



GOVERNMENT OF MALTA
MINISTRY FOR RESEARCH,
INNOVATION AND THE CO-ORDINATION
OF POST COVID-19 STRATEGY

NATIONAL POST-PANDEMIC STRATEGY

JUNE 2021

Vision

A safe, healthy and prosperous nation, built on principles of equality, good governance and sustainable development, ready to harness the green and digital transitions to enhance the wellbeing of current and future generations.



DR ROBERT ABELA

Prime Minister of Malta

The past 15 months have been a period of great challenge. The coming together of all segments of Maltese society, in a display of heroic levels of perseverance and courage, and the success of our robust national vaccination programme, has led us to a place where we look forward with optimism towards a post-pandemic future.

COVID-19 caused significant hardship and suffering, but it has provided an opportunity for our society to take stock of present realities, critically reflect on the risks and opportunities facing the country and plan for a better future. It led Government to develop an ambitious and holistic economic strategy to refocus investment and resources towards five priority pillars: quality-of-life, infrastructure, education, environment and governance.

The crisis confirmed a whole range of important national strengths. The population's health and wellbeing were safeguarded with timely implementation of rules and restrictions aimed at curbing the spread of the virus, supported by a robust and high-quality public health system and infrastructure. Numerous packages of financial aid helped to safeguard employment and income, providing lifelines to companies in hard-hit economic sectors, while enabling other sectors to continue to thrive. Widespread broadband connectivity and an excellent digital infrastructure helped us adjust rapidly, with our education system pivoting to remote teaching and learning practically overnight, while businesses implemented remote work practices and online processes. Other positive takeaways include an unprecedented acceleration in innovation and adoption of digital technologies, a newfound and deeper appreciation of family and social life and wider recognition that the environment is crucial to our overall wellbeing.

However, the crisis also threw light on some important challenges for Malta. The economy's significant reliance on the tourism industry was brought to the fore, while potential risks and disruptions to the food supply, as well as sea and air connectivity, highlighted areas requiring greater security and resilience. Furthermore, the pandemic confirmed the importance of ensuring a strong safety net as economic and social shocks affect most the vulnerable members of society and threaten the significant progress achieved in recent years. COVID-19 also exacerbated challenges for certain groups, for instance loneliness among our elderly population and the lack of physical activity amongst our children.

As a nation, we have to build on the lessons learnt in recent months, continue to help those who still face difficulties and lay strong foundations so that future generations can live better lives, participate in a more equitable society, embrace the green and digital transitions and secure well-paid jobs within a flourishing and stable economy.

It is time, together, for us to build a new prosperity.



DR OWEN BONNICI

Minister for Research, Innovation and the
Co-ordination of Post COVID-19 Strategy

The government, in the past months, acted decisively to alleviate the hardships of the pandemic in order to save not only lives, through the brilliant work of our health carers, but also livelihoods by means of perfectly timed and designed schemes of financial assistance.

As a result of this excellent work, our economy is in the prime position for a strong post-pandemic recovery, aided by an impressive and efficient vaccination programme which is among the best in the world. This success, however, should not and must not mean that we should not look towards tomorrow. Rather, we should construct a vision about the future from this position of strength.

The COVID-19 pandemic will be one of the defining events in history. It has shaken our society and economy to the core and created immense hardships for many. Yet, it has also provided us with a unique opportunity to reflect, reevaluate and refocus our direction to shape a stronger, healthier, happier and more resilient nation.

We need to be open and honest and learn from the lessons of recent months to think about how our world will change after COVID-19 entered our lives. We need to take the opportunity to reflect on both our strengths and weaknesses as a nation and consider how the recovery we will drive will be an equitable one which enhances the wellbeing of current and future generations.

Throughout the past months, there was one constant, heart-warming realisation: the comfort that we are truly all in this together. We have all gone through experiences which have touched us in the past months and there are a lot of stories of kindness, warmth, human bravery, personal hardships, support and community spirit. We need to build on this sense of national unity and cement this new spirit of cooperation.

The National Post-Pandemic Strategy that we have developed evaluates and acts on such changes and their effect on the human person, which is at the centre of everything that we will do. It also aims to shape a new approach to policy making that is more coherent and integrated, supported by: strong governance, coordination and implementation mechanisms; and underpinned by a strong evidence base and long-term planning, to create a whole-of-government approach centred on the needs and opportunities facing Malta's citizens and businesses. It seeks to drive collaboration between government, business and society on a common agenda which enhances the wellbeing of current and future generations.

Let us all give our utmost towards a better Malta.



PROF. SIMONE BORG

Chair of Malta's National Post-Pandemic Strategy
Steering Committee

The COVID-19 pandemic is undoubtedly the biggest global crisis of the last 70 years, presenting an extraordinary health, economic and humanitarian challenge. It has been a catalyst for shifts that were already altering societal and business behaviours, such as digitalisation and sustainability, while also amplifying other challenges such as mental health issues and social inequality.

It is vital that countries respond to this highly complex situation with a well thought-out, coherent set of actions. Malta has developed a National Post-Pandemic Strategy (NPPS) that reflects on both the challenges and the opportunities revealed by COVID-19, with the aim of building back better. As a nation, we now have the chance to create a fairer and more inclusive society, transition to greener and more sustainable practices, protect our environment and natural assets, and shape a more competitive and resilient economy for present and future generations within the framework of sustainable public finances.

The areas of focus within the NPPS derive from three central questions:

- 1) How do we improve quality of life and wellbeing?
- 2) How do we sustain business and employment and drive a strong recovery?
- 3) How do we remain resilient and competitive?

The resulting strategy outlines 12 themes, each linked to UN sustainable development goals, and three critical and interconnected areas of focus: society, economy and environment.

The strategy was led by a Steering Committee comprised of seasoned experts with diverse skillsets and experience, drawn from academia and public bodies including: the University of Malta; the Malta Council for Economic and Social Development; the Economic Policy Department at the Ministry for Finance and Employment; the Superintendence of Public Health; the Permanent Secretariat for EU Funds; and the Ministry and Permanent Secretariat for Research, Innovation and the Coordination of the Post-COVID-19 Strategy.

The Steering Committee took a three-pronged approach. Firstly, it conducted extensive research to understand what other countries are doing to alleviate and overcome common challenges brought about by the pandemic. Secondly, it held more than 80 meetings with key stakeholders, social partners and government ministries from both Malta and Gozo. Collectively they represent a whole range of interests, domains and sectors within society and the economy, and provided an understanding of the current situation, the key challenges and the priority areas for national focus. Finally, the committee sought ideas from the public, via a one-month consultation, to ensure all members of Maltese society had the opportunity to contribute and help shape the country's future direction.

The resulting 12 strategic themes collectively and cohesively work together to help us construct a post-pandemic society that is truly inclusive and resilient, an economy that is strong, competitive and fair, and an environment that is valued and protected. Although the thematic areas are horizontal and aim to provide a holistic national focus, the NPPS takes into account the needs of different stakeholder groups across Malta and Gozo.

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- 2.** Address societal challenges which the pandemic has amplified through a bottom-up, evidenced-based approach at a community level. Strengthen community-led social capital to increase assistance and expand services delivered locally to enhance reach, build trust and increase uptake.
- 3.** Enhance social cohesion and equity across Maltese society. Focus on the under-served segments of the country, championing inclusion, building trust, and combatting all forms of discrimination and exploitation to create structures which support and empower communities.
- 4.** Adopt a more cohesive approach to planning and development which enhances the urban environment and enshrines sustainable practices. Preserve and create green community spaces and parks for public use. Prioritise restoration, regeneration and aesthetics, and integrate alternative mobility in a holistic manner.

PG 26 HOW DO WE SUSTAIN BUSINESS AND EMPLOYMENT AND DRIVE A STRONG RECOVERY?

- 5.** Facilitate business investment in Malta and Gozo, alongside government spending, to spur activities that drive competitiveness, quality, transformation and sustainable growth. Foster a 'can do' business approach and support openness to international business and new niches.
- 6.** Refocus and integrate education, labour and economic policy to underpin social and economic revival, transformation, innovation, wellbeing and sustainable growth.
- 7.** Accelerate green economic transition and investment as a focal point in Malta's plan towards carbon neutrality by 2050; progress the UN's sustainable development goals; foster a circular economy; and implement the EU Green Deal in order to change mindsets and deliver new green jobs and innovation.
- 8.** Channel government resources and mainstream policy to drive innovation and focus on outcomes. Address critical blockers that hamper innovation and accelerate private enterprise in start-ups, as well as industry-driven R&D and knowledge clusters.

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- 9.** Strengthen and prioritise a compliance and enforcement culture. Nurture a national conscience built on purpose, public interest, good governance, transparency and accountability.
- 10.** Support investment in digital infrastructure, skills and services. Close the digital divide to ensure all members of society and all types of business are fully able to embrace digital technology to improve the way we live and work.
- 11.** Foster the safeguarding of natural assets. Focus on systematic education, conservation and the transition towards a more sustainable way of living in harmony with the environment for the benefit of current and future generations.
- 12.** Reinforce disaster recovery preparedness, critical capabilities and ecosystems to enhance resilience. Ensure the availability of critical physical and social infrastructure such as food, water, energy and health as well as digital, air and sea connectivity.

