://www.timesofmalta.com/articles/view/20160111/opinion/Auditing-local-governance.598374>  
<http://www.timesofmalta.com/articles/view/20151226/local/councils-christmas-dinner-bills-give-auditor-a-headache.596707>  
 Local government culture fund 2018 - 2020  
 35.5 million budget for 68 local councils in 2017 The Malta Independent 04/07/17  
 The Independent 12/12/18 A total of 30 local councils benefit from the capital projects fund  
 Financial Allocations to local councils January -December 2018

Constitutional  
Discretion  
Score: 3

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

National  
Standards  
Score: 6

It is the Department of Local Government and the National Audit Office which seek to ensure standards within local councils. The first is responsible for monitoring and reporting on the performance of individual local councils. Central departments set the benchmarks for services provided by local councils. The second is the National Audit Office, which independently investigates local council activities both from a purely auditing perspective and from a “value for money” perspective. It is the latter that has by and large driven reform of local councils. National standards at the local level are also reinforced through the councilors’ code of ethics and the Local Councils Association. The ombudsman’s office has also suggested the introduction of a commissioner for local government within his office. A local-council reform bill was introduced into parliament during the review period. The proposed reform would strengthen regional councils, supply them with financial resources and recognize this level of government in the constitution. Furthermore, it would introduce the position of full time mayors, increase investment in education and training for councilors and staff, introduce so-called “integration programmers,” and extend the hours in which local council services were provided.

Citation:

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

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

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

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

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

White paper on local government 2018

Effective  
Regulatory  
Enforcement  
Score: 5

For the most part, government agencies in Malta enforce regulations effectively and without bias. This said, the close personal relationships inevitable on a small island have undoubtedly greased the cogs of the administrative machine in order to facilitate positive outcomes in many cases. Certain powerful interests such as the construction lobby also wield influence over the decision-making process. Finally, the government’s reliance on direct orders for large purchases, along with allegations of mismanagement in tendering processes, has left it open to accusations of favoritism. For example, the EU Commission has been asked to investigate a government concession to a private consortium seeking to develop on public land, on the basis that the concession was awarded in a biased and irregular manner. In 2013, the government strengthened the fight against corruption by reducing elected political figures’ ability to evade corruption charges, and introduced a more effective Whistleblower Act. To further address these issues, additional changes have been proposed, including a shift a full-time parliament, with members no longer allowed to maintain private interests or sit on government

boards. The 2017 ombudsman’s report cited the need for legislation to regulate lobbying, a practice that can distort fair competition and has been linked to allegations of corruption, as well as the need for individuals to receive correct and timely information on the government’s activities in order to ensure transparency and equal treatment before the law.

Citation:  
<https://www.timesofmalta.com/articles/view/20181020/local/possibility-of-state-aid-rules-breach-in-db-groups-its-project-raised.692024>  
<https://www.timesofmalta.com/articles/view/20181020/local/possibility-of-state-aid-rules-breach-in-db-groups-its-project-raised.692024>  
<https://www.timesofmalta.com/articles/view/20181027/local/we-have-nothing-to-hide-nothing-to-fear-on-pembroke-project.692678>  
<https://www.timesofmalta.com/articles/view/20180828/local/274-million-svdp-deal-was-never-appealed.687770>

**Adaptability**

Domestic  
Adaptability  
Score: 7

The capacity of government structures to adapt to change improved during the period of EU accession and since membership. Malta’s preparations for assuming the EU presidency required further adaption to changing scenarios, especially at the ministerial and bureaucratic levels as well as ambassadorial and consulate levels. It also required the expansion and international training of personnel. Consequently, there is greater awareness of the need to respond to international developments. Better coordination among the bureaucracy has also contributed to improvements.

