



RRF 1st Payment request – Malta

Preliminary positive assessment by the Commission



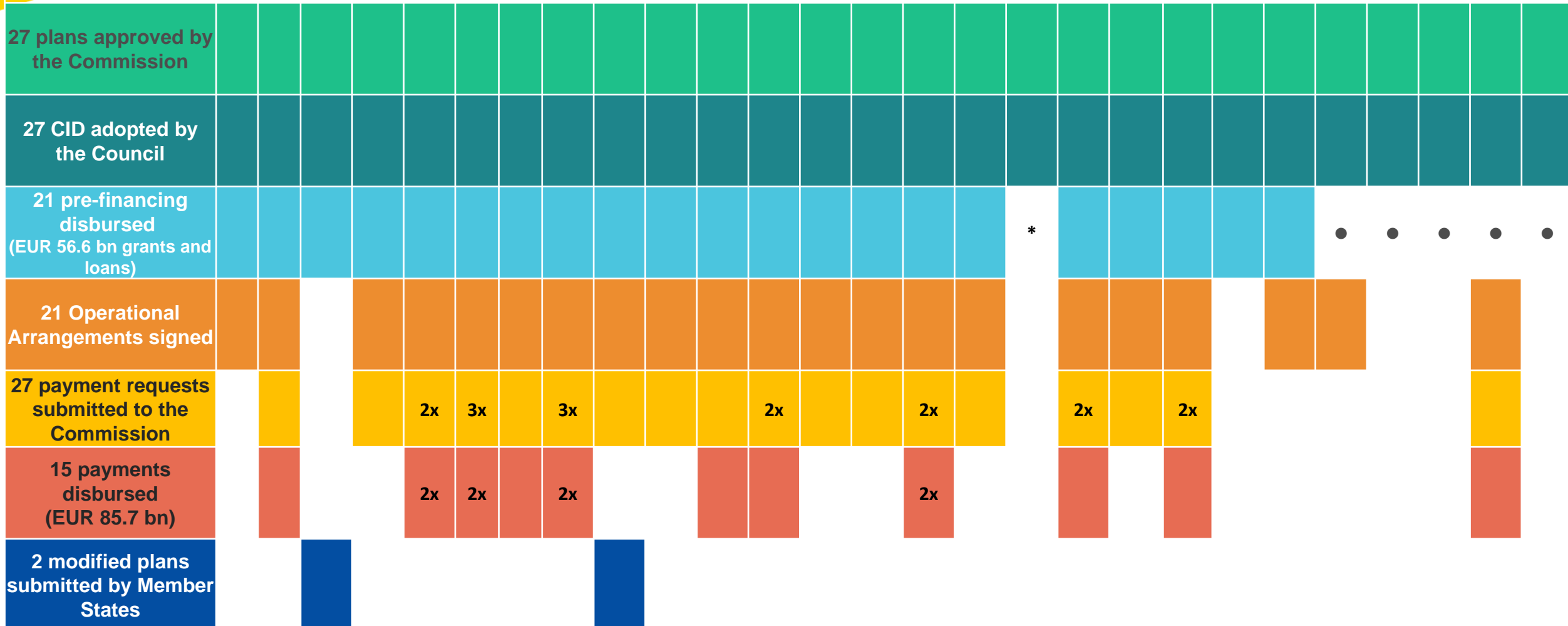
European Commission briefing – 06/02/2023