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EXECUTIVE SUMMARY

MALTA'S NATIONAL POST-PANDEMIC STRATEGY (NPPS) OUTLINES AN AMBITIOUS PLAN TO HELP THE NATION BUILD BACK BETTER IN THE WAKE OF COVID-19. WE ARE USING THE TERM 'POST-PANDEMIC' TO REFER TO THE PERIOD SINCE EARLY 2020 WHEN THE VIRUS FIRST ENTERED OUR LIVES. WHILE WE RECOGNISE THAT THE CRISIS IS NOT YET OVER, IT IS NO LONGER AT ITS HEIGHT, AND NOW IS THE RIGHT MOMENT TO START PLANNING FOR THE FUTURE.

The NPPS is structured around three central questions:

1) How do we improve quality of life and wellbeing?

The pandemic has brought the importance of health and wellbeing into sharp relief. Our immediate priority is to control and prevent the virus, but we also want to reinforce the longer-term wellness of citizens, for example by encouraging people to eat better, exercise more, and talk openly about mental health issues. Recognising the vital role a pleasant urban and natural environment plays in health, happiness and the quality of our tourism offering, we will adopt a more cohesive, sustainable and forward-looking approach to planning and development – enhancing our towns and cultural heritage, preserving and creating public green spaces, and enhancing infrastructure to make cycling and walking safe and enjoyable.

Assessing the full impact of the pandemic on Maltese society is a sizeable but essential task. We will launch detailed studies to understand what assistance different segments of society need and how best to provide it. We will also support students to catch up with lost learning. To maintain the community spirit that came to the fore during the pandemic, our strategy will foster social cohesion and equity across Maltese society, for example by giving vulnerable people greater access to training and employment opportunities and strengthening integration programmes, given the critical role of migrant workers within our healthcare system and wider economy.

2) How do we sustain business and employment and drive a strong recovery?

Unprecedented levels of government financial support kept many companies afloat and thousands of workers employed throughout the pandemic. Now is the time to help businesses restart, restructure and transform operations to a more sustainable model, enabled by the adoption of digital and clean technologies. We will ensure Malta embraces this transition by developing programmes that guide and support businesses and workers to get future-ready. We will refocus and integrate education, labour and economic policy, modernising educational curricula and driving reskilling and upskilling programmes to equip our current and future workforce with the 21st-century skills required to unlock higher-paid and value-adding jobs.

Policy and investment will underpin an innovation agenda which prioritises solving concrete problems that matter to Maltese society and delivers clear outcomes. We will foster public-private collaboration, working closely with industry to develop specialist R&D and knowledge clusters and educational partnerships with key foreign direct investment (FDI) companies. And we will facilitate business investment across all sectors of the economy and channel funding into start-ups that can rapidly scale and sell to the global market.

A progressive economy can only be built on an environmentally responsible foundation. Malta has a target of carbon neutrality by 2050, as well as a commitment to the UN's sustainable development goals and the EU's Green Deal principles. We will pursue this agenda by investing in renewables and clean-energy infrastructure, and by instituting a circular economy where resources are valued and waste reduced. We will also create a pipeline of green investment projects and leverage our small size to pilot carbon tech solutions.

3) How do we remain resilient and competitive?

It is important that we learn from the pandemic and take action to increase Malta's ability to respond to future crises. We will enhance disaster-recovery capabilities and establish long-term plans for more robust sea, land, air, energy and digital connectivity. We will begin to repair public finances, which underwent severe strain during the pandemic, and create a framework for the setting up and financing of a disaster-recovery fund that can provide a safety net in the years ahead. Resilience to future shocks also relies on protecting our natural resources – an issue that is of great concern to citizens. We will focus on systematic education, conservation and a shift towards a more sustainable way of living in harmony with the environment for the benefit of current and future generations. And we will make eco-tourism and heritage a key component of Malta's tourist offering.

The pandemic has underlined how crucial it is that society works together to follow regulations developed in the common interest. We will forge a greater sense of collective responsibility, founded on principles of good governance, transparency and accountability. This means instilling a culture of ethical behaviour, from school-age upwards, to ensure all members of society can contribute to the common good. We also want to make sure every individual and business has equal access to digital technology, to improve the way we live and work. To this end we will invest in robust infrastructure, while supporting adults, particularly the elderly, to develop the digital skills they need in a modern society.

Conclusion

The COVID-19 pandemic has provided a unique opportunity to think about the kind of future we want. Our vision is of a safe, healthy and prosperous nation where citizens can live fulfilled lives, share in an equitable society, embrace the green and digital transitions, and secure well-paid jobs within a flourishing and stable economy. If our whole society works together, with the same courage, dynamism and determination seen during the crisis, we can make this vision a reality.

The National Post-Pandemic Strategy Steering Committee

Chair - Prof. Simone Borg

Members - Joyce Dimech, Mario Galea, Godwin Mifsud, James Pearsall, Prof. Gordon Sammut, Clive Tonna, Paul Zahra.

THEMATIC AREAS UNDERPINNING THE NATIONAL POST-PANDEMIC STRATEGY

How do we improve quality of life and wellbeing?

How do we sustain business and employment and drive a strong recovery?

How do we remain resilient and competitive?

Maintain the focus on health sparked by the crisis

Facilitate investment to activities which drive competitiveness and sustainable growth

Close the digital divide and invest in digital infrastructure, skills and services to improve the way we live and work

Strengthen community-led social capital to deliver evidence based solutions to societal challenges

Refocus and integrate education, labour and economic policy to underpin economic revival

Nurture a culture and national conscience built on purpose, public interest and good governance

Enhance societal cohesion, inclusion and equity to make life better and fairer for all

Accelerate green investment and jobs as a focal point in Malta's plan to transition towards carbon neutrality

Strengthen the safeguarding of natural assets and the environment through systematic education and conservation

Adopt a more cohesive, green and sustainable approach to planning and development

Channel Government resources, policy and industry collaboration to drive innovation

Reinforce disaster recovery preparedness, critical capabilities and ecosystems to enhance resilience

Linked to UN Sustainable Development Goals

Integrated societal, economic and environmental focus

Cohesive cross-Ministerial focus

Graphic: Abridged version of Thematic Areas underpinning the National Post-Pandemic Strategy

SEE HOW THE STRATEGIC INITIATIVES ARE LINKED TO THE UN SUSTAINABLE DEVELOPMENT GOALS.





01

**HOW DO WE IMPROVE
QUALITY OF LIFE AND
WELLBEING?**

1. MAINTAIN THE FOCUS ON HEALTH SPARKED BY THE CRISIS AND SUPPORT AN ENABLING ENVIRONMENT THAT PROMOTES WELLBEING. PRIORITISE MENTAL, PHYSICAL AND EMOTIONAL WELLNESS AS CRITICAL ASPECTS FOR A HEALTHY SOCIETY AND STRENGTHEN INVESTMENT AND CAPABILITIES IN THESE AREAS, TOGETHER WITH PRIMARY AND PREVENTATIVE CARE.

Context

COVID-19 is a devastating health crisis, spanning both physical health and mental wellbeing, with major impacts on healthcare professionals, patients and health systems globally. While the physical impact is evident, the psychological fallout is still largely unknown, with experts warning of a potential mental health pandemic ahead¹.

Healthcare has always been a top priority for Malta, with the Country Health Profile 2019 reporting that the nation recorded one of the largest increases in per capita health expenditure in the EU over the past decade². Maltese citizens spend almost 90% of their lifespan in good health and the population enjoys one of the longest life expectancies in the EU³.

Yet despite the positives, the report highlights substantial disparities between income groups, with nine out of ten people in the highest income quintile reporting good health, compared with only six out of ten in the lowest income quintile. Furthermore, almost two in five deaths in Malta can be attributed to lifestyle factors. Obesity is identified as a major health risk; rates in Malta are now the highest in the EU for both adults and children. A study by the World Obesity Federation reveals strong links between obesity and more serious consequences of COVID-19 infection⁴. The impact of the pandemic on the health status of the population is yet to be determined. A renewed national focus on wellness is needed as we look ahead.

Mental health problems remain one of the most substantial public health challenges and have been prioritised within previous national health strategies⁵. Prior to the pandemic, more than half the general population were known to suffer a mental disorder at least once in their lives⁶. Restrictions during the pandemic have caused widespread psychological effects⁷, from loneliness to social anxiety, and there are concerns about a worsening of mental health across all age groups, including children⁸.

Technological innovation came to the fore during the COVID crisis. Although telemedicine has been available for many decades, it took the pandemic to catalyse genuine acceptance and adoption by health providers and patients, supported by the concurrent deployment of electronic patient records. Two telemedicine centres were set up to offer virtual care, and many doctors increased the use of digital communication tools as the first line of interaction with patients. Robotic apparatus was also used to boost testing capacity⁹. These advances are a positive development that the country can build on for the future, to create better access to health services and more efficient use of resources.