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

International  
Coordination  
Score: 4

Malta does not have the institutional capacity to actively shape a wide range of international efforts. However, Malta has sought to do this within its immediate Mediterranean region and increasingly within the EU. Since 1975, Malta has been a rapporteur of the UN Committee on the Exercise of the Inalienable Rights of the Palestinian People. It continues to support good-governance efforts in Libya and Tunisia and co-operates closely on refugee and migration issues with neighboring countries. Malta accepts more asylum-

seekers per capital than almost all other countries and was one of the few EU countries to honor in full the EU relocation program by taking in its full quota (accepting 131 refugees and asylum-seekers). In 2018, with the assistance of the EU Commission, Malta coordinated the redistribution of a number of migrants stranded in Mediterranean ports to other EU states, while also taking up part of the relocation quota on its own. During the Commonwealth Heads of Government Meeting hosted in Malta in 2015, the country contributed toward the setting up of a fund to assist small Commonwealth island countries in adapting to climate change and in the fight to eradicate polio. Preliminary discussions also took place in preparation for the climate change summit in Paris. In October 2015, Malta hosted an EU-Africa migration conference, the Valletta Summit on Migration. It has pressed for the implementation of agreements reached at the summit. In December 2015, it facilitated talks between Libya's rival factions in support of a UN peace plan. Malta's progress in this sphere has also been demonstrated by its success during the EU presidency. Malta has also contributed to the creation of a strong international regulatory framework for cryptocurrencies. As a net importer of labor, Malta is presently working with governments in the MENA region, focusing initially on Tunisia with the aim of providing employment to skilled Tunisians.

Citation:

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

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

Trade between Malta and Tunisia still below potential Times of Malta 05/01/19

### Organizational Reform

Self-monitoring  
Score: 5

Structures for monitoring institutional governance exist, but are often weakened by the existence of large ministerial secretariats staffed with political appointees, which at the end of 2018 totaled around 700 – mainly allies of the serving minister. This organizational structure emphasizes observance of ministerial policy directives over effective monitoring. However, since 2013, there have been improvements in the monitoring of institutional arrangements, with some reforms implemented. The PMO has intensified its monitoring processes, but the most effective monitoring comes from the NAO and the Ombudsman. In 2019, the government announced the creation of a new entity to monitor public-private partnerships.

Citation:

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

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

Unconstitutional Jobs Times of Malta 07/10/16

The number of people in positions of trust is not excessive Times of Malta 16/03/18

Public Service Commission Times of Malta 24/01/17

Government to set up entity overseeing and monitoring public private partnerships [Maltachamber.org.mt](http://Maltachamber.org.mt) 28/01/19

Institutional  
Reform  
Score: 7

Accession to the EU has improved the government's strategic capacity. Furthermore, with support from the University of Malta and Malta College of Arts, Science and Technology, there is now greater emphasis on capacity-building and change-management training for senior public officers. The government is working hard to make the public service more attractive to graduates, and has introduced a fast-track promotion process for those with the requisite qualifications. The government also sponsors large number of employees in obtaining the requisite qualifications through its Institute for Public Service Studies.

## II. Executive Accountability

### Citizens' Participatory Competence

Political  
Knowledge  
Score: 6

The level of information available for citizens on policies is relatively high and in general easily accessible. The government provides data on policy areas, and if a certain set of data is not available, it can be requested under the Freedom of Information Act. However, the restrictions placed on this act result in information not always being available. The ministries received 402 requests from media organizations and members of the public between 2015 and 2017. Under the Freedom of Information Act, 54% of these were upheld in part or in full. Access to contracts between government and private investors remains problematic. The National Statistics Office and the Department of Information regularly make information available to citizens. Some of the more complete reports assessing government policy however come from the European Commission. Competition between media outlets has improved public access to information with leading media outlets hosting their own investigative television series. Although most citizens follow political party-controlled media in their evaluation of policy objectives, political debate is nevertheless widespread and enables citizens to examine different aspects of policy. Policy discussions occur in regular civil society forums and are reported on by the media. However, local opinion surveys are rarely used to evaluate policy proposals. The 2017 Eurobarometer survey found that Maltese respondents do not view local media as truthful when reporting events, and that only 31% (the second-lowest score) trust the press. Overall, only 14% (the third-lowest score) have a high level of trust in the media. The survey also

found that 72% of Maltese watch television every day, while only 14% read the written press daily. In addition, 45% look to online social networks to receive national political news.

