

# **Sustainable Development Annual Report 2015**



**Ministry for Sustainable Development,  
the Environment and Climate Change**

March 2016



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## 1.0 Background

The most widely known definition of sustainable development and which brought this discipline to the fore was that coined by the World Commission on Environment and Development (1987) which defined sustainable development as:

*'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'*.

More commonly referred to as the Brundtland definition, it contains within it two key concepts:

- *"the concept of **needs**, in particular the essential needs of the world's poor, to which overriding priority should be given; and*
- *the idea of **limitations** imposed by the state of technology and social organization on the environment's ability to meet present and future needs". (World Commission on Environment and development, 1987, p. 41)*

Sustainable development promotes economic growth and improved social wellbeing together with the protection of environmental resources, with each pillar reinforcing the other. Sustainable development seeks to maintain a stable developmental pace, supporting growth whilst also advocating inter and intra generational solidarity such that any form of development does not diminish the opportunity for future generations to enjoy the same, if not better, opportunities that were endowed upon us.

Development, in this context, does not equate to physical development but to all positive forms of economic, social and ecosystem development. Indeed it is about maximizing economic, social and environmental goals. The sustainable development agenda becomes more relevant as urban development maintains its momentum coupled with a consequential diminishing of natural and environmental resources.

The notion of Sustainable Development in Malta was introduced in the Development Planning Act of 1992, where it mentions the *"promotion of proper planning and sustainable development of land and at sea of both public and private"*.

However, the initial work of setting up of the Sustainable Development Agenda in Malta commenced in September 2000, when some 150 Heads of State including Malta signed the Millennium Declaration and reaffirmed their support for the principles of sustainable development and Agenda 21. The Environment Protection Act of 2001 gave the Authority responsible for the environment the power to *"advise the Minister in the formulation and implementation of policies relating to the promotion of sustainable development, protection and management of the environment and the sustainable management of natural resources..."*. It also set up the National Commission for Sustainable with specific powers at law. This Commission was set up in 2002.

The Sustainable Development Strategy 2007-2016 was drafted in 2006 highlighting 20 priority areas which the NCSD considered as warranting foremost attention for the attainment of sustainable development goals in Malta.

During the year 2012, the Maltese Parliament promulgated a legislative framework through which government can integrate sustainable development in its operations as well as raising awareness on sustainable development issues across all strata and sectors of government and society in general. The Sustainable Development Act provides for the establishment of three structures to drive the country's sustainable development agenda. The Ministry for Sustainable Development, the Environment and Climate change is currently the *de facto* Competent Authority responsible for a number of functions as defined by the Act; the Guardian of Future Generations "*for safeguarding inter-generational and intra-generational sustainable development in Malta*"; and the Sustainable Development Network responsible for promoting sustainable development locally.

In 2013, the responsibility for the Sustainable Development Act was assigned by the Prime Minister to the Ministry for Sustainable Development, the Environment and Climate Change (MSDEC) who therefore became the Competent Authority for purposes of the same Act. MSDEC then immediately ensured that all the structures established by the Act were setup, together with the necessary administrative support.

## 2.0 Scope

This report is being prepared in fulfilment of Part IV, Article 14 of the Sustainable Development Act which requires the Competent Authority to produce a report to be submitted to the Minister in charge of the Sustainable Development, delineating generally the activities carried out by the Competent Authority during the previous financial year. In terms of the Act the Minister shall provide a copy of the report to be laid on the Table of the House of Representatives and a debate held thereon as soon as practicable.

This Annual Report is construed to provide a national perspective of the work undertaken by Government and which dovetails with what would be considered as sustainable development initiatives. The report also aims to enable all interesting stakeholders to gain a good understanding of how sustainable development is planned to be mainstreamed. In this context it is all the ministries across Government, together with their respective departments and entities that, through their programme of works contribute towards ensuring sustainability.

The Competent Authority sought and obtained approval for the creation of an ad hoc Directorate for Sustainable Development so as to strengthen the organisational set-up and provide a greater impetus to the sustainable development agenda. A new director was engaged in November 2015 and who has been entrusted with the task of building and enhancing capacity both within MSDEC and also across the other Government Ministries to ensure effective mainstreaming of sustainable development parameters across Government policy making. The structure aims at providing the necessary components to facilitate sustainable development implementation across the board, particularly given the collective impetus each Ministry needs to make to ascertain the achievements of common objectives.

## 3.0 Good Governance

### 3.1 Harmonisation

Sustainable development is a cross-cutting discipline that will rely heavily on good governance and policy integration. Although coordinated by a single competent authority, sustainable development needs to ensure that economic, social and environmental policies, plans and programmes are in unison in maximising the overall sustainability effect. To this effect it is important that through the new Sustainable Development Strategy all government stakeholders become aware of what sustainable development drives at and when developing policies, they ensure that economic, social and environmental goals are maximised across the set of policy options derived as a means to an end.

### 3.2 International Framework

#### 3.2.1 The UN Agenda

The year under review marked a landmark moment in sustainable development. September 2015 saw the adoption by world leaders of the 2030 Agenda for Sustainable Development. This agenda includes 17 Sustainable Development Goals measurable through a set of 169 targets. Aimed at being implemented over the next 15 years this Agenda is designed as a “*plan of action for people, planet and prosperity*” (UN Resolution 70/1, 2015, p. 1).

#### 3.2.2 WPIEI Global

In view of the European Commitment regarding Sustainable Development MSDEC was regularly attending the WPIEI Global meeting held in Brussels. During these meetings specific agenda related to the environmental dimension of sustainable development were discussed. This is done in parallel with UNEP agenda which is set up from time to time. Malta participates actively during these meetings and provides the required feedback accordingly.

Malta also participated in the UNEA – 2 frameworks where resolutions on climate change, biodiversity oceans, sustainable urban development chemicals and waste amongst others discussed. Discussions on the implementation of the sustainable development goals as advocated by the UN were also held within this forum.

### 3.3 Local SD Organisations

#### 3.3.1 Sustainable Development Network

During the period under review, a number of initiatives have taken place that contributed towards momentum build-up in the implementation of the Sustainable Development Act.

The Sustainable Development Network met quarterly during 2015 as prescribed by the SD Act. In focusing on all pillars of sustainable development, the Network held subject-specific sessions on: The sharing economy, The National Strategy Policy for Poverty Reduction &

Social Inclusion, the Pension Reform, Cultural Policy, The EU Year of Sustainable Development and the Green Economy Strategy and Action Plan. These were facilitated by experts in the area. Current policies based on the context and function of the National Research and Innovation Strategy 2020 and the review of the National Strategy for sustainable Development were also discussed within the SD Network.

### 3.3.2 Guardian for Future Generations

Unfortunately, during the period under review, all the members forming the Guardian of Future Generations submitted their resignation citing the issue of lack of financial resources and lack of co-operation. Their mandate was also scheduled to be completed by the end of 2015.

### 3.4 Sustainable Development Act

MSDEC commissioned an internal review of the Sustainable Development Act in order to assess the extent to which current legislation is effective in order to achieve its objectives and contribute towards sustainable development in the Maltese Islands. The second objective of the review was to evaluate the appropriateness of the policy and operational framework laid down by the Sustainable Development Act to underpin the management of sustainable development and of the need for streamlined and more effective legislation. Also of importance was the formulation of alternative institutional arrangements that would be more adequate and responsive to drive the overall national sustainability strategy across the public administration and across society as a whole.

This reaffirms that Sustainable Development focal points have a key role to play together with the MSDEC in order to facilitate and become enablers to mainstreaming sustainable development across government.

### 3.5 National Contribution towards the Sustainable Development Agenda

Sustainable development does not exist in a vacuum. It is achieved through the workings of government, the private sector and civil society. It would be illogical to contemplate that sustainable development stewardship lies solely with one Ministry. On the contrary the principles of sustainable development should guide the workings of government to maximise the developmental ability of the country. Hence the sustainable development agenda is achieved through the collective effort and actions of the various Ministries, department and entities. To this effect, the following sections summarise the contribution of the workings of government towards sustainable development. For the first time, this report seeks to compile a selection from the current sustainable development indicators for Malta as a first step towards tracking the country's progress in this area. It is not intended to be a complete exposition of SD indicators but more a flavour of certain thematic.

## 4.0 Socio Economic Development

### 4.1 Economic Performance

Provisional estimates provided by the NSO (2016) indicate that, in 2015, Gross Domestic Product (GDP) stood at €8,796.5 million representing an increase of 8.8% over 2014. In real terms, GDP growth stood at 6.3%. The Central Bank of Malta is projecting real GDP growth of 5% for 2016 and 4.2% for 2017. This growth is mainly owing to professional, scientific and technical activities; administrative and support service activities (NACE M to N) which increased by 17.9% followed by wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities (NACE G to I) which increased by 9.6%; whilst public administration and defence; education; human health and social work activities (NACE O to Q) increased by 6.9%. Total final consumption expenditure increased by 4.9% in real terms over 2014. At the same time, gross fixed capital formation increased by 21.4% in real terms indicating an increase in investment.

Figures 1 and 2 show the Real GDP per capita and the respective growth rate.