The impact of various factors on health have become even more prominent during the pandemic. Hence, it is critical that the social determinants of health are tackled holistically to drive positive outcomes for the health and wellbeing of society.

1 United Nations (2020). Policy Brief: COVID-19 and the Need for Action on Mental Health

2 OECD (2019). State of Health in the EU · Malta · Country Health Profile 2019

3 OECD (2019). State of Health in the EU · Malta · Country Health Profile 2019

4 World Obesity Federation (2021). Covid-19 and obesity: the 2021 atlas.

5 National Health Strategy Framework 2020-2030

6 The Ministry for Health (2019). *Malta Mental Health Strategy 2020-2030*

7 Richmond Foundation (2021). *The Impact of COVID-19 on Mental Health - Interactive Dashboard*

8 The British Academy (2020). *The COVID Decade: understanding the long-term societal impacts of COVID-19*

9 <https://newsbook.com.mt/en/2-telemedicine-centres-set-up/>

WHAT WILL MALTA DO?

A. Maintain the focus on infectious disease prevention and control, enhancing the resilience and preparedness of the sector to respond effectively to further COVID-19 mutations and threats through vaccination programmes, monitoring, proactive prevention protocols, enforcement, hygiene awareness and ongoing investment in healthcare facilities to safeguard against future threats.

B. Set up a multidisciplinary follow up clinic and wellbeing service for people who have had COVID-19 to monitor their health and wellbeing. Support healthcare professionals and pandemic front-line response teams who have just emerged from a highly stressful period.

C. Attract and support research focused on the prevention on monitoring of COVID-19 and other infectious diseases. Capitalise on Malta's strong health-related data infrastructure and legislation, small size and unique socio-demographic profile to nurture and accelerate the development of Malta's health research sector.

D. Continue to focus on primary and preventative care to deal with citizens' health needs which may have been disrupted due to the national focus on COVID-19. Ramp up national screening programmes and enhance public vaccination coverage against seasonal influenza and pneumococcus infection, particularly amongst the elderly cohort.

E. Champion a whole-of-society approach to wellness to reinforce the health system's sustainability. Launch widespread awareness campaigns and nudge citizens to take more responsibility for their own wellness. Encourage healthier diets, health enhancing physical activity and discourage harmful behaviours. Promote the use of digital tools to enable citizens to monitor and maintain healthy lifestyle habits and leverage schools to enhance awareness.

F. Elevate the focus on obesity as an overriding national health challenge across all age groups. Launch a new strategy to tackle the issue holistically, addressing the role played by the obesogenic environment in the development of Malta's food policy and considering legislative changes and incentives to support healthier food and drink choices, alongside activities to promote physical activity. Expand funding for counselling, specialised clinics, and weight-management programmes.

G. Increase investment in infrastructure that encourages physical mobility. Create more safe spaces to walk and cycle, outdoor gyms and free community classes, for instance through local councils or sports clubs and associations and open spaces for family recreation.

H. Channel further investment in sports facilities and activities. Give non-competitive sports a more prominent role within our school sports programmes to encourage students to exercise independently, in settings where they may feel more comfortable, while sustaining competitive sport. Develop fun sporting events where the focus is on participation, not winning, to motivate people of all ages to increase their fitness.

I. Expand mental health care capacity and investment to support society's recovery from COVID-19. Introduce preventative monitoring of mental health and focus more on early intervention by offering increased access to low-intensity psychosocial support. Address the five objectives set out in Malta's 2020-2030 Mental Health Strategy and ensure mental health care is well integrated within primary and secondary healthcare services. Build a strong evidence base to track patient outcomes.

J. Launch national campaigns and new services¹⁰ to promote mental wellbeing during times of stress and crisis with an aim to normalise conversations about mental illness and remove the stigma associated with accessing mental health services, targeting schools and workplaces alongside households. Focus on tackling issues that may have been exacerbated by the pandemic and expand community-based and active outreach mental health services.

K. Bolster the use of telehealth and digital tools beyond the pandemic to increase the reach and speed with which services can be delivered, while simultaneously reducing the strain on the healthcare system caused by the backlog of non-COVID-19 patient care.

L. Drive robust stewardship on the proper use of antimicrobials to ensure medical advances of recent decades remain effective in preventing and treating infections in humans, animals and plants – the goal of Malta’s Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance¹¹.

M. Tackle and invest in the social determinants of health including the social, cultural, political, economic, commercial and environmental factors that shape the conditions in which people are born, grow, live, work and age. Champion ‘Health in All Policies’ as an approach to improving the health of all people by factoring health implications across key policy decisions.

¹⁰ Richmond Foundation, in partnership with Epic for Good, has launched OLLI.chat. OLLI.chat is a confidential, online, and free 24/7 live chat, designed to offer emotional support and practical guidance to anyone in Malta and Gozo who needs a helping hand to keep moving forward. The service will run alongside its telephone helpline 1770.

¹¹ Ministry for Health and Ministry for Agriculture, Fisheries and Animal Rights (2020). A Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta 2020 - 2028

2. ADDRESS SOCIETAL CHALLENGES WHICH THE PANDEMIC HAS AMPLIFIED THROUGH A BOTTOM-UP, EVIDENCED-BASED APPROACH AT A COMMUNITY LEVEL. STRENGTHEN COMMUNITY-LED SOCIAL CAPITAL TO INCREASE ASSISTANCE AND EXPAND SERVICES DELIVERED LOCALLY TO ENHANCE REACH, BUILD TRUST AND INCREASE UPTAKE.

Context

Although the pandemic has had an impact on the entire Maltese population, it has affected different sections of society in different ways. Many people are mourning the unfortunate loss of loved ones or still recovering from long COVID. The drop in economic activity has hit pre-pandemic standards of living hard and created a new segment of financially vulnerable households. Some people struggled to adjust to working from home or being on the frontline of crisis response during times when infection levels were high. Many living alone experienced isolation and marginalisation, people with disabilities were sometimes overlooked when social distancing policies were designed, and children had to cope with school closures, reduced extra-curricular activities, learning loss and lack of social interaction with their peers.

Assessing the full impact that the pandemic has had on Maltese society is a sizeable but essential task. It requires a granular, bottom-up community mapping exercise which can help to identify problems faced by different segments of society, whether these were exacerbated by the pandemic or directly caused by it, and whether they are location-specific or nationwide. Critically, it must also identify how communities or the government can help address these problems. A one-size-fits-all approach will not work and there is a very real risk that pre-existing structural inequalities in income and poverty, in education and skills, and between generations may increase if targeted interventions are not made¹².

In pre-pandemic times we were moving in a direction to raise the living standards of unemployed people, low-skilled workers, people with disabilities, asylum seekers, and people at risk of poverty¹³ – and this was considered social protection. Now is the time to redefine such intervention as social investment – an opportunity to create a more equitable and inclusive society.

Community-led social infrastructure has been one of the silver linings of the pandemic. Many will remember how volunteers stepped in to deliver food and other essentials to those who were vulnerable, how young neighbours taught the elderly to use digital communication tools, and how restaurants teamed up to prepare meals for essential workers and those in need. We must explore how we can make the most of these strong underpinnings of Maltese society, including parishes, local councils, social networks and NGOs. Doing so will increase the take-up and impact of services, deepen trust in such services, and enhance quality of life.

Despite the challenges and financial pressures of the pandemic, some voluntary bodies and NGOs launched new services and found different ways of raising money. And many businesses started to develop a stronger sense of purpose, stewardship and responsibility towards their communities. These are all positive developments that can be cultivated and reinforced by enlightened social policy.

¹² British Academy (2021), *The COVID decade: Understanding the long-term societal impacts of COVID-19*, The British Academy, London

¹³ The at-risk-of-poverty threshold is set by the EU at 60 % of the national median equivalised disposable income after social transfers.

WHAT WILL MALTA DO?

A. Launch detailed studies on the impact of the pandemic on specific segments of society in order to pinpoint pre-existing and emerging problem areas. Increase efforts to collect data at a community level to identify and enact tailored actions, thereby ensuring that achievements can be disaggregated and progress appropriately monitored. Use granular data to identify local solutions that could be developed and provided by different community-based organisations, alongside government programmes.

B. Set up a post-pandemic 'population committee' to report back to the government periodically on the status of different groups within Maltese society and their ability to recover post-pandemic. Ensure that studies are made publicly available to ensure that non-governmental service providers can also benefit from the insights.

C. Develop targeted interventions to counteract educational disruption caused by COVID-19. Based on research to establish levels of learning lost due to the pandemic, develop catch-up programmes to ensure those who have been affected do not fall behind. Launch initiatives to support students who are coping with mental health issues brought about by isolation and remote learning.

