

# Capitalising on EU funds allocated to Malta

Since Malta has been a Member State of the EU for over three years, one is now in a position to speak both of the benefits of EU funding as well as of medium and long terms goals that should be achieved during the 2007-2013 programming period.

But in actual fact what has been done and how does it relate to the business community?

The budgetary provisions for the 2007-2013 period include certain amendments and changes to the way EU funds are divided and measured. EU funding for this period is being based on new EU Budgetary headings, which are outlined in Table 1.

**Table 1**

BUDGETARY HEADING	EXAMPLES OF EU FUNDING OPPORTUNITIES THAT WILL SUPPORT THE PARTICULAR BUDGETARY HEADINGS AS OF 2007
Cohesion for Growth and Employment	Cohesion Fund, Structural Funds (ERDF, ESF)
Competitiveness for Growth and Employment	Seventh Framework Programme, Lifelong Learning Programme, Competitiveness & Innovation Framework Programme (CIP)
Preservation and Management of Natural Resources	LIFE+, Community Fisheries Policy
Citizenship, Freedom, Security and Justice	Youth in Action, Citizens for Europe, Culture 2007
EU as a Global Player	European Neighbourhood and Partnership Instrument (ENPI), Instrument for Preaccession Assistance (IPA),

The business community can benefit in various ways, both directly and indirectly. It can benefit directly, for instance, through projects involving R&D, staff training and development and the development of their ICT systems, amongst others. They can also benefit indirectly through, for instance, the training of newly graduates or unemployed persons via training courses organised locally and funded by ESF or through Leonardo da Vinci placements/exchanges.

Leonardo da Vinci (LdV), which between 2007 and 2013, will form part of a more holistic programme – the Lifelong Learning Programme – aims to support participants in training and further training activities in the acquisition and the use of knowledge, skills and qualifications to facilitate personal development; to support improvements in quality and innovation in vocational education and training systems, institutions and practices; and also to enhance the attractiveness of vocational education and training and mobility for employers and individuals and to facilitate the mobility of working trainees.

Over €2 million of funds have been allocated to Malta on LdV mobility placements. The majority of these projects were not submitted by the business sector, but to some extent companies

were the indirect beneficiaries of some of the projects. For instance, during the 2006 call year, the Parliamentary Secretariat for the Small Business and the Self-Employed submitted a total of 3 LdV projects targeting apprenticeship students and employees of SMEs. The aim of these projects was to bring the local SMEs closer to EU funded projects and also to help those SMEs that did not have the capacity to handle the EU funding technical and administrative procedures.

Table 2 below shows the amount of Leonardo da Vinci funds allocated to Malta for the period 2000 - 2006 and also the number of beneficiaries of this measure :-

**Table 2**

Call year	Funds allocated by EU in (Euros)	Number of beneficiaries
2000	€ 257,300.00	191
2001	€ 174,277.00	117
2002	€ 186,368.00	130
2003	€ 191,200.00	140
2004	€ 296,000.00	351
2005	€ 452,000.00	399
2006	€ 466,000.00	361
Total	€ 2,023,145.00	1,689

As from 2007, the new Lifelong Learning Programme, through the LdV Measure, can also finance projects that help to develop or disseminate innovative tools vis-à-vis vocational training. These projects help to bring different organisations (be they public, private or not for profit organisations) together to transfer or develop tools related to vocational training purposes such as for instance

e-learning, manual for procedures, training manuals, a system that offers recognition or certification to non-formal training. These are also measures that the Maltese business community can make use of.

One should also note that for the 2007-2013 period, the Commission made it a point that the Lifelong Learning Programme should be more accessible to SMEs. The aim of such a move was to make certain administrative features more user-friendly for SMEs and the private sector. For instance, funds will be allocated on a lump sum basis and there was a change in the application form format, making it easier and involving less questions.