Recovery and Resilience Facility: state of play

State of play on implementation



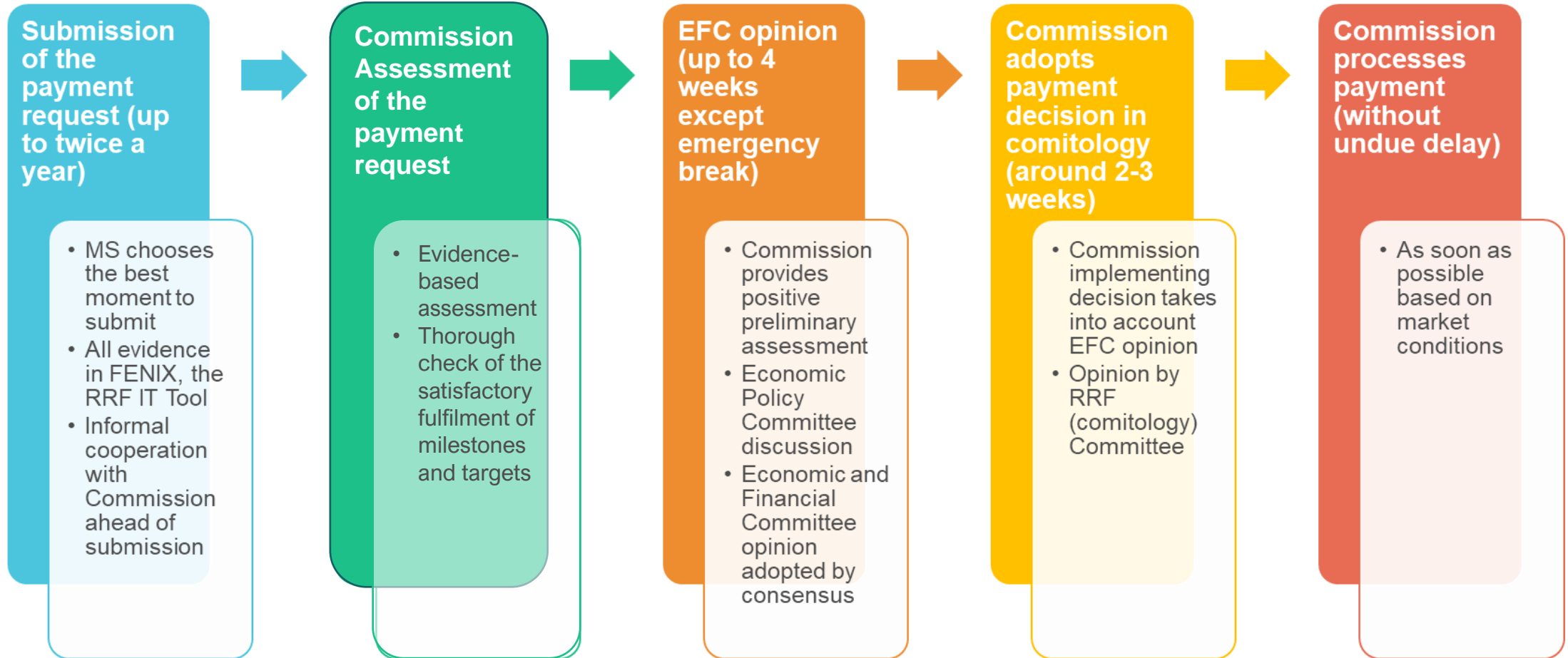
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* No pre-financing requested.

● Prerequisite to request pre-financing: CID was adopted by 31 December 2021.

Timeline and process of payment requests



Structure of the adopted document

- The Communication invites the Commission to:
 - ✓ Endorse the overall positive preliminary assessment
 - ✓ Authorise ECFIN Director General to transmit the assessment to the EFC
 - ✓ Take note that the assessment will be made available to the EP
- The Annex to the Communication presents the summary of the positive preliminary assessment of each relevant milestone and target, including:
 - ✓ Context (short description of measure and of milestone/target)
 - ✓ Description of the evidence provided by the Member State
 - ✓ Analysis on how the evidence provided duly justifies that the milestone/target is satisfactorily fulfilled
 - ✓ Final Commission preliminary assessment for each milestone/target:

Malta's first payment request: overview

Timeline of Malta's RRP implementation

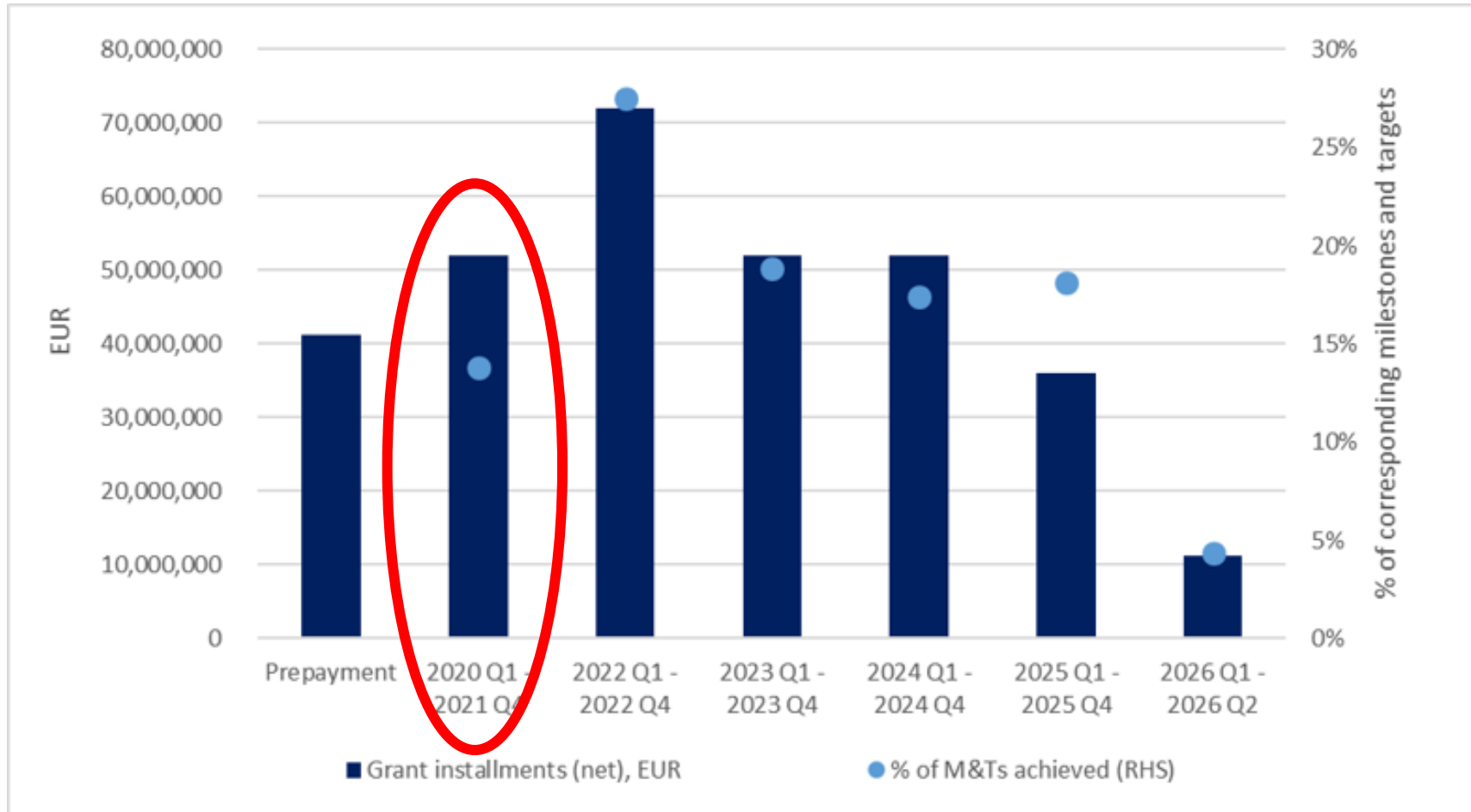
RRP approval

- RRP submitted on 13 July 2021
- Approved by COM on 16 September 2021
- Endorsed by Council on 5 October 2021
- Financing agreement signed on 10 December 2021
- Operational arrangement signed on 30 September 2022