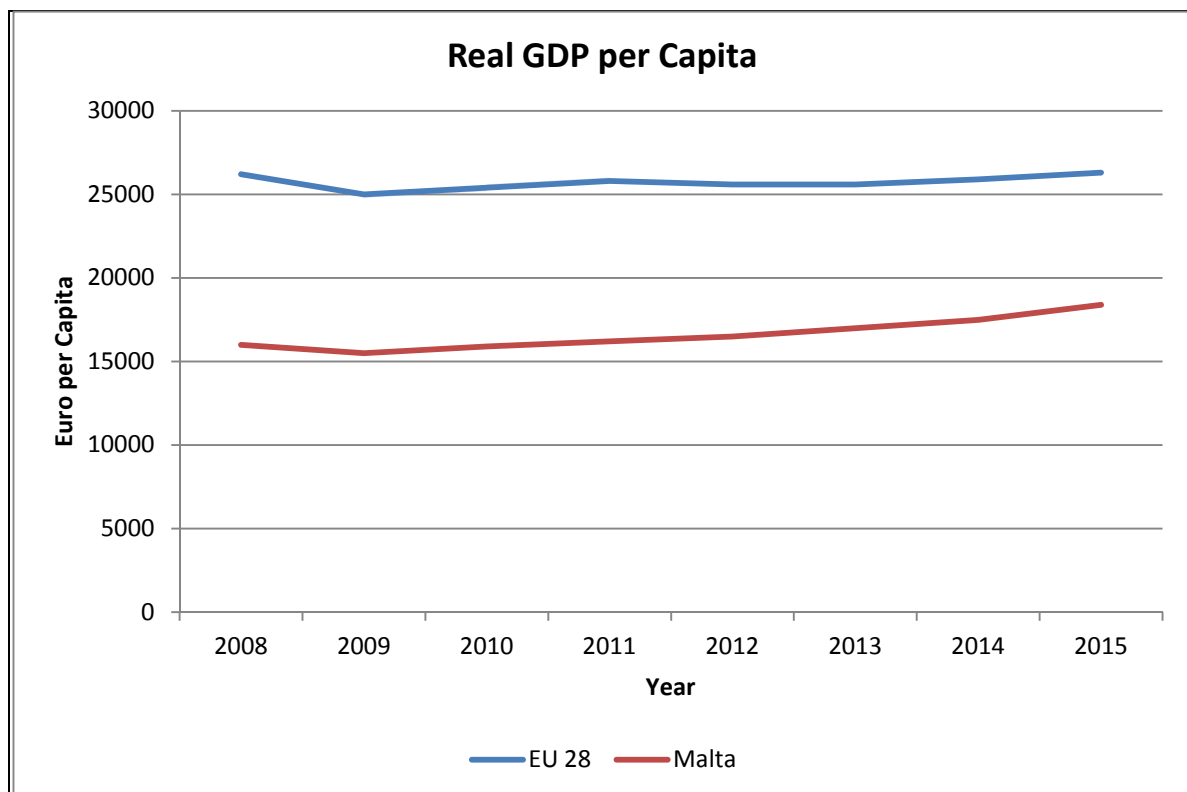


Figure 1 – Real GDP per capita: Malta vs EU-28 (Source: Eurostat)



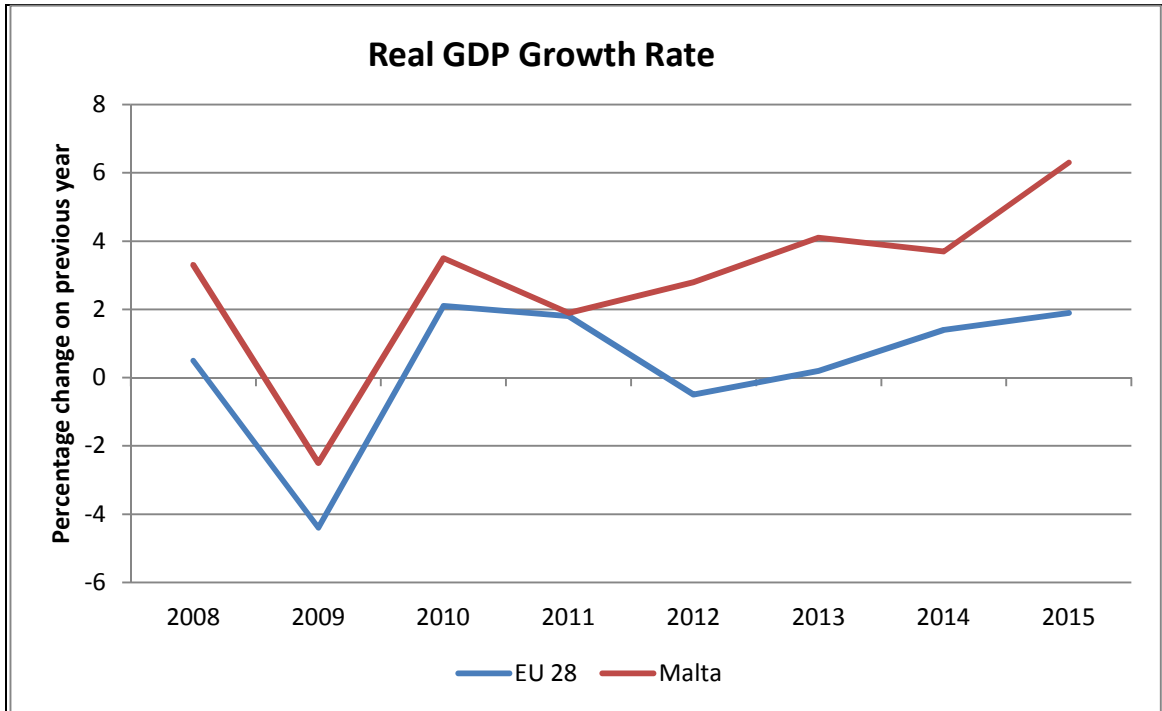


Figure 2 – Real GDP per capita growth: Malta vs EU-28 (Source: Eurostat)

## 4.2 Employment

Malta's Labour Force Survey (NSO, 2016) estimates that during 2015:Q4 an increase of 3.0% in employment was registered when compared to 2014:Q4. The activity rate for 2015:Q4 was estimated at 67.5% with the highest rate recorded among persons aged 25-54 (80.9%). This represents an increase of 1.8 percentage points over the previous year. From the employed population, 64 out of every 100 persons between 15 to 64 years, were employed with the highest employment rate recorded among persons aged between 25 and 54 (77.4%). Self-employed persons accounted for 14.1% of the total employed population. Average annual salaries varied from €29,917 (managers) to €11,227 (elementary occupations) with the average annual basic salary of employees as per 2015:Q4 estimated at €16,882.

The unemployment rate for 2015:Q4 stood at 5.2%. Among the unemployed, 39.0% stated that they had been seeking work for at least 12 months. Figure 3 compares Malta's total employment rate with that of the EU-28 and shows that whilst Malta's employment rate is growing rapidly, that of the EU-28 has been in decline or flat. Moreover, during 2014, the gap between Malta and the EU-28 in terms of the total employment rate was at its lowest ever.

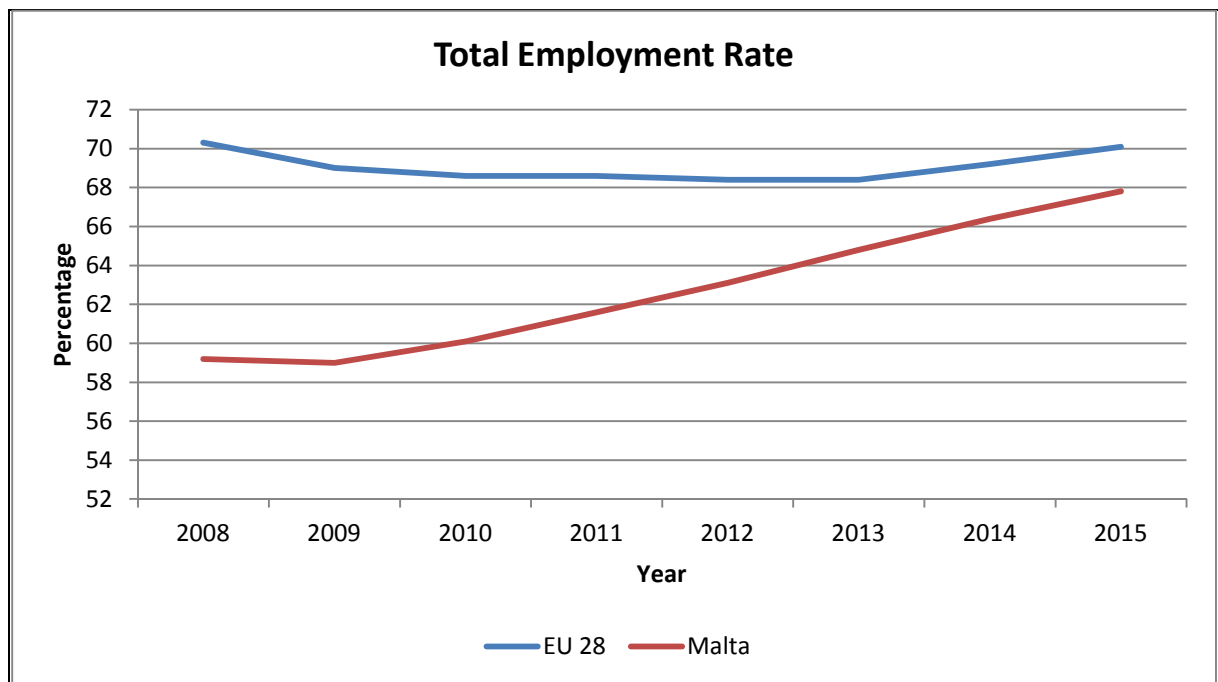


Figure 3 – Total Employment Rate: Malta vs EU-28 (Source: Eurostat)

## 5.0 Sustainable Consumption and Production

The concept of sustainable consumption and production was later recognized in the Johannesburg Plan of Implementation, adopted in 2002 at the World Summit on Sustainable Development (WSSD). As defined by the Oslo Symposium in 1994, sustainable consumption and production (SCP) is about *"the use of services and related products, which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of further generations"*.