D. Monitor rates of early school leaving and launch programmes to counteract challenges that may have been exacerbated by COVID-19. Follow up on progress and help school leavers build stronger skill-sets and knowledge to better equip them for the job market. Use IT-based tools such as data and predictive analytics to identify students at most risk, in order to help educators take preventative action and drive better outcomes.

E. Acknowledge and consolidate the state's role in the provision of social benefits and services and sustain efforts to meet the needs of people who are socially excluded or at risk of poverty. Champion the concept of active citizenship which was widespread at the height of the pandemic, when volunteers mobilised to assist the elderly and vulnerable. Continue to strengthen social welfare programmes and forge more public social partnerships with voluntary organisations.

F. Assess how various types of voluntary organisations have been affected by the pandemic and what additional support may be needed. Consider direct financial assistance, human resources and assistance for other needs such as premises and equipment.

G. Develop a solidarity programme for culture, the arts, sport and other activities that were severely curtailed or halted by the pandemic. Sponsor a programme of street-performance and small-scale performing arts events (in line with health protocols) to create a positive post-COVID atmosphere for citizens and tourists. Foster the development of culture, the arts and creativity as critical elements for societal wellbeing. Quantify the direct and indirect economic benefits that the sector delivers to strengthen its case for additional funding and support.

H. Enhance communication campaigns to ensure that all segments of society are better informed. Consider the usability and accessibility of different channels, taking account of individuals who may not have access to the internet or require multilingual materials.

I. Promote work-life balance as a critical enabler for a healthy society, helping individuals to reconcile the demands of work, family and societal obligations. This will require the active involvement of all stakeholders, particularly as hybrid and remote working continue beyond the pandemic.

3. ENHANCE SOCIAL COHESION AND EQUITY ACROSS MALTESE SOCIETY. FOCUS ON THE UNDER-SERVED SEGMENTS OF THE COUNTRY, CHAMPIONING INCLUSION, BUILDING TRUST, AND COMBATTING ALL FORMS OF DISCRIMINATION AND EXPLOITATION TO CREATE STRUCTURES WHICH SUPPORT AND EMPOWER COMMUNITIES.

Context

One of the positives arising from the pandemic was a sense of national unity, with public and private sectors collaborating closely as people worked towards a set of common goals. It is now vital that, as a nation, we collectively drive positive change for a better Malta, looking at challenges and solutions objectively, and with an appropriate focus on the long term as well as more pressing issues.

The disruption caused by COVID-19 may serve as an opportunity to reset Maltese society and cement this new spirit of cooperation. As the country enters its post-pandemic recovery phase, our aspiration is to bolster social cohesion and equity with renewed impetus. A socially cohesive society is one where diversity is celebrated, and where people trust and respect one another and feel a sense of belonging. Equity of opportunities and of outcomes is the cornerstone of such a society, be it with respect to labour market participation, income distribution, education or housing.

To achieve this goal, we must address the societal vulnerabilities that have been caused or exacerbated by the pandemic. Uncertainty and inequality can play a big part in unsettling social cohesion, and some tensions have been apparent during the past 12 months, as the trade-off between health and economic interests emerged. Such divisions may deepen as and when government financial intervention is scaled back, so it is important that we provide transparency in decision-making. There is also a need for continued sensitivity to the needs, frustrations and vulnerabilities of different groups, which include the elderly, those in borderline poverty and precarious life-situations, people with disabilities and mental health conditions, ethnic minorities and refugees, among others.

The pandemic has affected the position of many people, especially those who were already experiencing social and economic difficulties, and these problems must be addressed. Maltese society, as with all other societies, is constantly changing. Prior to COVID-19, the country was experiencing record inward immigration, thus ensuring that critical public services could run and businesses grow. The skills, work ethic and diversity of immigrants present Malta with enormous potential, and this can be fully realised if newcomers are successfully integrated into Maltese society in a sensitive manner.

WHAT WILL MALTA DO?

A. Build social cohesion on the basis of human rights. Ensure that the under-served segments of society are not only protected through legislation but actively supported through targeted policy measures that provide a real opportunity for vulnerable segments of society to better their situation.

B. Continue to concentrate on equitable wealth generation as the foundation for a better, fairer and more inclusive society. Focus policy on measures to help people climb the career ladder and improve incomes. Continue to channel government support to those who are falling behind, alongside policies to ensure everyone has access to housing and schemes to support home-ownership.

C. Increase employment and secondment opportunities for underprivileged groups, with a particular focus on people with disabilities. Strengthen funding and programmes for training, internships, secondments and workplace accessibility and harness remote-working opportunities to increase inclusion.

D. Provide grants and assistance to local clubs, businesses and organisations to support community-driven activities. Link financial assistance to inclusion targets for disadvantaged groups in activities and membership; this will encourage clubs to focus on proactive outreach programmes and boost participation in their existing inclusive social events.

E. Counter all forms of discrimination and exploitation through information and awareness-raising campaigns targeted at different sectors of the population, as well as through specialised training of relevant law enforcement officials, local authorities and NGOs. Publish and champion good practice guidelines to combat hate speech, racism and bullying. Design and roll out communication campaigns, including case studies that tell the stories of vulnerable individuals and groups and make clear their contribution to society.

F. Streamline processes for the vulnerable to gain access to the labour market. Focus on all vulnerable groups, to make sure their existing skills, competencies and proficiencies are harnessed for everyone's mutual benefit. Create 'one-stop shops' to map the skills requirements of the private sector, identify skills gaps, and provide opportunities for retraining to ensure better job matching.

G. Strengthen integration programmes for foreign nationals. Introduce pilot projects at a community level to sensitise communities to the needs and concerns of both Maltese society and migrants, in a two-way process that fosters dialogue and deepens understanding and empathy.

H. Set up a skills assessment and training centre for asylum seekers and people with international protection. Encourage businesses to offer training, work experience and employment opportunities to those with few or no formal qualifications, while ensuring that employment conditions are safeguarded.

4. ADOPT A MORE COHESIVE APPROACH TO PLANNING AND DEVELOPMENT WHICH ENHANCES THE URBAN ENVIRONMENT AND ENSHRINES SUSTAINABLE PRACTICES. PRESERVE AND CREATE GREEN COMMUNITY SPACES AND PARKS FOR PUBLIC USE. PRIORITISE RESTORATION, REGENERATION AND AESTHETICS, AND INTEGRATE ALTERNATIVE MOBILITY IN A HOLISTIC MANNER.

Context

The COVID-19 pandemic has brought renewed attention to physical spaces, urban environments and their connections with mental and physical health. It has also highlighted a number of problems we face in Malta: most residents lack access to gardens and green space; walking and cycling infrastructure is inadequate, and neighbourhood construction amplifies stress for those working from home.

It is time for the country to rethink its approach to development and planning, with a heightened focus on shared community spaces, accessible green areas, non-motorised ways to commute, and more sustainable development practices. A viable national plan is needed to bring all these factors together in a holistic way, embedding restoration, regeneration, aesthetics and the safeguarding of Malta's urban heritage as key principles.

There will be significant economic benefits from such an approach. Malta's economy is highly reliant on tourism – an industry that thrives on cultural sensitivity, lifestyle and aesthetics. If development is well conceived and thoughtfully executed, it will serve to protect tourism as one of our core economic drivers. A more pleasant living environment for locals will also positively contribute to better physical and mental wellbeing.

Malta has experienced rapid economic growth over the past decade, resulting in considerable development and investment in infrastructure. While this growth has helped to improve the standard of living for various segments of society, it has also created significant problems in the form of over-development, urban sprawl, increased traffic, higher levels of noise and air pollution, and stresses on national infrastructure such as road networks, sewage treatment and utilities.

Post-pandemic, the country urgently needs to tackle these issues. Of course, planning considerations are complex and need to cater for various socio-economic needs and interests while remaining flexible. However, it is increasingly recognised by the government and key stakeholders that the existing regulations and guidelines do not adequately reflect the current and future needs of society in a broader sense.¹⁴

Looking ahead, we need to carefully assess our national aspiration regarding the country's demographic profile and population inflows. Which skill sets do we want to attract through migration and relevant incentives? Which economic sectors do we want to invest in, and what workforce patterns will be needed to sustain them in the future? These factors will heavily influence the level and type of physical development in Malta.

¹⁴ In 2020, the government launched a comprehensive review of the 2015 Strategic Plan for the Environment and Development, a process which is expected to take three years. It also created an Intelligent Planning Forum, which brings together key development, planning, and environment stakeholders to identify short- and long-term actions for smarter, more sustainable planning. Key stakeholders and social partners have also published detailed proposals, including the Kamra Tal-Periti's *A Modern Building and Construction Regulation Framework* (2020) and Moviment Graffiti's *Reforming Planning and Construction in Malta* proposals amongst others.

WHAT WILL MALTA DO?

A. Prioritise forward planning to ensure planning regulation is fit for purpose in protecting Malta's cultural identity as well as the natural and built heritage. Develop bespoke planning regulations to address specific needs at the local level including Gozo, coastal areas, UNESCO sites, Natura 2000 sites, entertainment hubs, high-rise developments, public spaces and tourism zones.