Payments

- Pre-financing paid on 17 December 2021 (€41.1 million)
- 1st payment request submitted on 19 December 2022 (€52.3 million, net of prefinancing - 19 M&T)

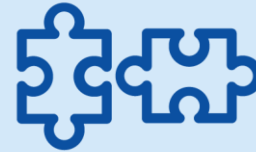
Milestones & targets and payment requests



Overview of the request



16 milestones
3 targets



17 measures
15 reforms and
2 investments



measures generally
implemented until
Q4-2021



€ 52.3 m grants

Green transition (6 milestones/1 target)

Construction

- [M 1.1] Entry into force of the Building and Construction Authority Act



Energy efficiency

- [M 1.22] Energy Performance Audit of two Public Schools



Circular economy

- [M 1.5] Entry into force of the updated Environment Protection Act
- [M 1.8] Adoption of the Construction and Demolition Waste Strategy for Malta



Decarbonising transport

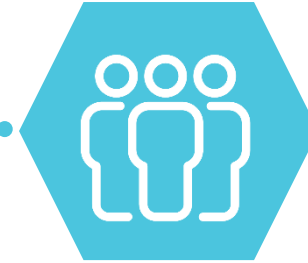
- [M 2.1] Completion of the National Household Travel Survey
- [M 2.6] Agreement with Local Councils Association on the regeneration areas in urban areas
- [T 2.9] Promoting remote working in the public service



Education, R&I, digitalization (2 milestones/1 target)

Research and innovation

- [M 3.3] Adoption of Malta's Smart Specialisation Strategy



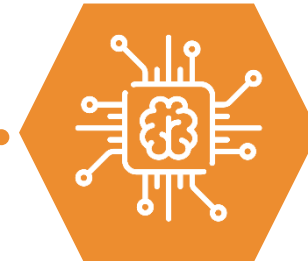
Quality education and socio-economic sustainability

- [T 5.8] Setting up of two autism units in middle schools



Digitalisation of justice system

- [M 6.38] Digitalisation of the law courts



Institutional framework (8 milestones/1 target)

Rule of law

- [M 6.1, T 6.2] Reforming the method of appointment and dismissal of the judiciary; additional members of the judiciary
- [M 6.9] Creating a separate prosecution service
- [M 6.10] Update the 2008 National Anti-Fraud and Corruption Strategy
- [M 6.15] Reforming the Permanent Commission Against Corruption (PCAC)
- [M 6.21] A new appointment procedure of the Commissioner of Police
- [M 6.22] Implementation of the reform of the judicial review of decisions not to prosecute and other decisions of the Attorney General



Anti-money laundering

- [M 6.20] Reforming the Asset Recovery Bureau

Aggressive tax planning

- [M 6.30] Entry into force of the relevant enabling provision for the introduction of transfer pricing rules

Timeline of measures under 1st payment

Measures	Payment request					
	1 Q4 2022	2 Q2 2023	3 Q2 2024	4 Q2 2025	5 Q2 2026	6 Q3 2026
MT-C[C1]-I[I3]	1.22	1.23	1.24			
MT-C[C1]-R[R1]	1.1	1.3	1.2	1.4		
MT-C[C1]-R[R2]	1.5, 1.8	1.9, 1.11, 1.12, 1.13	1.1	1.6	1.7	
MT-C[C2]-R[R1]	2.1				2.2	
MT-C[C2]-R[R4]	2.6				2.7	
MT-C[C2]-R[R5]	2.9	2.8				
MT-C[C3]-R[R2]	3.3			3.4		
MT-C[C5]-R[R3]	5.8	5.9			5.1	
MT-C[C6]-I[I1]	6.38		6.39			6.4
MT-C[C6]-R[R1]	6.1, 6.2			6.3		6.4
MT-C[C6]-R[R2]	6.9	6.7		6.5, 6.8		6.6
MT-C[C6]-R[R3]	6.1	6.11		6.12, 6.13, 6.14		
MT-C[C6]-R[R4]	6.15			6.16, 6.17, 6.18		
MT-C[C6]-R[R5]	6.2		6.19			
MT-C[C6]-R[R6]	6.21					
MT-C[C6]-R[R7]	6.22			6.23		6.24
MT-C[C6]-R[R10]	6.3	6.31, 6.32	6.33, 6.34			