Citation:

Maltese more likely to trust government than the media study shows, Times of Malta 02/06/17  
 Standard Eurobarometre 86 Autumn 2016 Media use in the European Union  
 Standard Eurobarometre 88 Autumn 2017 Media use in the European Union  
 Over 400 freedom of information requests in three years. Times of Malta 30/11/17

Open  
 Government  
 Score: 5

Malta provides a mixed picture with regard to open-government issues. Since the country obtained EU membership, governments have found themselves increasingly pressured to provide information through more open and transparent channels. The National Statistics Office (NSO), reformed in the late 1990s in view of Malta's EU membership, regularly makes freely accessible information available on various matters. The NSO also responds to researchers and the media seeking access to information relating to a great diversity of subjects. Furthermore, information can be obtained under the Freedom of Information Act. Between 2015 and 2017, just over 50% of all requests submitted under the terms of this act were answered in full or in part. Every ministry and department publishes reports and information. A vast quantity of information can be accessed online through government websites or EU portals. However, some problems remain. Governments tend to be reluctant to publish public contracts, citing commercial sensitivity. This can be true in some cases, but is not in others. A recent information request by the parliament was refused, with a response indicating there were insufficient human resources available to collect the data. The new commissioner for standards in public life recently criticized government ministries for inviting only selected journalists to certain public events. However, the evident capacity of hackers to infiltrate government systems should demonstrate that secrecy is no longer an option. The 2017 parliamentary ombudsman report stated: "Regrettably the public administration – and this includes public authorities – appears to have adopted a generally negative approach towards its duty to disclose information and the citizen's right to be informed. ... Outright refusal or extreme reluctance to disclose information can be said to have become a style of government that is seriously denting the openness and transparency of the public administration."

Citation:

Ministers should not only invite selected journalists to public events standards commissioner says. Times of Malta 06/02/19  
 'Humanly impossible' to establish number of vacant state properties Times of Malta 05/02/19  
 2017 Parliamentary Ombudsman Report

### Legislative Actors' Resources

Parliamentary  
Resources  
Score: 5

The passage of a new act in 2016 giving parliament financial autonomy over its internal budget decisions (the Parliamentary Services Act), and an increase in funding in the 2017 and 2018 budgets, has left MPs in Malta with more resources than previously. Members of permanent parliamentary committees enjoy support from newly appointed research officers as well as academics and specialists. Greater participation of MPs in international conferences has helped bridge the resource gap, but more is required. These developments have improved the process for evaluating EU legislation and other social issues. Additional resources must be allocated to the parliamentary scrutiny committee dealing with pipeline aquis. Furthermore, despite improvements, legislators have too few resources to support their legislative work. Staff members are too few in number, and fully occupied by their primary duties. MPs must bear some responsibility for this situation, since most of them appear loathe to give up their professional activities, and regard their role as legislator as a part-time occupation. MPs can now be fined for not attending sittings. The prime minister is pushing harder to discuss the matter of a full-time parliament, but this, along with any change to current remuneration levels, would require consensus among a majority of MPs.

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

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

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

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

Parliamentary service Act Chapter 562 ACTXL11 of 2016

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

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

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

Obtaining  
Documents  
Score: 4

Parliamentary committees may request documents from the government, though the government is not obliged to comply. For example, the government could refuse to release documents, because the documents could contain commercially sensitive information or it is too soon to make the information public. The 2015 parliamentary ombudsman report highlighted the need to publish government documents and agreements and for limits of the state's duty to disclose. The ombudsman also stated that in some cases non-disclosure by the executive is totally unjustified citing the example of parliament not being privy to commercial agreements entered into by the public administration. The ombudsman's 2018 plan again stressed the need for government transparency and accountability. The freedom of information act must be strengthened.

Summoning  
Ministers  
Score: 7

Citation:

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

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

Citation:

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

Summoning  
Experts  
Score: 9

Parliamentary committees may summon experts to make presentations or help committees evaluate policies under discussion or shed light on issues under investigation. In January 2018, the opposition called for the full publication of the contract between the government and VGH, a controversial deal that saw government sign a 30-year contract with Vitals global health care to run three state hospitals, instead of the heavily redacted version presented in parliament. There was also a call for stakeholders in the deal to testify before the parliamentary Health Committee. However, full disclosure has as of the time of writing been precluded by the data protection commissioner.