Besides the Community Programmes like Leonardo, there is also the European Social Fund (ESF), one of the Structural funds that finances projects related to employability. ESF was launched by the Treaty of Rome in 1957, is in order to reduce differences in prosperity and living standards across EU Member States and regions, thereby promoting economic and social cohesion.

The ESF is devoted to promoting employment in the EU. During the 2004-2006 period, the implementation of ESF in Malta 'has been marked with a number of successes'. A total of 41 projects have been implemented or are still being implemented under Malta's 2004-2007 priorities of employability and adaptability, equal opportunities, social inclusion, life-long learning and HR development in Gozo. Moreover, this has been supplemented by other projects under the EQUAL Measure (an ESF Initiative), where some of the projects under this measure supported women and the unemployed in their labour market integration process.

The Planning and Priorities Coordination Division within the Office of the Prime Minister has recently launched Malta's Operational Programmes for Cohesion Policy 2007-2013, following their approval by the European Commission. These Programmes represent Malta's roadmap and priorities for the period 2007-2013.

The Operational Programme II, under the heading of 'Empowering People for More Jobs and a Better Quality of Life' will be financed by the ESF. This Operational Programme highlights the national priorities which are the improvement of education and skills; investment in the employability and adaptability of the workforce; the promotion of an equal and inclusive labour market; and the strengthening of institutional and administrative capacity. These priorities will be complemented by a horizontal priority, namely, Technical Assistance. Moreover, both Operational Programmes (even the OP1 financed by the ERDF), foresee a number of aid schemes for enterprises as well as schemes aimed at supporting parents and companies with regard to childcare. ▶



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The ERDF and the Cohesion Fund play an important role too. The ERDF aims to improve infrastructure whereas the Cohesion Fund, introduced in 1993 to help Member States achieve the EMU, is aimed to improve infrastructure in the fields of environment and transport. For instance, between 2004 and 2006, Malta benefited from a total of €21.9 million from this Fund and the money was invested in projects to upgrade the Sant' Antnin waste treatment plant and material recycling, restoration and upgrading of sections of TEN-T (Trans-European Transport Networks) and also in the preparation of projects in the environment sector to be financed by the Cohesion Fund 2007-2013

Although the private sector cannot submit an application under ESF, the business community can benefit indirectly from such projects. For instance, the ETC submitted a successful project under ESF entitled 'TEES', which re-trained unemployed persons over forty years of age with the ultimate objective of re-integrating them in the labour market. Although this project targeted the social inclusion of unemployed persons over forty, the business community benefited indirectly through the supply of personnel willing to retrain itself according to the labour market demands.

Better use of EU funds during the 2007-2013 financial framework period, is a central theme in the new financial regulations issued by the European Commission. These aim to simplify access to funding and reduce administrative procedures to a strict minimum. Moreover, the names of the beneficiaries of all EU funds will be made public, thereby ensuring a better dissemination. This was also pointed out by Dalia Grybauskaitė, European Commissioner for Budget and Financial Programming who stated that 'Simpler, more

practical solutions in the modernised financial rules give the opportunity to better use EU funds. ... increase the effectiveness of spending and protect EU taxpayers' interests'.

Businesses are also provided with easier access to finance through the new Competitiveness and Innovation Framework Programme and also through loans from the European Investment Bank.

EU funding for the private sector is not only related to training and there are many other measures that target different sectors and competences. For instance, R&D plays a key role in the EU's politics; this is further substantiated by a total of 1.96% of the EU's expenditure which specifically targets it. Private enterprises can benefit

both directly and indirectly from R&D. Other measures include eContentplus that promotes the use and distribution of digital content. One should mention the various measures and funding programmes that target the improvement of energy efficiency levels and also those promoting the use of various renewable energies.

*Further information may be obtained by visiting [www.forummalta.gov.mt](http://www.forummalta.gov.mt) or by contacting us on 25909 101.*

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*Part 2 of this article will be carried out in the Septmeber issue.*



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