On that occasion, sustainable consumption and production was identified as one of the three overarching objectives of, and essential requirements for, sustainable development, together with poverty eradication and the management of natural resources in order to foster economic and social development. It was acknowledged that fundamental changes in the way societies produce and consume are indispensable for achieving global sustainable development.

The headline indicator in this sector is that of resource productivity which is defined as the ratio between gross domestic product (GDP) and domestic material consumption (DMC). High resource productivity reflects the value that is being obtained from one unit of resource.

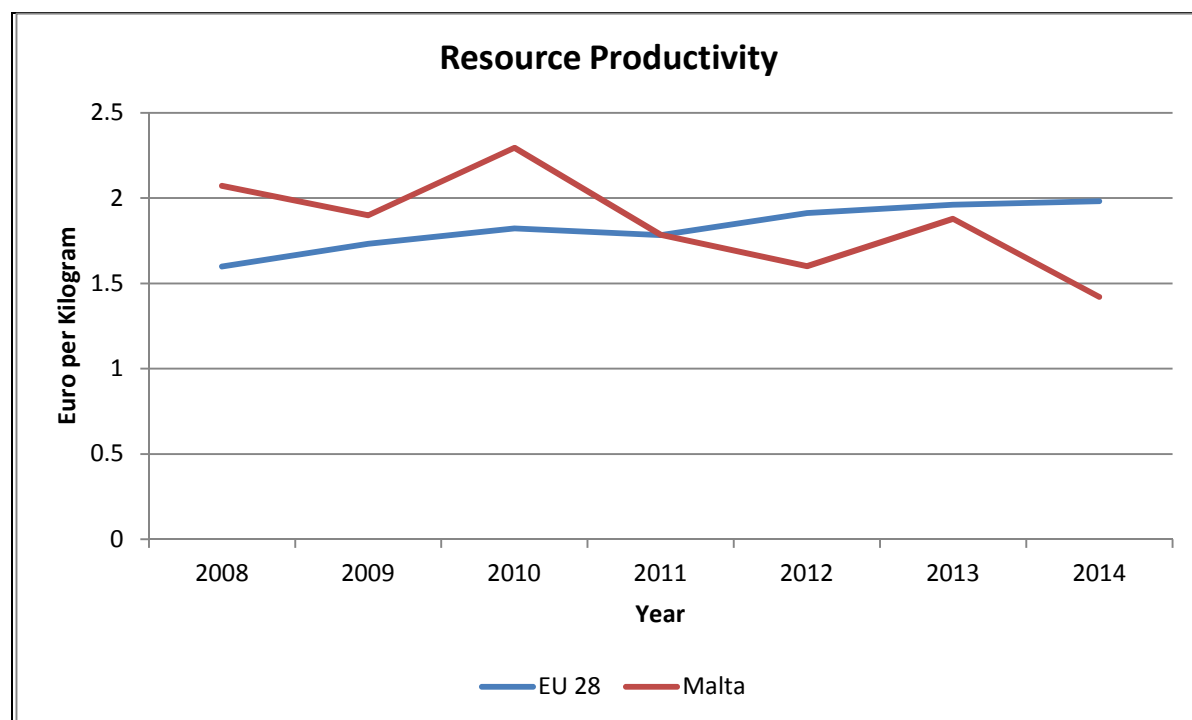


Figure 4 – Resource Productivity: Malta vs EU-28 (Source: Eurostat)

Figure 4 shows that whilst, in the European Union (EU), resource productivity increased from 1.53 €/kg in 2008 to 1.95 €/kg in 2014, an increase of 27.8% the same cannot be said for Malta which saw a decrease of 18.6%. This results from a significant growth of 61.4% in

Malta's domestic material consumption and which may have been the result of developmental characteristics that prevailed in Malta over this period.

This is also evident in the amount of waste Malta generates. However, Malta's Waste Management Plan aims to address the reduction and recycling of waste in order to contribute towards enhanced resource productivity levels. Nonetheless, more effort must be put into this aspect even more so in the light of the Commission's Action Plan on the circular economy which aims to enhance resource productivity by extending the life cycle of resources through enhanced recycling.

## 6.0 Social Inclusion

### 6.1 Income and Living Conditions

Statistics available for the year 2014 show that the monetary at-risk-of-poverty rate stood at 15.9% with the at-risk-of-poverty or social exclusion rate at 23.8%. The at-risk-of-poverty rate among persons aged below 18 years of age stood at 24.1% whilst that for persons aged 65 and over stood at 16.9%. Persons living in single parent households were found to have a higher at-risk-of-poverty with 46.3% having an NEI below the at-risk-of poverty line. The difference between the at-risk-of-poverty rates between households with and without dependent children stood at 19.4% and 12.1% per cent respectively.

Government has begun implementing a number of measures from its 2014 document entitled National Strategic Policy for Poverty Reduction and Social Inclusion. This Ministry is elated to notice that the Strategy recognises sustainable development as one of the three “*overarching challenges*” that “*underpin Malta’s success in effectively addressing poverty and social exclusion*” (MFSS, 2014, p.10). The strategy focuses on four population groups namely:

- |                   |                    |
|-------------------|--------------------|
| (i) children;     | (ii) elderly;      |
| (iii) unemployed; | (iv) working poor. |

within the context of six key dimensions that can determine or alleviate poverty and social exclusion, namely:

- (a) income and social benefits;
- (b) employment;
- (c) education;
- (d) health and environment;
- (e) social services; and
- (f) culture.

As part of Government’s social inclusion initiatives, the following measures were completed during 2015:

- full award of the cost of living allowance to pensioners;
- an additional bonus to the elderly over 75 years of age
- a compensatory bonus for workers who were not alleviated through the cut in income tax;
- the inclusion of unemployed youths in the Youth Guarantee programme aimed to bring this vulnerable sector towards a more employable status. This also included single unmarried persons under the age of 23;
- improvements to maternity leave benefits;
- improvement to pension benefits for those not entitled to a pension;
- increase in children’s allowance for low income families;
- commencement of the building of residential homes within the community for persons with special needs
- a packet of support measures for persons with special needs;

Figure 5 shows the reversal in trend that Malta achieved between 2013-2014 in the percentage of people at risk of poverty or social exclusion, a figure that has always been below the EU-28 average.

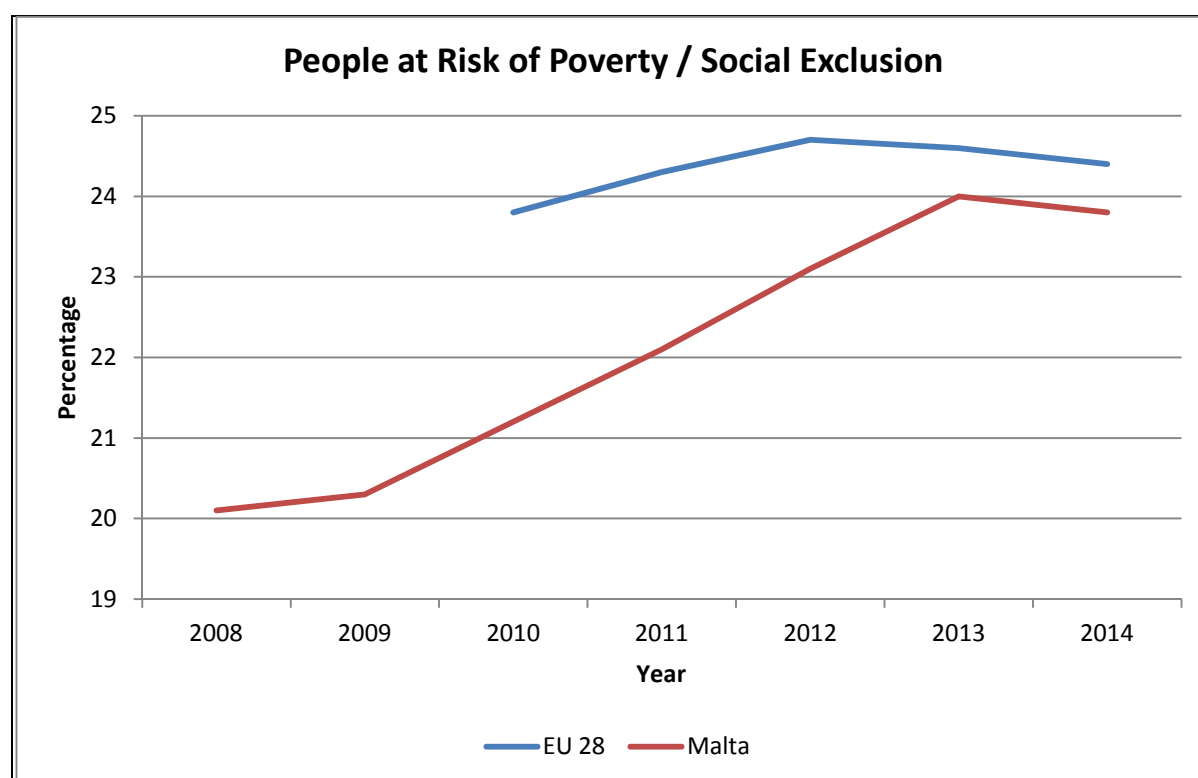


Figure 5 – People at risk of poverty or social exclusion: Malta vs EU-28 (Source: Eurostat)

## 6.2 Education

Sustainable development stresses the need for a holistic approach conducive to a better quality of life focusing a long-term time framework, rather short-term gains. One crucial aspect of this framework is the establishment of education for sustainable development in the formal, informal and non-formal sectors. During 2015, a Board of Governors was appointed with the specific remit of planning and initiating the development of the National Strategy for Education for Sustainable Development (NSESD) and to publish the final version of the NSESD document. The Board is composed of representatives from the Ministry for Education and Employment; the Ministry for Sustainable Development, the Environment and Climate Change; and the Centre for Environmental Education & Research (CEER).