B. Ensure that the revision of the Strategic Plan for Environment and Development provides a nationwide, multi-stakeholder blueprint to guide future development¹⁵. Bolster the Heritage Authority and Environment and Resource Authority's remit in planning decisions. Enhance enforcement to curb illegal development and safeguard outside development zones (ODZ).

C. Develop further sustainable planning regulation principles and integrate the mobility shift into planning in a more coherent manner, focusing on reducing private car-use, mandating open public spaces, green recreational areas and pedestrian zones, and enhancing urban conservation and agricultural-zone protection. Explore the development of alternative car-free pathways which connect localities to make cycling and walking safe and enjoyable, and continue to maximise maritime transport options.

D. Expand investment in national parks and green spaces in communities. Focus on providing local amenities that are within walking distance and harness partnerships with local businesses and communities to enhance and sustain those amenities.

E. Launch a programme and dedicated structure for the regeneration of tourism zones in a sustainable, sensitive and creative manner. This will require an urban revitalisation approach, combining elements of town centre management, community planning and urban regeneration, to maximise available resources. Encourage voluntary partnerships to improve local areas and make them more attractive to tourists.

F. Revise planning and building laws, guidelines and policies to promote aesthetic and green principles of construction at the design stage. Develop retrofitting guidelines and embed technology to make towns cleaner, safer, and more sustainable.

G. When granting permits, make sure the interpretation of policies respects environmental principles and sustainable practices. Ensure that environmental NGOs have access to justice in environmental decision making.

H. Grant the newly established Building and Construction Agency the power to monitor compliance with relevant laws, throughout the construction, lifetime and decommissioning of buildings.

I. Establish robust and measurable building and construction standards to safeguard quality in construction, protect residents' and workers' health and safety, achieve energy and resource efficiency, and address related pollution¹⁶. Introduce licences and specialised warrants for construction activities, audits and inspections to confirm works align to permit conditions, safety, employment and other regulations contained within the National Building Code¹⁷, which is being established by Malta's new Building and Construction Agency.

¹⁵ In 2020, the government launched a comprehensive review of the 2015 Strategic Plan for the Environment and Development, a process which is expected to take three years. It also created an Intelligent Planning Forum, which brings together key development, planning, and environment stakeholders to identify short- and long-term actions for smarter, more sustainable planning.

¹⁶ Malta's Long-Term Renovation Strategy 2050 provides a number of schemes and plans for more energy-efficient use of buildings to support the decarbonisation of building stock. The Climate Action Board has set up a stakeholder dialogue group to support related initiatives.

¹⁷ The National Building Code will set out minimum standards for the building and construction industry.



02

**HOW DO WE SUSTAIN
BUSINESS & EMPLOYMENT
AND DRIVE A STRONG
RECOVERY?**

5. FACILITATE BUSINESS INVESTMENT IN MALTA AND GOZO, ALONGSIDE GOVERNMENT SPENDING, TO SPUR ACTIVITIES THAT DRIVE COMPETITIVENESS, QUALITY, TRANSFORMATION AND SUSTAINABLE GROWTH. FOSTER A 'CAN DO' BUSINESS APPROACH AND SUPPORT OPENNESS TO INTERNATIONAL BUSINESS AND NEW NICHES.

Context

The COVID-19 pandemic created a deep economic shock, felt across most sectors of the economy. Despite extensive business-support measures from government, many companies still face severe financial difficulties and uncertainties, particularly those sectors that depend on tourism or on trade from large numbers of office-based workers. Nobody knows how long this crisis will last, or to what extent life and business will return to pre-COVID conditions.

Unprecedented levels of government financial support have kept many businesses afloat and thousands of workers employed. Some industrial companies altered their supply chains and started to offer new products and services, as global manufacturers moved their operations back to Europe. Digital technology enabled office-based staff to shift to remote working, while digital platforms enabled many businesses to start trading online. However, a lot of companies have struggled to adopt this technology, particularly micro enterprises (93.1% of all Maltese businesses¹⁸) which often do not have the necessary skills and capital.

The economic outlook crucially depends on the evolution of the pandemic and the restrictions necessary to contain it. Policy support at national and EU level will be crucial for the recovery¹⁹. On this front, the EU's Recovery and Resilience Facility, Green Deal and 2021-2027 budget share similar objectives - to shift economies towards a more sustainable and inclusive model, enabled by a broader adoption of digital and clean technologies (see page 32 for further details). Malta's economic policy and vision must be fully aligned to such a transition, entailing substantial transformation and investment on multiple fronts.

Organisations must be adaptable, agile and open to further change. Some structural shifts to sectors, job opportunities, manufacturing and working practices could last long beyond the pandemic. The strain on public finances will be long-lasting too. Hence it is critical that the country creates the right environment to mobilise private investment as we drive a strong and sustainable recovery while safeguarding the sustainability of public finances.

Looking ahead, Malta must seek to rebuild business confidence and drive a strong recovery through concerted investment. Critically, both the public and private sectors need to focus their attention on activities that boost competitiveness, improve quality, and enable businesses to transition to a more sustainable operational model. All types of organisations must consider the role of ecosystem partners to enhance their value chains.

18 -Malta SBA Fact Sheet (2019)

19 European Commission (2020). *Annual Sustainable Growth Strategy 2021*. COM(2020) 575 final

WHAT WILL MALTA DO?

A. Develop 'future industry' diagnostics and transformation roadmaps which focus businesses on post-COVID realities and guide their transformation activities towards new business, service and production models, technology and skills.

B. Safeguard the retention of current growth industries while cultivating the development of new niches, clusters and sectors and leverage international trade opportunities. Critically identify the strengths and unique characteristics that make Malta an attractive location for companies to operate from. Engage with key ecosystem stakeholders including banks, regulators and industry to develop new sectors in a cohesive way, aligned with Malta's Economic Vision.

C. Provide assistance to help organisations restart, reengineer and transform their operations through a revamped set of incentives.²⁰ Review and assess the suitability and fit of incentives schemes for modern-day business models and operations. Enhance outreach programmes and make it simpler and easier for firms to apply for support.

D. Launch incentives to encourage businesses to re-invest profits in sustainable and growth-enhancing projects, particularly those that aid the green and digital transition and create new jobs and opportunities.

E. Align budget spending, including capital project prioritisation, to sustainable activities with strong economic and social multipliers, in alignment with the UN's sustainable development goals. Earmark key sites for private-sector development for high-value added economic activities including research and development, educational activities and industrial use.

F. Regenerate and upgrade industrial zones²¹. Assess the viability of public-private partnership (PPP) models to increase industrial space vertically in conjunction with current tenants.

G. Assist and guide businesses and the public sector to leverage digital technologies and enhance productivity. Promote the use of digital platforms and shared services to help businesses, particularly small and micro enterprises, as well as the public sector, to outsource certain parts of the value chain such as e-commerce and delivery.

H. Continue to strengthen the business environment to give firms breathing space to restructure operations. Address legal and administrative gaps to support swifter dispute-resolution methods regarding recovery and insolvency matters.

I. Explore how a toolbox of recapitalisation instruments could be created to help support the restructuring of businesses post-pandemic such as through the conversion, restructuring and rescheduling of debt.

²⁰ A full list of the schemes offered by Malta Enterprise are available at: <https://covid19.maltaenterprise.com/regeneration-initiatives>. Schemes include cash grants of up to €50,000 for eligible investments under the Smart and Sustainable Investment Scheme 2021; up to €10,000 of funding for business advisory consultancy under Restart Incentive Scheme 2021; and up to €10,000 of funding for business transformation and reengineering activities under the Change to Grow 2021 Scheme.

²¹ INDIS Malta, previously known as Malta Industrial Parks (MIP), the company responsible for the administration of the government-owned industrial estates and related facilities around the islands, launched a €470m investment programme in November 2020 to create additional space for industrial, knowledge intensive and start-up facilities and upgrade and regenerate existing industrial zones.

6. REFOCUS AND INTEGRATE EDUCATION, LABOUR AND ECONOMIC POLICY TO UNDERPIN SOCIAL AND ECONOMIC REVIVAL, TRANSFORMATION, INNOVATION, WELLBEING AND SUSTAINABLE GROWTH.

Context

Malta, like many other countries across the world, faces a pressing challenge to equip its workforce with the right skills for the economy of today and tomorrow. A strong set of interconnected policies spanning education, skills, migration and industry is required in order to maintain Malta's competitiveness and attractiveness, leading to continued sustainable growth and improved wellbeing for all.

Various trends that were already prevalent before the pandemic, such as the rise in automation, AI and other technologies, have rapidly accelerated over the past year, with organisations reinventing their production, service and business models. Supply-chain reconfigurations, particularly the rise in nearshoring and reshoring, together with significant disruption to the tourism and travel industry, are likely to result in a rebalancing of demand for certain jobs in certain locations, including Malta, with repercussions that may last long beyond the pandemic. Meanwhile, the adoption of remote working practices, and many companies' commitments to continue such practices, look set to drive further structural change to global job markets.