Citation:

Let MPs summon Vitals deal stakeholders. PN tells government, Times of Malta 06/01/1  
Standing Orders of the House of Representatives Subsidiary Legislation Constit.02 Article 164  
Financial scrutiny of Vitals to remain secret: Request to publish due diligence exercise denied by Data Protection Commissioner, Times of Malta 03/10/18

Task Area  
Congruence  
Score: 6

There are presently 16 standing committees, several of which are fully congruent with ministerial portfolios. These include health, foreign affairs, environment, economic and financial affairs, and social affairs. The main monitoring committee is the Public Accounts Committee, which is chaired by a member of the opposition. Since 2016, committees have become more involved in monitoring ministries, though they also retain an advisory role. Ad hoc committees are also established from time to time. The Standing Committee on Foreign and EU Affairs, for example, scrutinizes pipeline aquis; because of the scale of this task, three subcommittees were created: one acting as a clearinghouse, and the other two dealing with the various policy areas in line with ministerial portfolios. This standing committee also works very

closely with the other standing committees. In 2018, a new Standing Committee for Standards in Public Life was inaugurated to assist the new commissioner in this area. This figure was empowered to look into breaches of ethics committed by members of parliament and those appointed within the public service on a position-of-trust basis. A new Petitions Committee has also been created. Additionally, a number of joint committees facilitate policy development and implementation across ministries.

Citation:

<http://www.timesofmalta.com/articles/view/20160118/local/committee-wrapping-up-long-oil-procurement-debate.599271>

<http://www.timesofmalta.com/articles/view/20151024/local/zonqor-university-site-selection-to-be-discussed-during-parliament.589443>

<http://www.timesofmalta.com/articles/view/20150724/local/committee-to-consider-whether-gay-men-should-donate-blood.577877>

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

The Parliament of Malta web page

Parliament Annual Report 2016

## Media

Media Reporting  
Score: 5

Maltese media outlets often publish what can be described as “infotainment,” or sensational or superficial content. Two reasons may explain this: First, in the country’s highly polarized and very small society, media outlets tend to follow their owners’ political lead, which here is often political parties or people with political connections to a political party. Second, the competition for readership and audiences is fierce, and revenue constraints restrict the quality of publications’ output. High-quality analysis of government policies, for example, remains rare. That said, people in Malta today see their national media as being more free and independent, and as providing more diversity of viewpoints, than was the case five years ago. Improvements to the Freedom of Information Act in 2012 have also improved media reporting, though numerous restrictions still exist and newspapers cannot are often unable to obtain relevant data. The 2017 Media Pluralism Monitor assigned Malta a medium risk level (56%) in its protection of the right to information indicator. Malta is one of the few countries in Europe in which there is no media-literacy policy aimed at giving citizens the critical skills needed for active participation in the contemporary exchange of information.

Citation:

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

<https://www.timesofmalta.com/articles/view/20180309/local/maltese-journalists-basic-protection-takes-a-dip-report.672768>Media

Media Pluralism Monitor 2017

Parties and Interest Associations

Intra-party  
Decision-Making  
Score: 5

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

Are political parties becoming irrelevant? Malta Today 09/02/16  
Replacing political parties. Times of Malta 01/01/18  
<https://www.timesofmalta.com/articles/view/20180906/local/labour-approves-first-group-of-euro-parliament-election-candidates.688524>

Association  
Competence  
(Employers &  
Unions)  
Score: 7

Economic interest associations have structures capable of formulating relevant public policies. The greater resources commanded by economic interest associations enable them to employ highly qualified personnel and consult qualified academics according to the policy issue involved. The larger trade unions have their own research officers and can also draw on the expertise of the Centre for Labor Studies (CLS) at the University of Malta which was established to facilitate the trade union sector. Trade unions also use existing studies or academic and specialist support. EU support funds and structures such as internship programs have strengthened non-economic interest associations, allowing them to produce detailed research in their area of expertise. However, most NGOs remain reactive rather than proactive. In its 2019 budget, the government has earmarked some financial support for NGOs to help them overcome some of these problems.

Association  
Competence  
(Others)  
Score: 6

Malta has a large number of non-economic interest associations. Though typically short on resources, they access external support through international membership or regional federations, which helps them, on occasion, to formulate extremely well-informed policy papers. EU funds and other structures (e.g., the internship programs) have also helped them improve their policy capacities. Few organizations employ full-time staff, but many have academics as part of their leadership structure, thereby utilizing their expertise. In some cases, organizations are able to attract research support on a voluntary

basis from like-minded academics and other volunteers. Nonetheless, many of them still need to become proactive, rather than reactive to events or government proposals. Having said that, some organizations provide government with frequent expert support, and at times provide resources, support and direction for policy areas for which the government has little input. A case in point is that of support for policies associated with migration, asylum and the politics of integration.