To ensure that the public is consulted even in the compilation of the NSESD Public Consultation Document, a group of graduate researchers were recruited, through a public call, to investigate the state of ESD in various target groups/organisations loosely grouped under the following seven categories:

- Government organisations and Authorities
- Environmental / Development organisations
- Opinion makers
- Mass Media and the Arts
- Education organisations
- Influence groups (Business, Professional and other groups)
- Civil Society

The researchers reviewed online and printed documentation produced by the group/organisation, carried out interviews with key persons in the organisation and administered questionnaires with the aim of establishing (a) the level of competence and commitment towards ESD; (b) the availability of ESD related tools and materials; (c) the extent of ESD research conducted; and (d) examples of good practice. The NSESD Public Consultation Document will be available for public consultation in 2016.

At the end of the UN Decade of Education for Sustainable Development (UNDESD), the Centre for Environmental Education and Research (CEER) organized a conference with the primary objective of creating a forum in which to share local experiences, practice and research on Education for Sustainable Development (ESD).

Specifically the Conference sought to:

- Promote networking between different institutions working in ESD and related educations.
- Discuss post UNDESD strategies to policies on ESD.
- Identify current challenges (in ESD promotion) and seek strategies to address them.
- Celebrate CEER's work and showcase research in ESD carried out through the Centre

The conference was intended for students, lecturers, teachers, senior management, head teachers, education department personnel, policy makers, curriculum development specialists, CSOs and NGOs, local councils, practitioners in the field of environment and sustainable development and the general public that shares the broad aims of the conference. The First Malta National ESD Conference was held on the 20 and 21 February 2015 at the Aula Magna, University of Malta Valetta Campus.

The University of Malta continues to increase the visibility of sustainable development and sustainability training across a number of Faculties, Institutes and Centres. This is of great importance as the mainstreaming of sustainable development and sustainability principles across academic programmes will ensure that a more cohesive and integrative *forma mentis* arises.

The same can also be said of MCAST which is also integrating sustainable development and sustainability principles within the programmes that it offers.

The Centre for Development, Research and Training has also been active in sustainable development related training through initiatives with the aim of developing adequate training on sustainable development for the public administration.

Education is considered to be a determining factor in its contribution to sustainable development as the percentage of early school leavers in Malta as at 2015 stood at 20.1%, down from 20.5% in 2013 but still higher than the EU-28 average of 10.9%. At the same time, the mainstreaming of sustainable development requires the mainstreaming of lifelong learning. Malta is showing a growing trend in the percentage of people in lifelong learning which, as at 2015, stood at 7.1% compared to 10.6% in the EU-28. Trends over the period 2008-2015 are shown in Figure 6.

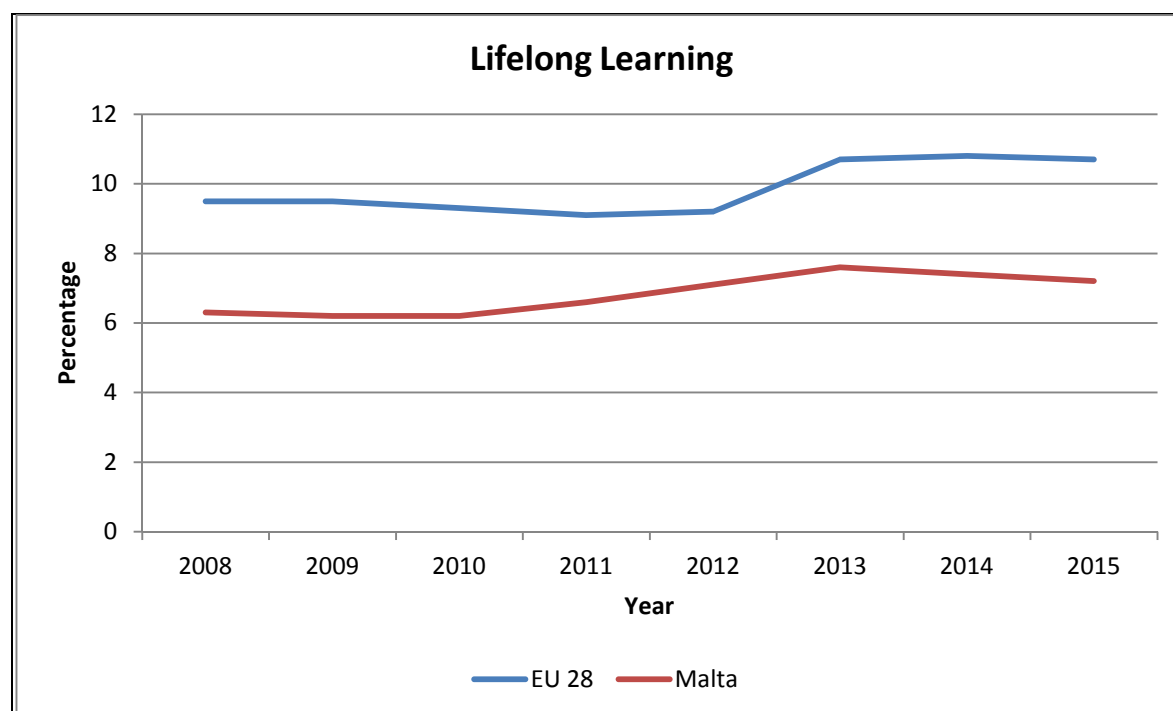


Figure 6 – People in lifelong learning: Malta vs EU-28 (Source: Eurostat)

### 6.3 Sustainable Pensions

A new measure introduced during 2015 was the introduction of the third pillar pension and the individual savings account scheme aimed to enable workers to better plan for a top-up to their statutory pension.

During 2015, various recommendations were been presented by the Strategy Group to meet each of these principles. The past decade saw a radical transformation with regard to the active employment of women – increasing from approximately 32% in 2004 to slightly fewer than 50% in 2015. The Strategy Group recommended new measures to render increased female participation in the labour market including but not limited to credits for child rearing, credits for human capital (more women than men graduate from tertiary education) etc. Continued increased female participation is expected to have two significant impacts: (i) increased revenue as a result of more contributions paid and hence strengthening the sustainability of the pension; and (ii) in future families both spouses will receive a pension each unlike that of current and previous generations where the family received the single pension of the male spouse - thereby strengthening adequacy. All of these recommendations were taken on board by the Government and were announced for



the 2016 budget. The presence of retirees in the labour market has increased – though not to the extent desired. Given that the pension system allows persons to retire before the new statutory retirement age if they meet certain conditions the Strategy Group recommended the introduction of incentives to nudge people to defer early retirement and changes to certain rules relating to credits awarded to tighten the criteria leading to early retirement. Reforms to pension systems are long term requiring 50 year projections to simulate a person’s life cycle from their first entry into the labour market to retirement age. Thus on-going review is important so that assumptions are tweaked to reflect changing circumstances, build on positive developments, and recalibrate others that may not have worked as planned. The Strategy Group proposed that the current mechanism in the Social Security Act that mandates a health check of the pension system every 5 years, the next will take place by 2020, is retained.

## 7.0 Demographic Changes

Employment of older workers continued its upward trend and, as in 2014, stood at 37.8% up from 36.3% in the previous year. Although significantly lower than the figure for the EU-28, the upward trend observed in Malta is encouraging particularly due to incentives that had been rolled out earlier to incentivize older workers to remain in the market. Current trends are summarized in Figure 7 and show that growth rates for Malta are similar to those of the EU-28.