The pandemic has acted as a spur to address long-term, underlying issues, such as Malta's skills shortage across most economic sectors. In the five years prior to the pandemic, many industries including gaming, manufacturing, tourism, financial and professional services and construction grew at unprecedented rates.

The government has so far adopted a pragmatic approach to plug skills shortages. These efforts have largely focused on importing talent, facilitated through fast-track visa schemes for third-country nationals, and the creation of special income-tax schemes for highly qualified professionals in certain industries. While effective, these schemes have also had certain unwanted consequences, such as wage depression and an unequal playing field between local and international experts. And rapid population growth due to labour importation has raised pressure on housing, education, health, waste and infrastructure, requiring government to focus resources and investment on remediation activities rather than productive investment, while generating downwards pressure on wages in certain professions. The government recognises these challenges and is in the process of drafting a new Employment Policy which will be launched later in 2021.

This necessitates more cohesive planning to align the supply and demand for labour with economic policy. Education needs to be refocused towards creating a critical mass of skilled workers. This may require deep reforms to address problems such as the fact that less than 50% of secondary school pupils currently obtain the necessary grades to progress to sixth form²². Not every student is suited to higher academic learning, however, and Malta has seen a continuous investment in vocational education and training (VET) over the past decade. The introduction of new applied and vocational subjects and learning pathways have played an important role in creating career options for all types of students. Such frameworks require close monitoring and collaboration with industry to ensure programmes are aligned with industry needs.

22 University of Malta MATSEC Examinations (2021). *Statistical Report Secondary Education Certificate Examinations 2020*

WHAT WILL MALTA DO?

A. Integrate education, employment and skills policies. Establish and monitor how the demand for skills is evolving within different industries and clusters, as well as the changing skill sets needed for certain jobs and create coherent alignment with education, skills, employment (including immigration) and economic policy.

B. Refocus education to give precedence to skills development. Concentrate on problem solving, critical thinking, communication and creativity, with a strong STEM and digital underpinning. Establish a cross-party, multi-stakeholder review of educational curricula and teaching methodologies, in collaboration with educators, industry leaders and students, to cultivate the technical and soft skills required for tomorrow's workforce.

C. Modernise and enhance career guidance frameworks to highlight new opportunities and emerging technologies while simultaneously challenging gender stereotypes related to specific industries, professions and career paths.

D. Institutionalise reskilling, upskilling and lifelong learning programmes through coordinated action with industry, unions and business chambers to improve Malta's capacity to innovate and give workers the skills and competencies they need to unlock higher-paid and value-adding jobs. Make sure programmes and related funding are accessible to all, including people with disabilities, and flexible to maximise participation among those who generally have limited free time due to work and family commitments. Introduce short online courses for a wide range of sectors, building on the success of the e-learning training scheme for tourism launched during the pandemic²³.

E. Widen government sponsored apprenticeship, internship and traineeship schemes to support people entering the labour market and those seeking work or looking to change career.

F. Broaden the pool of specialist human resources in the local market. Consider incentives (for example via the tax system) to encourage students to pursue tertiary and post-graduate education in fields with particular skills shortages and high demand from employers, alongside the continuation of successful skill-based labour mobility schemes to attract foreign workers. Launch programmes to attract highly skilled Maltese nationals working overseas back to the country.

G. Mobilise elderly members of society who choose to continue working past retirement age. Leverage their experience for training and knowledge-transfer programmes. Explore how to get elderly members of society more involved in mentorship programmes for entrepreneurs.

H. Establish Malta as an international hub for high-quality education. Create educational partnerships with key foreign direct investment (FDI) companies and explore Brexit-related opportunities through partnership programmes with highly-ranked tertiary educational providers. Launch programmes to attract international post-doctoral researchers who will become the next generation of leaders in their particular fields.

I. Strengthen equitable after-school support for all children, to inspire learning and better educational attainment, particularly among those who are underperforming. Continue to build on investments in digital tools which enable students to access lessons and materials beyond the classroom and pilot new after-school extra curricular programmes.

J. Upgrade employment legislation and frameworks to attract and support new forms of work, including remote and hybrid models. Clarify permanent establishment tax triggers²⁴ and launch an attractive home-schooling framework to enhance Malta's appeal to digital nomads, marketing the country for such purposes once these are in place. Ensure that freelance and agency workers are appropriately protected under labour legislation.

²³ The Ministry for Tourism and Consumer Protection, together with the Malta Tourism Authority, offers free online training in a wide range of skills needed by the tourism industry. In total, 300 accredited courses and around 750 short courses including language courses are available, with a budget to support the training needs of 25,000 – 30,000 workers.

²⁴ Foreign enterprises which seek to employ Malta-based remote employees are faced with uncertainty regarding potential corporate tax exposures in Malta. This also holds for self-employed individuals who work from Malta for a number of months. The introduction of clearer source taxation rules, together with guidance on thresholds which must be exceeded for a tax exposure to arise, should provide foreign enterprises and entrepreneurs with clarity.

7. ACCELERATE GREEN ECONOMIC TRANSITION AND INVESTMENT AS A FOCAL POINT IN MALTA'S PLAN TOWARDS CARBON NEUTRALITY BY 2050; PROGRESS THE UN'S SUSTAINABLE DEVELOPMENT GOALS; FOSTER A CIRCULAR ECONOMY; AND IMPLEMENT THE EU GREEN DEAL IN ORDER TO CHANGE MINDSETS AND DELIVER NEW GREEN JOBS AND INNOVATION.

Context

The NPPS presents a unique opportunity to actively support Malta's green economic transition. This transition will be launched by the Low Carbon Development Strategy (LCDS), which presents a pathway to achieving carbon neutrality by 2050. Despite Malta's keen ambitions in this area, there are many inherent challenges to reducing emissions. Malta is a small island nation without carbon sink potential, and is constrained by a range of other market-related factors such as a lack of economies of scale and a reliance on imported technology. The NPPS will support the LCDS so that the efforts of individual sectors can contribute to the national carbon neutrality target by 2050, in line with Europe's ambition to become the first continent to achieve this status²⁵. The European Green Deal presents the framework by which EU Member States, including Malta, can achieve the green transition and reach such goals. It focuses on green growth and the efficient use of resources by moving to a clean, circular economy, while simultaneously restoring biodiversity and curbing pollution.

Malta ranks 32nd out of 166 countries in the UN's sustainable development goals (SDG) index²⁶. Following the transition to gas for power generation, areas for improvement include renewable energy generation, particularly from offshore, and reduction in greenhouse gas emissions from the transport and other sectors. Further areas of environmental concern include sustainable land use, responsible production and consumption, and making our cities and communities sustainable. The area of affordable and clean energy is marked as achieved, thanks to the government's initiatives to decarbonise the grid and invest in renewables; nevertheless, we have committed to further action on reducing greenhouse gas emissions and increasing the share of renewable energy.

To help repair the economic and social damage caused by the pandemic, and to make European economies and societies more sustainable and resilient, the European Commission, the European Parliament and EU leaders have agreed on a €750b temporary recovery instrument. Ninety percent of this funding will be channelled through the EU Recovery and Resilience Facility²⁷. A minimum of 37% of national programme investments will support climate change objectives. Malta is in the process of finalising its local recovery and resilience plan, the main pillars of which will cover investments in energy efficiency, the circular economy, decarbonisation of transport, digitalisation, education and the institutional framework. The new 2021-2027 EU Budget will also link a substantial proportion of funding to green projects.

Malta will shortly launch a 2050 low carbon development strategy focusing on achieving carbon neutrality in transport, energy, and buildings - the three areas that produce the largest share of greenhouse gases on the island. Taken together, our recovery and resilience plan and our low carbon development strategy are expected to mobilise significant levels of local private investment. Green finance, energy and infrastructure, carbon tech, bio-conservation and eco-tourism all present sizable opportunities to develop our innovation capabilities, mitigate the effects of climate change, create sustainable jobs and improve quality of life for residents. Gozo has a vital role to play in serving as a test bed where ideas can be piloted, for potential future scalability.

25 European Commission (2019). *A European Green Deal*

26 Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. (2020). *The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020*. Cambridge: Cambridge University Press

27 https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

WHAT WILL MALTA DO?

A. Work towards the achievement of carbon neutrality within government in order to lead by example, inspire others and act in partnership with the private sector, local councils and citizens. This process will be driven by the low carbon development strategy which will be launched in the coming weeks.

B. Keep up the pace on decarbonisation by 2050 across all sectors, through investment in more renewable sources of energy, particularly offshore. Further incentivise and nudge behavioural change so that businesses, industry and households adopt more energy-efficient practices.

C. Expand investments in energy infrastructure to help reduce greenhouse gases and air pollution from our roads and ports. Provide incentives for people to use public transport and install electric vehicle charging infrastructure and ship-to-shore energy supply.