### Independent Supervisory Bodies

Audit Office  
Score: 9

The National Audit Office is an independent institution, reports exclusively to parliament and is charged with scrutinizing the fiscal performance of public administration. Both the auditor general and his deputy are appointed by a resolution of the House, which requires the support of no less than two-thirds of all of its members. The auditor general enjoys constitutional protection. The Public Accounts Committee has limited means at its disposal and depends on the audit office for support. Referrals by the prime minister and parliament to investigate matters that fall into his competence have been regular and increasing in recent years. The office audits all central government ministries and local government as well as publishes special reports on key and often controversial policy areas (currently higher education and health).

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2013 A Challenging year for the National Audit Office. Malta Today 12/03/14  
<http://www.timesofmalta.com/articles/view/20150731/local/national-audit-office-investigation-requests-quadruple.578701>  
<http://www.timesofmalta.com/articles/view/20151119/local/PM-welcomes-NAO-s-inquiry-on-visa-claim.592668>  
<http://www.timesofmalta.com/articles/view/20160202/local/nao-stands-by-its-findings-in-gaffarena-scandal.600970>  
<http://www.timesofmalta.com/articles/view/20160627/local/spend-more-on-primary-health-care-nao-urges-government.616991>  
<http://www.timesofmalta.com/articles/view/20151110/local/NAO-finds-25-permits-issued-just-before-poll.591562>  
 Report by the Auditor General on the public accounts 2016  
 Annual Report on the working of local government 2016  
 Performance audit: outpatient waiting at Mater Dei hospital  
 Ombudsman annual report 2016  
<https://www.timesofmalta.com/articles/view/20171215/opinion/Eventful-year-for-NAO-Charles-Deguarra.665670>  
<https://www.timesofmalta.com/articles/view/20171114/local/most-nao-recommendations-addressed.663116>  
<https://www.timesofmalta.com/articles/view/20181008/local/audit-office-adopts-new-strategy-to-improve-governance.691098>

Ombuds Office  
Score: 7

The ombudsman is elected by a two-thirds majority of the House of Representatives and held in high esteem by the public. The appointment of three commissioners (on the environment and planning, health and education) to investigate complaints as well as the office's wide-ranging powers to initiate inquiries considerably increased its standing as a watchdog for good governance. A secondary function of the ombudsman is to act as a catalyst for

improving public administration. The ombudsman has stated that in pursuing these initiatives he has generally found collaboration from ministries, government departments and public authorities and that there have even been cases where public authorities have sought his advice. The Ombudsman Office, however, is not empowered to deal with human rights complaints and its recommendations are not binding. A recent clarification confirmed that the office has jurisdiction over complaints emanating from the armed forces of Malta. In his 2017 report, the ombudsman drew attention to the lack of jurisdiction his office has over privatized entities, particularly in the health and energy sectors, and the need for a remedy. He also drew attention to the problem of obtaining information from government on sensitive issues. The ombudsman recommended the office be granted constitutional protections and the appointment of a deputy ombudsman to strengthen the office and to extend the remit of the office to investigate the administrative actions, inactions, decisions and processes of public administration to further good governance.

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

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

The Parliamentary Ombudsman The Independent 27/11/2016

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

Parliamentary Ombudsman Annual Report 2016

Data Protection  
Authority  
Score: 8

Malta has an information and data-protection commissioner who is appointed by the prime minister in consultation with the leader of the opposition. This figure heads the Data Protection Authority, which is both effective and independent. The authority's website provides information about the protection the office provides in various fields. It also provides assistance to citizens who believe their privacy has been invaded. Malta also abides by EU legislation and decisions by the Advocate General of the European Court in this area, and in May 2018 transposed the EU General Data Protection Regulation (GDPR) into law. Since the law has taken effect, 100 breaches of the data protection act have been reported, with 17 of these leading to a fine. Maltese courts can also be called upon to adjudicate complaints relating to data privacy infringements. A recent ruling by the Information and Data Protection Appeals Tribunal clarified that the data protection commissioner has the right to issue enforcement orders when a government ministry fails to issue certain information – in the case under review, information relating to government consultants' contracts.

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<https://idpc.org.mt/en/Pages/Home.aspx>

Data Commissioner has right to access contracts of government consultants - appeals tribunal

Economy Minister loses legal challenge. Times of Malta 29/01/19

DLA Piper GDPR data breach survey: February 2019

<https://www.dlapiper.com/en/uk/insights/publications/2019/01/gdpr-data-breach-survey/>

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