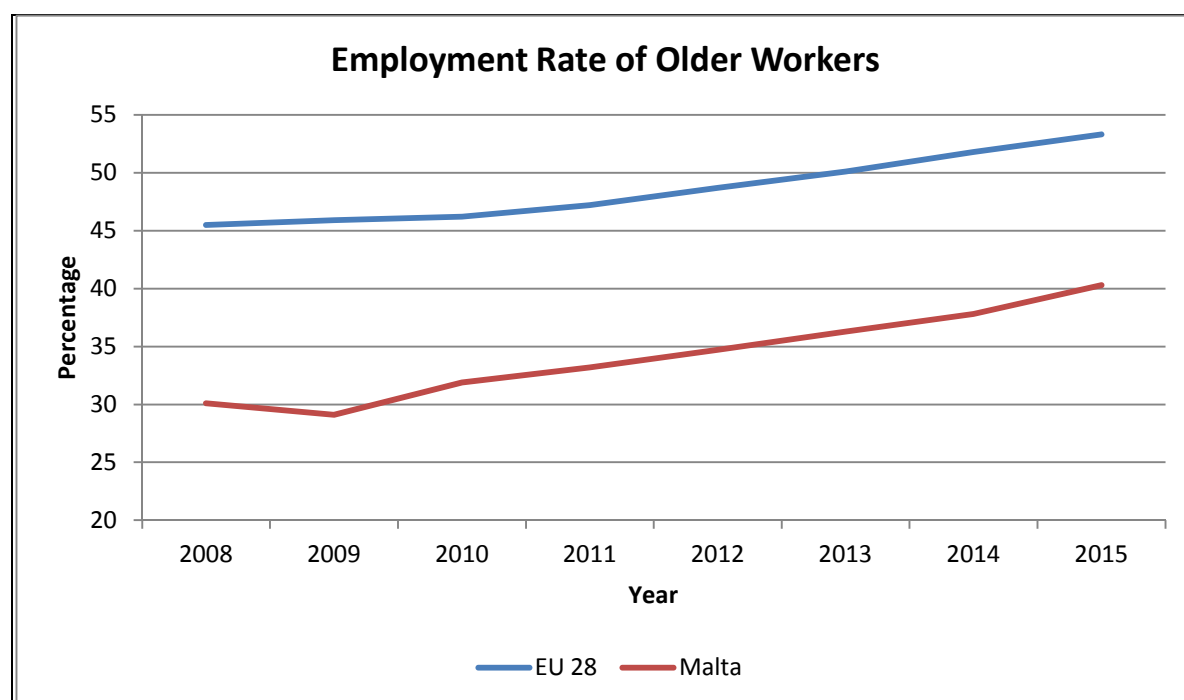


Figure 7 – Employment Rate of Older Workers: Malta vs EU-28 (Source: Eurostat)

The indicator Healthy Life Years (HLY) at age 65 measures the number of years that a person at age 65 is still expected to live in a healthy condition. Latest Eurostat figures show that as of 2013, Malta's HLY stood at 12.7 compared to the EU-28's 8.6. Malta's crude rate of population change at 2014 stood at 9.3, higher than the EU-28's 2.5 whilst its aggregate replacement ration was at par with that of the EU-28 at 0.56. Malta's duration of working life has constantly been on the increase and as at 2014 stands at 33 years compared to the EU benchmark of 35.3 years.

## 8.0 Public Health

As at 2013, health life years for Maltese males and females stood at 71.6 and 72.7 years respectively as compared to the EU-28's 61.4 and 61.5 respectively. This shows that Malta's population is well supported from a health perspective and can yield potentially longer involvement times in active service. Death rate due to chronic diseases per 100 000 persons is also lower for Malta with a total of 90.8 compared to EU-27's 116.2 as at 2009. Moreover, the rate of people having a long-standing illness or health problem, by income quintile is equivalent to that of the EU-28. Suicide death rates are negligible compared to European averages. This once again reconfirms a healthier lifestyle that Maltese people lead and which is supported by a socio-economic and environmental level of resilience. Whilst this may point towards a quality of life supported not least by effective and efficient healthcare systems, all measures that improve the economic, social and environmental status of Malta and its residents contributes towards improved public health.

The reason as to why data for indicators such as the production of toxic chemicals, by toxicity class and the urban population exposure to air pollution by particulate matter have not been reported to Eurostat and what is required for such to happen needs to be understood further from the competent authority.

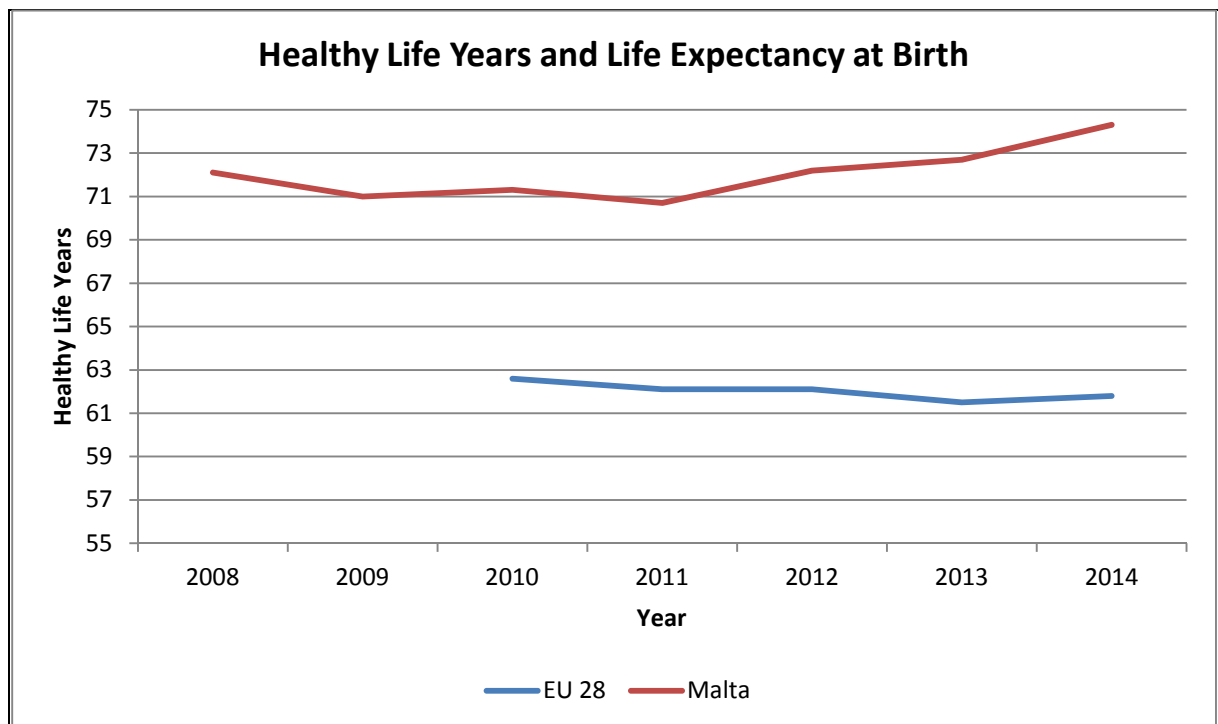


Figure 8 – Healthy Life Years & Life Expectancy at Birth: Malta vs EU-28 (Source: Eurostat)

## 9.0 Climate Change and Energy

### 9.1 Climate Policy

The Directorate for the Environment and Climate Change was heavily engaged in the drafting and adoption of a framework act for climate action. In July 2015, these were translated into the enactment of the Climate Action Act, 2015 (Cap. 543). The rationale for this Act stems primarily from Malta's obligations as an EU Member State and as a Party to international agreements on climate change under the UNFCCC. As an EU Member State, Malta's climate change obligations lie within the context of the 2009 Climate and Energy Package. The Climate Action Act, 2015 (CAP543) aims to streamline Government's commitments on climate change on both mitigation and adaptation. It also focuses to instill ownership across the board to finetune effective climate action and governance. The Act is meant as a framework legislation enabling the enactment of subsidiary legislation and bringing together existing or newly enacted legislation concerning the regulation of greenhouse gas emissions in line with EU and international law. The National System For The Estimation Of Anthropogenic Greenhouse Gas Emissions By Sources And Removals By Sinks Regulations, was been enacted to provide for the establishment of a national system for the estimation and reporting of anthropogenic greenhouse gas emissions by sources and removals by sinks. Malta initiated the process of developing a national Low Carbon Development Strategy (LCDS) in accordance with requirements under Malta's Climate Change Act, the United Nations Framework Convention on Climate Change (UNFCCC) and European Union legislation. The LCDS shall give particular emphasis on increasing Malta's socio-economic and environmental resource resilience. 3 Milestones have been achieved so far namely:

- Milestone 1 was the preparatory phase, whereby the Ministry carried out a scoping exercise that included a detailed scientific assessment of state of play; the identification of development and emission trends drivers; the identification of processes relevant to the formulation of the LCDS that are already in hand or in the pipeline (e.g. ongoing studies; ongoing data collection and analysis exercises) and a gap analysis.
- Milestone 2; encompasses the development of a draft high level Low Carbon Development Vision Document which will focus mainly on identifying the strengths of where low carbon shall be directed.
- Milestone 3 is the development of guiding principles and proposed approach towards developing the structure of the LCDS.

Malta actively participated in the climate change international negotiations, which culminated with the Paris Agreement in December at COP 21 (UNFCCC Climate Change Conference held in Paris), where 195 countries adopted the first-ever universal and legally binding global climate deal. The ambitious yet balanced agreement is considered as the first major multilateral deal of the 21st century setting out a global action plan to counteract prevailing trends in climate change in particular by limiting global warming to well below 2 degrees.

In parallel, Malta was also multilaterally assessed newly established international assessment and review (IAR) process for developed country Parties. The assessment is aimed to promote the comparability of efforts among all developed country Parties with regard to their quantified economy-wide emission limitation and reduction targets. During this process, Malta, successfully underwent the technical review (by international expert review teams) of the national reports, this was followed by the Multilateral Assessment (MA), where UNFCCC Parties could forward any questions to the assessed country.

These initiatives will surely contribute towards lowering Malta's GHG index which remains relatively high compared to the EU average as shown in Figure 9.