D. Develop policy to direct the construction industry to adopt more energy-efficient practices and move towards zero emissions. Reduce building waste with the right supporting infrastructure. Promote the use of energy-efficient designs and building materials and incentivise the re-use and recycling of materials.

E. Prompt citizens and businesses to change attitudes and behaviour regarding the green transition and sustainability efforts. Inspire Malta's residents to lead the charge for a better environment. Help corporates become more sustainable by rewarding early voluntary ESG actions and disclosures.

F. Develop Gozo into a hub to pilot green and carbon-tech solutions that also create jobs, spur investment and innovation, and incubate environmentally friendly tourism. Support the island in its ambition to become carbon neutral before Malta.

G. Further develop a legal and regulatory framework to accelerate sustainable finance to support the process of decarbonisation and the implementation of the green economic transition. Support the development of a green finance market for carbon offset/credit trading.

H. Catalyse funding and support for community environmental projects. Promote institutional, corporate and citizen investment in environmental projects. Explore the issuing of sovereign green bonds²⁸, alongside the incentivisation of corporate green bonds, and support the setting-up of green investment funds.

I. Finance research grants for the development of sustainable technologies and circularity practices. Ensure schools and tertiary education institutions equip Malta's future talent pool with the knowledge and skills they need for green jobs.

²⁸ A green bond is a type of fixed-income instrument that is earmarked to raise money for climate and environmental projects. A blue bond focuses on projects to conserve and sustainably use the ocean, seas and marine resources.

8. CHANNEL GOVERNMENT RESOURCES AND MAINSTREAM POLICY TO DRIVE INNOVATION AND FOCUS ON OUTCOMES. ADDRESS CRITICAL BLOCKERS THAT HAMPER INNOVATION AND ACCELERATE PRIVATE ENTERPRISE IN START-UPS, AS WELL AS INDUSTRY-DRIVEN R&D AND KNOWLEDGE CLUSTERS.

Context

The pandemic led to a surge in scientific research and innovation. We have seen a whole range of breakthroughs, from virus-tracking to new treatments, diagnostics and vaccines, while AI helped to recreate the virus's genome sequence and 3D printing helped produce PPE and ventilators.

Stimulating and sustaining investment in innovation is a critical part of Malta's post-pandemic strategy. Government can play a key role, particularly if it adopts a mission-oriented approach, focused on solving big, concrete problems that matter to people²⁹. This approach can include policy direction, infrastructure development, and the allocation of resources to crowd-in private investment and galvanise citizens and business to harness innovation to address national challenges.

Start-ups play a key part in most economies and are central to Malta's innovation strategy. Harnessing their potential requires us to build a stronger ecosystem, increase STEM-related talent pools, enhance access to risk capital and create a more entrepreneurial culture. The appetite is certainly there: a 2020 study of Malta's younger generations found that 60% of 16 to 24-year-olds (Gen-Z) would rather be entrepreneurs than employees, compared with just 39% of 25 to 39-year-olds (Millennials)³⁰.

Malta's small size also creates some further challenges which may have hampered digital innovation and which need to be overcome, such as a lack of data availability, funding and economies of scale. Although the country is bilingual, 88% of nationals have Maltese as their first language. Further investment is needed in digital Maltese-language tools and resources to enable computers to process and generate Maltese text and speech. Speech-driven devices can be particularly helpful in enabling the elderly to use digital technology, allowing users to perform tasks simply by talking.

Malta needs to foster a stronger research and innovation output in both academia and industry. Limited funding for academic research projects is often cited as a key challenge by researchers, alongside other barriers such as scarce resources and time, fragmentation and internal competition³¹. There is also an opportunity for Malta to better harness its strong industrial base to drive forward research and innovation in specific sectors. Meanwhile, the country's small size can be a big selling point for companies looking to try out new ideas and technology. The country's national AI strategy sets out a vision for Malta to become an ideal location to pilot technology and applied research which, once proven, can be scaled internationally. This vision resonates with many sectors and will be an area of national focus looking ahead.

29 Muzzacato, M (2019). *Governing Missions in the European Union*. Independent expert report for the European Commission

30 EY (2020). *Generations rising: The pulse of Malta's future generations – Generate 2020*

31 Levikov, N., Quacinella, D., Duca, E. (2020). *Embedding RRI in a Higher Education Institution: Lessons learned from Malta*, University of Malta

WHAT WILL MALTA DO?

A. Construct the innovation agenda around challenge- or mission-led policy frameworks³², geared to solving concrete problems that matter to Maltese society and that deliver clear outcomes. Foster public-private collaboration and increase innovation funding to ensure budgets are aligned with ambitions.

B. Make innovation and design a central component of policy and regulatory frameworks. Expand investments in data, technology and regulatory sandboxes to facilitate the development of new products and services. Explore how patent support can be further enhanced.

C. Strengthen government innovation capabilities through investments in specialised human resource capabilities. Develop clear guidance and implement EU procurement frameworks for innovation to ensure that procurement is not an obstacle to innovation.

D. Address critical infrastructure barriers to innovation. Set clear targets for the roll-out of digital Maltese-language tools and make them freely available under open-source licences. Help citizens, business and public-sector organisations better harness data by expanding open data sets, further investing in big data capabilities, and creating hubs to drive the re-use of data and digital assets in other settings.

E. Amplify start-up support and investment to create a sustainable pipeline of anchor companies that can build and scale in Malta and sell to the global market. Tap fiscal policy to attract more private investment into start-up businesses. Launch the announced government co-investment/venture capital fund³³ to increase funding support³⁴. Strengthen and expand mentoring and support facilities, including incubators and accelerators.

F. Develop specialist R&D and design clusters in partnership with industry. Strengthen cooperation between public entities and agencies, industry and educational institutions to create a coherent shared focus.

G. Help organisations, researchers and start-ups access complex funding programmes at local and European levels. Assess the level and comprehensiveness of funding and transparency of research and innovation schemes. Strengthen networks with international universities to enhance the pool of available funding and expertise for local academic research.

H. Incubate a culture of appreciation for science across the country and make it accessible to all. Support the distillation of complex information by translating key findings into simple narratives and data visualisations that help the public understand, engage with and act on information. Create a platform for promotion, communication and public engagement.

³² Missions are “high-ambition, high-profile initiatives which will put forward concrete solutions to challenges facing European citizens and society” (Horizon Europe, 2020)

³³ The Malta National Artificial Intelligence Strategy seeks to establish an investment fund to provide equity-based risk capital to start-ups and scale-ups. The Malta 2021 Budget included funding for the establishment of a national venture capital fund.

³⁴ Malta Enterprise runs a number of programmes which provide financing for start-ups. Eligible enterprises may be able to access up to €200,000 of funding under the BStart 2021 Scheme and up to €800,000 of funding under the Start-Up Finance Scheme.



03

**HOW DO WE REMAIN
RESILIENT & COMPETITIVE?**

9. STRENGTHEN AND PRIORITISE A COMPLIANCE AND ENFORCEMENT CULTURE. NURTURE A NATIONAL CONSCIENCE BUILT ON PURPOSE, PUBLIC INTEREST, GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY.

Context

Collective responsibility is essential in addressing national challenges. COVID-19 has emphasised how important it is that society works together to follow regulations developed in the common interest, and how breaking those rules can result in harmful unintended consequences for others. Parallels can be drawn from this event to other issues Malta faces, including its obligations to abide by laws and regulations that are there to benefit wider society.

The pandemic has put an unprecedented level of pressure on much of our business community and workforce. The alleviation of this hardship could not have been achieved without a powerful sense of collective responsibility and the ability of government to direct public funds to those most in need. This has brought into sharp focus the responsibility we all have towards fiscal discipline, good governance, the efficient use of public resources and the taxes needed to fund them. Furthermore, it is evident that the sustainability of public finances is an important pre-condition for the support of public expenditure programmes and investments.

While a number of advances have been made to improve national governance principles and structures, more can be done to ensure that all businesses and citizens abide by tax regulations, respect and follow the laws of the country, and pursue what is right and in the public interest. This is fundamental in various aspects of our life – ranging from fiscal compliance, the way we interact with each other, civic responsibility, protecting the vulnerable in our society, and the type of business ventures that are pursued, to name but a few.

The country also faces challenges regarding how we can compete and attract foreign investment, how we can tackle backlogs in our criminal justice system, and how we can improve transparency and accountability across various institutions and levels of society.

The need to optimise the use of our resources (financial, human, natural and environmental, among others), reduce leakages and establish a clear collective responsibility in the way we live our lives has never been more evident. Malta needs to nurture a national conscience and culture that is focused on doing what is right, rooted in common purpose and public interest, and supported by strong action to drive accountability and personal responsibility. Education, together with sustained investment in enforcement and stronger governance structures, will be paramount in shaping the path towards a better future.

WHAT WILL MALTA DO?