Target
Milestone

All 17 out of the 17 measures include subsequent milestones and targets in the Maltese RRP

Next steps

In the implementation of the Maltese RRP

Next steps

MT payment request – planned calendar

EPC and EFC discussions (2,5 weeks)	Monday 6 February – Wednesday, 15 February
Comitology meeting	Thursday, 23 February

- The Commission has sent its preliminary assessment of Malta’s fulfilment of the milestones and targets required for this payment to the Economic and Financial Committee (EFC), asking for its opinion.
- This will be followed up by detailed discussions with the Member States in the EFC. The EFC’s opinion is to be delivered within maximum four weeks.
- Once the examination by the EFC is completed, the Commission would be in position to adopt a decision which, taken account of the EFC opinion, will authorise the disbursement of the financial contribution and disburse €52.3 million to Malta (net of pre-financing).
- The examination comitology procedure will be used for this adoption.

Looking ahead: 2nd payment request

	Milestones	Targets	Total
Non-repayable support	33	5	38

- The second payment request covers milestones and targets in Q1 - Q4 2022. There are 38 milestones and targets in this payment request, out of the 138 in the Maltese plan. 24 relate to reforms and 14 relate to investments.
- The second instalment (non-repayable support), amounts to EUR 71.57 million (net of pre-financing).
- The milestones and targets are linked to key steps in the implementation of reforms and investments. Notably, they concern the areas of construction, waste management, circular economy, energy efficiency, sustainable mobility, health care, digitalisation in public and private sectors, anti-corruption, rule of law, public finances and taxation.
- Further steps in the investment and reforms related to inclusive education, upskilling and capacity building in the justice sector are also covered.

Thank you

More information: [Commission webpage on the RRF](#)

Overview of Malta's first payment request

	Investments	Reforms	Total
Non-repayable support	2	15	17

- The first payment request concerns **19** milestones and targets out of the total of **138** in Malta's plan
- For the **non-repayable support** (Malta has not requested loans), there are **3** targets and **16** milestones for 2 investment and **15** reform measures, relating to the first instalment of **EUR 52.3 m** (net of pre-financing)
- The **milestones** relate to key steps in the implementation of reforms and investments, while the **targets** concern setting up remote work facilities for the public sector, the establishment of autism units in schools to foster inclusive education, and the increase in the number of member of the judiciary.
- **Reforms** under this payment request concern the areas of construction, environment, waste management, mobility, research and innovation, education, rule of law, anti-corruption and taxation.
- **Investments** concern the renovation of public schools and digitalisation of law courts.

Malta's first payment request: Key measures

Key Reforms:

- Addressing climate neutrality
 - [M 1.8] Adoption of a Construction and Waste Strategy
- Decarbonizing transport:
 - [T 2.9] 15 office facilities that enable remote work for public service officials
 - Digitalisation/Research & Innovation:
- [M 3.3] Adoption of a Smart Specialisation Strategy for Malta
- Rule of law:
 - [M 6.10] Reinforcing the institutional capacity to fight against corruption
 - [M 6.15] Reforming the Permanent Commission Against Corruption (PCAC)
 - [M 6.21] A new appointment procedure of the Commissioner of Police

Key Investments :

- Addressing climate neutrality
 - [M 1.22] Energy performance of two public schools
- Rule of law
 - [M 6.38] Digitalisation of the law courts