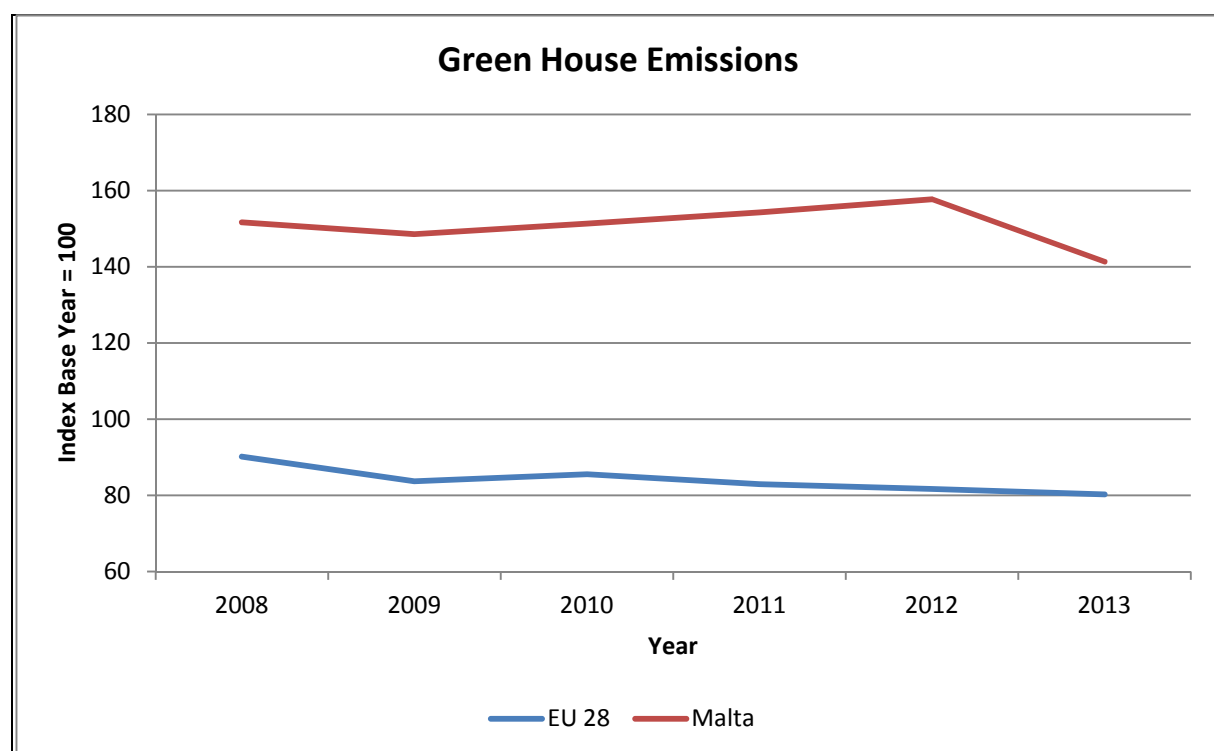


Figure 9 – GHG Emission Index: Malta vs EU-28 (Source: Eurostat)

However when considering energy consumption only, as per Figure 10, the difference between Malta and EU-28 indices is considerably lower reflecting the additional burden Malta has to carry as a small island state.

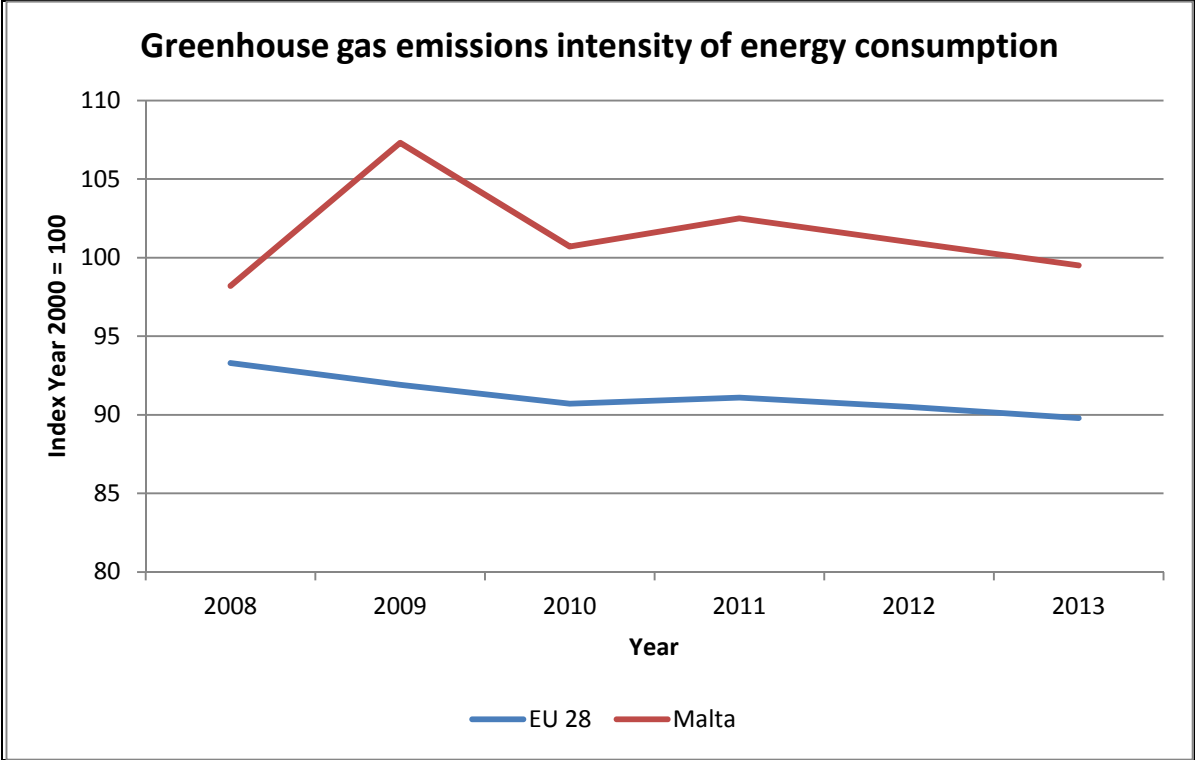


Figure 10 – GHG Emissions Intensity of Energy Consumption Index: Malta vs EU-28 (Source: Eurostat)

### Renewable Energy

Malta's generation of electricity from renewable sources has been traditionally low as shown in Figure 11. Malta has a target to increase its share of renewable energy in gross final energy consumption by 2020 to 10%. The target is expected to be reached mainly by exploiting solar energy (PV installation and solar water heaters), heat pumps, bio fuels and energy recovery from waste. The total PV installed capacity by December 2014 was 54.8MWp, with an estimated additional capacity of 20MWp installed in 2015. The penetration of solar water heaters in households as at the end of 2014 was 17,845 installations. It is envisaged that around 185MWp of PV capacity is installed by 2020 with the area required for such estimated at around 2.7km<sup>2</sup>. A Solar Farm Policy was also developed in order to avoid the conflict between RES and the development of virgin land.

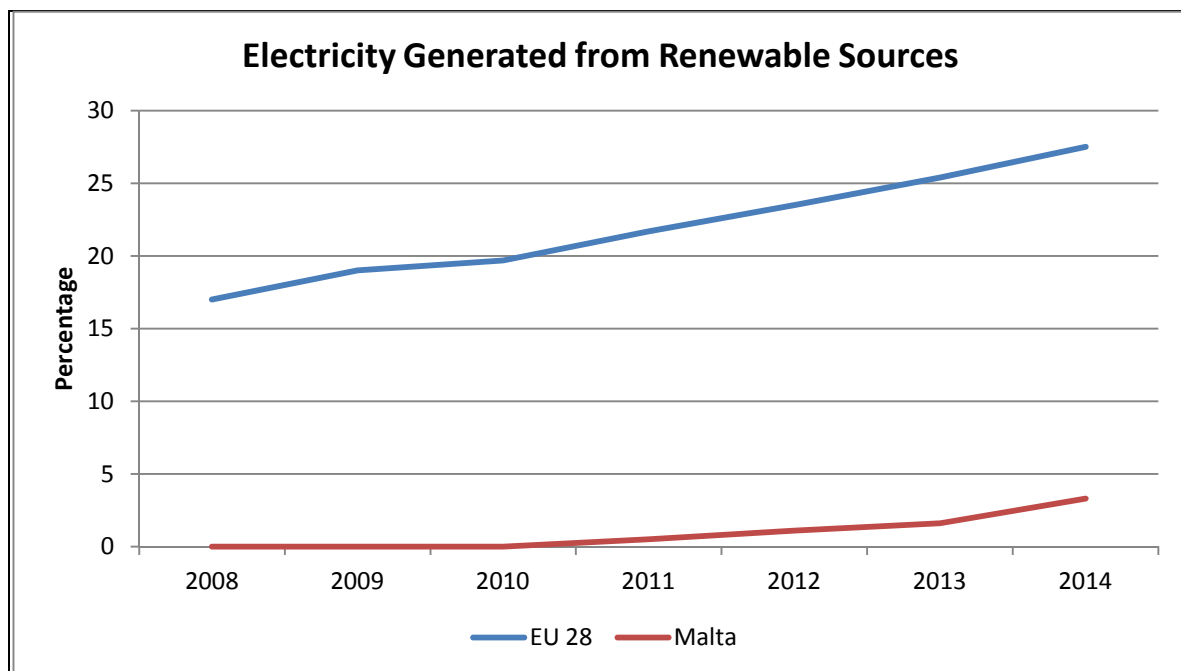


Figure 11 – Electricity Generated from RES: Malta vs EU-28 (Source: Eurostat)

Additionally, Malta currently has the following waste assets whose potential to generate renewable energy is being exploited:

- Landfills at Għallis and Żwejra operated by WasteServ Ltd are equipped with gas extraction systems;
- The biological treatment plant (MBT) at the Sant Antnin Solid Waste Treatment Facility also operated by WasteServ Ltd;
- CHP plant at Ta' Barkat sewage treatment plant (STP) operated by Water Services Corporation.

The construction of a Mechanical Biological Treatment Plant (MTP - AD) for the North of Malta for treatment of Municipal Solid Waste (MSW) became operational in the beginning of 2016 and full commissioning is expected during the same year.

### Energy Efficiency

In promoting sustainable development and energy efficiency, the Building Regulation Office concluded cost-optimal studies on the existing national minimum requirements for residential and non-residential buildings. The studies consist of applying energy efficiency packages to reference buildings, followed by a financial analysis. Reference buildings consisted of buildings with characteristics based on the new and existing building stock. For residential buildings 21 reference buildings were considered, whereas the non-residential study was based on 27 reference buildings. The results were finalised and the gap between the current minimum requirements and the cost-optimal levels was determined. An inter-ministerial working group was set up to develop updated minimum requirements based on cost-optimal levels. The proposed minimum requirements were finalised and issued for consultation within government entities and departments, followed by a process of public consultation. The final minimum requirements were issued in the form of two documents: *Technical Document F (Part 1) Minimum Energy Performance Requirements for Buildings in Malta* and *Technical Document F (Part 2) Minimum Energy Performance Requirements for Building Services in Malta* as stated in Government Notice No. 1053 of 2015. These minimum requirements came into force by means of Legal Notice 434 of 2015.

The Nearly Zero Energy Building Plan for Malta has been developed by means of a working group between the Ministry for Energy, The Building Regulation Office and the Building Regulation Board. This working group has defined nearly Zero Energy Buildings for Malta within the context of the Energy Performance Building Directive. This definition together with the plan was issued for public consultation. Following the issue of this plan, as per Legal Notice 1069 of 2015, a public awareness campaign was launched including mass distribution of this document.

The national competent entity and the Commission is regularly informed about such reports and the results will help clarify and determine the roadmap in the National Energy Efficiency Action Plan (NEEAP).

The electricity sector is undergoing significant improvement in generation efficiency through the construction of the Combined Cycle Gas Turbine (CCGT) plant and Liquefied Natural Gas (LNG) facility. The CCGT is a high-efficiency power plant powered by natural gas which will be sourced from the LNG plant. The LNG facilities will also supply gas to the existing 144MW diesel-operated power plant, which will be converted to run on natural gas. This new energy source is expected to reduce Malta's dependency on electricity generated through oil based fuels.

In line with the requirements of the Energy Efficiency Directive, Malta set up an energy auditor and an energy manager certification courses. A list of energy auditors and energy managers is now available on the regulator's website. Industry has started carrying out energy audits and identifying possibilities for energy efficiency improvements.

Energy efficiency results have been mainly achieved from the industrial sector (including early actions in the water sector), the domestic sector (due to schemes to replace appliances, change lighting systems and install solar water heaters), as well as in the transport sector (circulation tax and scrappage schemes). In this regard, grants towards the



capital cost incurred through the installation of solar water heaters, roof insulation and double glazing were extended.

## 10.0 Sustainable Transport

Malta's energy consumption of transport relative to GDP stands at 92.7 compared to 94.1 for all Member States. Moreover CO<sub>2</sub> emissions from the transport sector have been on the decline in recent years as shown in Figure 12. This sector can considerably contribute to Malta's sustainable development profile due to the country's high density of cars. Average carbon dioxide emissions per km from new passenger cars for Malta stood at 115.1g compared to the EU's 124.7g. This shows that schemes promoting the replacement of older cars with new ones (scrappage scheme) have paid dividends.

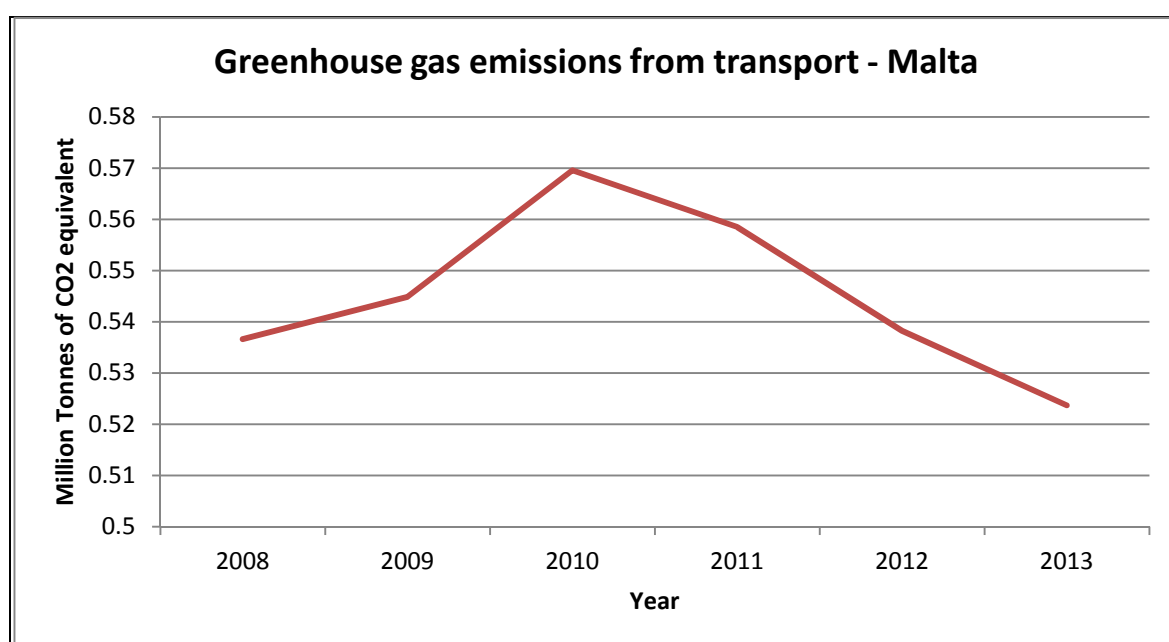


Figure 12 – GHG Emissions from Transport - Malta (Source: Eurostat)

The Malta National Electro mobility Action Plan (MNEAP) focuses on all modes of transport including public mass transport, car sharing initiatives, private and commercial transport. As part of the Action Plan, twenty-two projects have been identified to be implemented over the coming seven years with a target of deploying 5000 electric vehicles on Maltese roads and 500 charging points by 2020. These targets are derived from various EU set obligations to mitigate climate change and improve the air quality and noise pollution by 2020.

Besides promoting sustainable and clean mobility, the scope of these initiatives is to assist the government in addressing Malta's National environmental targets, which range from climate change and energy targets as well as the improvement of Air Quality Levels

During the period under review a number of initiatives falling under the MNEAP such as Electric Car Sharing and Electric Bicycle Sharing by which the 'private car ownership culture' addressed and different modes of travelling encouraged, particularly for short trips.

The push for the purchasing electric vehicle for personal used was also implemented. A number of grants have been put forward by government to assist potential car buyers to opt for an electric vehicle. Coupled to this scenario, the Government's effort to increase the

deployment of photovoltaic technology will also contribute to the provision of cleaner transport, when charging of electric vehicles takes place in places where PV infrastructure is available and the offset of solar energy production against car charging is made.

One of the most important means of ensuring that sustainable development is being integrated into other policies, with special reference to environmental, climate action, waste management, and green measures is through legal frameworks and the implementation of existing policies, strategies and action plans. In this regard the following actions were pursued in 2015. Moreover, since Malta's size is small, absolute values of emissions from sectors like transport are negligible compared to those from larger countries. Consequently, efforts need to be made to try and express such emissions relative to a common denominator to enable comparability.

## 11.0 Sustainable Use of Natural Resources

### 11.1 Environment Initiatives

During 2015 MSDEC continued to pursue the implementation and monitoring of the National Environment Policy. A major part of the 2015 work on the NEP involved undertaking a series of consultation exercises with each ministry to obtain updates on the progress of implementing the various measures under the NEP. This NEP status update was completed by mid 2015. In addition work on the follow up of the implementation of the individual NEP measures and pilot projects continued during 2015. This data collection was coordinated and collated and related to the NEP monitoring indicators as set out with the NEP established in 2012.

### 11.2 Waste Management

Since the adoption of the Waste Management Plan 2014-2020, the Directorate for the Environment and Climate Change has been involved in the implementation of the measures outlined in the said Plan including:

- The development of an exploratory cost benefit analysis and studies to determine the most feasible financial and socio-economic option between local energy recovery from waste, land filling and export of waste. These studies have been commissioned and, once finalised, will form the basis for future investments required in Malta to address its waste sector whilst also taking into account the circular economy package which was published on 2 December 2015 by the European Commission.
- The commencement of a pilot project aimed at the collection of third (organic) bag aimed at increasing awareness on the need to separate more at source in an effort to improve Malta's compliance with its 2020 waste targets whilst also allowing for the generation of higher renewable energy and efficiency at SAWTP and Malta's new MBT North. This pilot project was introduced in five localities: B'Kara, Bormla, Mdina, Ta' Xbiex and Ghaxaq. As part of this project, a door-to-door information campaign was carried out in these five localities during which, apart from information on the project, each household was provided for free with informative material, compostable collection bags and aerated bins. It is envisaged that the project will be extended in four new localities in January 2016. These new localities have been identified and include Marsaxlokk, Kirkop, Imgarr and Swieqi
- The signing of a contract for an extensive three-year education and communication campaign on waste management to enable the general public to get accustomed to sustainable waste management practices and prevention opportunities emanating from the Government's Waste Prevention Programme. It is expected that the launch of the nation-wide campaign will take place in the first months of 2016.

### 11.3 Green Public Procurement

During 2015, work by the GPP office focused on three main areas; the reconvening of the Inter-ministerial task force (IMTF), GPP training and mainstreaming of the GPP function.

#### 11.3.1 Inter-ministerial Task Force

The IMTF on GPP was reconvened in 2015 following the publication of Contracts Circular 22/2014. The IMTF is tasked with finalising the new National Action Plan for GPP and make suggestions were appropriate. In addition the task force also acts as a strategic coordinating body overseeing the continued implementation of GPP in Malta. During 2015, the IMTF held three separate meetings in January, June and October.

#### 11.3.2 Training

A comprehensive training programme which was devised in collaboration with CDRT was delivered between January and June 2015. During this period, it was necessary to provide training to each Ministry be trained individually in order to further facilitate the sustainable development process. Training to each ministry focused on the correct implementation of GPP into their tenders as well as providing a background to the policy developments at the national and EU level. The end goal of the training was for ministries to become self regulating with regards to GPP compliance and hence remove the previous bottleneck of forwarding each and every tender for screening at the GPP office.

#### 11.3.3 Mainstreaming GPP

During 2015, the mainstreaming process across all ministries was completed. This shift has introduced within ministries an additional administrative function, requiring contracting authorities and ministries to report on a weekly basis what tenders have been published. In order to effectively manage this new responsibility, a ministry GPP coordinator has been introduced. DECC in collaboration with the Department of Contracts has published Contracts Circular No. 20/2015 in October 2015, which clearly highlights the tasks that are to be undertaken, with the clear intention of reinforcing Government's decision to mainstream the GPP function of vetting in the pre-publication phase of every tender in the tasks of the different GPP coordinators in each contracting authority.

## 11.4 Fisheries

During 2015, an initiative titled 'Eat Fresh Fish' was taken by Malta to promote the consumption of greater diversity of local fish, serving to promote the local fishing sector and reducing pressure on species under higher demand. This involved information campaigns on national media and the dissemination of information booklets to the general public.

During the year under review, a new fish market facility was inaugurated, with the aim of improving the quality standards of service, hygiene and traceability through updated and automated systems. Improvement in traceability ensures that better quality data is obtained to contribute to the data pool supplied for scientific advice for the sustainable management of fisheries.

To further improve data collection for fisheries management, Malta had actively participated in the drafting of a proposal for a Regulation improving and facilitating the European Union's framework for the collection, management and the use of data in the fisheries sector and support for the scientific advice regarding the Common Fisheries Policy, expected to be finalized and enter into force in 2016.

Malta also hosted the 24<sup>th</sup> Regular Meeting of the International Commission for the Conservation of Atlantic Tunas (ICCAT), during which a Resolution concerning the application of an ecosystem approach to fisheries management was adopted. During this meeting, various other Recommendations, which were drafted by the European Commission with the collaboration of Malta among other Member States, were presented by the European Union for adoption by the ICCAT. Amongst these, was a recommendation on the development of harvest control rules and of management strategy evaluation, intended to establish protocols to determine acceptable levels of risk, targets, limits, time horizons, probabilities and evaluate precautionary management reference points for the management of ICCAT fisheries. Furthermore, Malta collaborated in discussions concerning the management of swordfish fisheries to devise management measures which would address deficiencies that promote further decline of Mediterranean swordfish populations. Discussions on this issue were thereafter planned to be continued in 2016.

Malta also attended the thirty-ninth session of the General Fisheries Commission for the Mediterranean (GFCM), including the sixth session of the Committee on Administration and Finance (CAF) and the ninth session of the Compliance Committee (CoC). Procedures relevant to the GFCM legal framework were adopted, serving to strengthen the role of this regional fisheries management organisation in the coordination of efforts for the management of Mediterranean fisheries.

Important provisions for the management and conservation of fisheries resources in the Mediterranean were discussed and adopted. Malta contributed towards the drafting and adoption of four recommendations, including on the establishment of a set of minimum standards for bottom trawling fisheries of demersal stocks in the Strait of Sicily. Malta joined the GFCM's proposal to proclaim April 24<sup>th</sup> as the international day for the fight against IUU fishing.

## 12.0 Eco Gozo

EcoGozo is a Local Sustainable Development Strategy for the island of Gozo which is spearheaded by the Ministry for Gozo. This strategy which has been in place for a number of years, is being implemented with a close collaboration with the relevant stakeholders on the island, and also seeks to engage Gozitan citizenry in the widest possible sense.

### 12.1 Renewable Energy

During 2015 the Eco Gozo directorate sought to increase the percentage of renewable resources in Gozo as part of an ongoing programme which was initiated over the past years. The period under review saw, the Ministry for Gozo conclude a project at Tac-Cawla Housing Estate whereby a 69 kWp system has been installed on 15 housing estate blocks. This has made it possible for low income families to also have access to renewable energy sources. Through ERDF funding, the Ministry for Gozo has also installed a 401 kWp system on public buildings in Gozo.

### 12.2 Air Quality

The Ministry for Gozo is also actively working on the implementation of a modal shift from private car use towards an increased use of a more sustainable form of public transport and the encouragement of the use of electric vehicles. Through its participation in the 'DEMO EV' project which is part-financed by LIFE+, a number of electric car charging points have also been installed around the island during the past year. In addition to this the Ministry for Gozo has also initiated discussions on the possibility of introducing an electric bike-sharing system in Gozo and an electric cab service in Victoria.

### 12.3 Water Conservation

Sustainability is also being achieved by addressing water conservation issues. In 2015, the first phase of the rehabilitation works in Marsalforn Valley were completed. Such water harvesting initiatives have resulted in increased rainwater harvesting capacity of over 53 million litres. A research project in collaboration with MCAST has also been undertaken, whereby water samples from valley to test quality levels are being regularly collected for water quality testing. This exercise is being conducted during all the seasons with exception to the summer months.

As part of the EU funded project 'SWMED' (Sustainable Domestic Water Use in Mediterranean Regions) a policy paper related to sustainable use of water in Gozo has been published. Following the distribution of water saving kits to all families in Gozo during 2013, as part of the same project, the Ministry for Gozo together with the Malta Resources Authority and in collaboration with the Water services corporation is currently carrying out an analysis of water consumption data so as to determine the impact of these water saving kits on water consumption.

Restoration works on the reservoir within the premises of the Ministry for Gozo were also carried out during 2015. New pumps together with an industrial meter to measure the volume of water stored in reservoir were installed and the reservoir is now being utilised as required.

#### 12.4 Society

Restoration initiatives were also carried out during the past year. The Ministry for Gozo concluded the construction and finishing of energy efficient Child and Youth Services centre in Gozo and it has also continued its work on the development and maintenance of the Ecological restoration and Family park project which is being developed at il-Qortin ta' Isopu, Nadur.

Eco-Gozo is an example of integrating the three pillars of sustainable development where the policies and measures are contributing favourably across all sectors.



## 13.0 Regional Issues

In line with Malta 2013-2015 Presidency of the Steering Committee of the Mediterranean Commission for Sustainable Development, MSDEC continued to actively lead the process towards finalising the first draft of the Mediterranean Strategy for Sustainable Development (MSSD), in time for the international stakeholder conference hosted by Malta in February 2015 on the draft strategy. The conference was opened by the Hon. Leo Brincat, and during the opening ceremony Ms Ira Losco was nominated as Sustainable Development Good Will Ambassador for Malta for 2015. The conference, which was well attended with around 100 participants, provided a strong platform for a wide-ranging stakeholder discussion, which increased buy-in for the revised strategy. Following the conference Malta continued to actively lead the process to finalise the draft Strategy in time for endorsement during the 16<sup>th</sup> meeting of the Mediterranean Commission for Sustainable Development (MCSDD) held in June 2015 in Marrakesh. During this meeting Malta handed over the Presidency of the Steering Committee of the MCSDD to Morocco, Malta continues to remain a member of the Steering Committee. Malta continued to actively support the approval of the Strategy and the reform of the Commission itself through its attendance at the UNEP/MAP Focal Points Meeting in Athens in October 2015, with a view to both proposals being adopted by the 19<sup>th</sup> Meeting of the Contracting Parties to the Convention in Athens in February 2016.

## 14.0 Conclusions

This past year has seen a continuation of the work within the sustainable development framework. In view of the multiple cross sectoral dimensions of sustainable development within ministries, sustainable governance remains a challenge and a number of policies and measures are continuously being drafted to address these issues.

The Sustainable Development Network has continued working on improving and providing a more holistic approach to Sustainable Development.

The focus in the year 2016 will be to:

- take stock of what had been achieved as a result of the 2007-2016 Sustainable Development Strategy;
- issue a consultation document on the priorities to be considered for the new Strategy;
- work closer with NSO in order to determine which SD indicators are currently not computed in order to determine the feasibility of their computation;
- strengthen synergies between the respective government structures in order to adopt sustainable development principles and approaches during the day to day work routines. This will be done in parallel with the establishment of an educational programme coupled by training opportunities;
- promote the sustainable development website as a nationwide resource;
- provide guidelines to interested stakeholders who wish to adopt a more sustainable approach within their day to day operations

The year 2016 will also be witnessing a more participative role to meetings and workshops at international fora in order to strengthen the external relationships within the Sustainable Development frameworks.

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