A. Continue to strengthen governance and enforcement structures. Foster transparency and accountability in our regulatory, fiscal, judicial, investigative and law enforcement institutions to ensure they operate autonomously and without interference. Continue to support the build up of intelligence services, resources and technologies to ensure anti-money laundering (AML) and combating the financing of terrorism (CFT) obligations are rigorously enforced to safeguard Malta's international reputation and economy.

B. Drive collective responsibility around the good governance agenda. Establish clear objectives which society can aspire to as a moral compass and enhance the focus on ethics and ethical behaviour in our education system and among professionals. Explore the setting-up of a behavioural science or 'nudge' unit to guide policy on ways to help people make better choices in their own interests.

C. Step up the fight against tax evasion and the shadow economy as a key pillar of sustainable public finances beyond the pandemic. Deploy technology to proactively identify leakages and fraud. Incentivise the use of electronic payments as an alternative to cash in a way which benefits both consumers and businesses.

D. Secure Malta's international reputation through positive actions and showcase our achievements in responding to the pandemic. Harness the country's size to deploy digital and green technologies to make a meaningful impact on citizens' way of life, which other countries look to follow. Continue to focus on governance matters. Foster engagement with business and society around Malta's positive attributes and strengthen dialogue with our EU and international partners and leverage our historically strong links with the UK. Share best practice and the expertise Malta has developed with other small-island states and engage on the special realities and vulnerabilities such countries face.

E. Bolster the use of data and evidence in policy-making. Enhance the way we collect and share information between government ministries, agencies, NGOs and the public to enable all decision makers to refer to a shared fact base. Increase transparency and accountability on progress and outcomes.

F. Enhance whole-of-government coordination to ensure sectoral priorities are aligned with national and international policies. Encourage formal governance arrangements that foster and enhance communication between ministries, and with wider society.

G. Continue to develop a national wellbeing framework, which measures and monitors a wider set of indicators in addition to GDP. Use this framework to track national progress in a holistic manner, building on work led by social partners, the business community and academia^{35 36}.

H. Explore how social impact assessments (SIAs) can be introduced more widely across policy making, legislation, investment and development projects to enhance the process of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions and any social change processes invoked by those interventions. Develop clear national guidelines on how and when SIAs should be carried out.

I. Continue to invest in and modernise the justice system with a view to improving its efficiency, accessibility and timeliness. Embed digital technology to increase efficiency. Provide the human resources needed to tackle backlogs.

J. Focus on the long-term development of a holistic set of attributes that Malta can build on to attract foreign direct investment, strengthen the local economy and enhance societal wellbeing.

35 In 2020, the Justice and Peace Commission within the Curia, with the support of a number of partners, launched *Beyond GDP*, a piece of research and recommendations on how Malta can adopt a more holistic approach towards measuring the country's success and wellbeing.

36 The Malta Foundation for the Wellbeing of Society and the University of Malta announced the launch of a project to develop a Malta Wellbeing Index in 2020. The project will include the identification of indicators, the set-up of a network of researchers and stakeholders, the design of data-collection instruments and collection of data among children and adults.

10. SUPPORT INVESTMENT IN DIGITAL INFRASTRUCTURE, SKILLS AND SERVICES. CLOSE THE DIGITAL DIVIDE TO ENSURE ALL MEMBERS OF SOCIETY AND ALL TYPES OF BUSINESS ARE FULLY ABLE TO EMBRACE DIGITAL TECHNOLOGY TO IMPROVE THE WAY WE LIVE AND WORK.

Context

The pandemic has heightened the importance of digital technology, not just as an avenue for economic growth, but also as a means to build inclusion and wellbeing in society. If we seize the opportunity now, the Maltese islands can emerge from the pandemic stronger, more flexible, and with better global connectivity than ever before.

The periods of quasi-lockdown created an opportunity for many to embrace technology. However, they also highlighted the significant disparities that exist in terms of digital access and skills among the Maltese population. Tackling this issue is fundamental to ensure an inclusive, equitable society and a competitive economy. Communities and groups that cannot use modern technology are likely to experience disadvantages in many areas of life, from education, employment and earning opportunities to social interaction and access to services.

At the onset of the pandemic, the problems resulting from the digital divide within low-income households were quickly recognised, and the government stepped in to loan digital devices and provide internet access – primarily to ensure that children were able to attend online classes.

Many elderly citizens had to shield during the pandemic. To overcome loneliness and isolation, many learned basic digital skills, and acquired or started to use digital devices in new ways, enabling them to stay connected to their families and friends. Some also accessed digital services such as telehealth that they would have never considered before. This newfound digital competence lays the groundwork for Malta to introduce digital health technology to support assisted living. However, while these developments are positive, the majority of elderly people still lack such skills.

The shift to remote working presents a wealth of new employment opportunities for residents, since physical presence in a certain location will no longer be essential. This may help people to juggle family responsibilities as well as reducing the amount of time they have to spend on commuting and travel. Virtual working may also serve to attract remote workers and digital nomads to Malta's shores while bringing additional benefits such as reduced traffic and pollution.

WHAT WILL MALTA DO?

A. Guarantee that digital is accessible to all members of society. Bolster schemes which address affordability issues relating to device access and high-speed connectivity.

B. Launch a structured programme to digitally upskill the nation's adults with a special focus on the elderly. Leverage community networks (family, friends, neighbours, parishes and local clubs) and businesses to drive outreach and boost uptake.

C. Review and update all relevant legislation to make sure it reflects the present and future realities of digitalisation and its impact on the various domains of life.

D. Publish service-design standards to guide usability, experience and accessibility of digital services. Involve segments such as the elderly and people with disabilities in the design and testing of public services. Implement digital accessibility standards across all e-gov services and platforms.

E. Support investment in digital infrastructure and free national public wi-fi. Prioritise connectivity resilience through additional submarine cables linking the Maltese islands to different parts of the world. Invest in cyber security, data centres and the implementation of cutting-edge connectivity and network technologies, including 5G.

F. Expand the use of digital technology across public service delivery to boost effectiveness, access and financial sustainability. Deploy emerging technologies such as robotic process automation (RPA) to handle high-volume standardised processes; blockchain to increase trust; and artificial intelligence (AI) to improve services. Accelerate efforts to modernise public-sector core IT systems and increase interoperability.

G. Use digital technologies to relieve the administrative burden on citizens and businesses. Implement enabling infrastructure and awareness campaigns to drive nationwide adoption of electronic signatures and contracts. Launch end-to-end digital public services and digital portals for businesses and citizens.

H. Ensure national readiness to exploit the opportunities that will arise from data. Introduce 'once-only' digital principles to ensure users do not need to re-enter information that government already holds. Empower citizens to directly manage their digital personal data, with the ability to grant permission and revoke access.

I. Create the infrastructure for remote working to thrive. Support investment in high-quality local co-working spaces in Malta and Gozo and develop guidance and policies to support flexible, hybrid and remote-working practices.

11. FOSTER THE SAFEGUARDING OF NATURAL ASSETS. FOCUS ON SYSTEMATIC EDUCATION, CONSERVATION AND THE TRANSITION TOWARDS A MORE SUSTAINABLE WAY OF LIVING IN HARMONY WITH THE ENVIRONMENT FOR THE BENEFIT OF CURRENT AND FUTURE GENERATIONS.

Context

Throughout the pandemic, nature, green spaces and the outdoors provided a source of relief, relaxation and happiness to most members of Maltese society. Many walked, cycled, paddled and explored parts of the island that they had never previously visited, and engaged with nature with a new sense of purpose.

Malta has a unique natural landscape and a rich built environment that ranges from prehistoric temples to fortified cities, making our island a magnet for tourists. Our seas are a source of biodiversity and opportunity that we have yet to truly harness. Yet all these assets are under threat from rapid population growth, a tourism boom, over-development and pollution. The environment topped a list of concerns raised during a public consultation in 2020 on the reform of Malta's Constitution, with concerns also raised about safeguarding cultural heritage³⁷.

Balancing the requirements of our economy with the need to protect our surroundings has been a pressing challenge for Malta for many years. The Ombudsman's Opinion on the State of the Environment Report 2018³⁸ identified a number of pressing problems needing to be addressed, including over-reliance on private car use; noise and air pollution; soil erosion; inefficient management of resources and waste disposal; the presence of nitrate in groundwater and mercury in marine waters; marine litter and micro-plastics; and overfishing.

A central plank of our post-COVID recovery plans must be an investment in tackling these problems and preserving Malta's natural assets. Work on this front had already started prior to the pandemic and the government is in the process of developing a National Strategy for the Environment, underpinned by a Vision for 2050 and strategic framework based on 'wellbeing first'³⁹.

Coupled with other targeted strategies⁴⁰, policies and regulations, this framework gives Malta a prime opportunity to strengthen its environmental resources, at a time when public appreciation of natural assets has never been higher. To achieve the desired shift, we need to learn from the spirit of the partnership that has been evident across the pandemic and bring together research, government policy, the private sector and society to collectively advance the sustainability agenda. We need to consider the impact of certain actions more holistically and look at how we can harness Malta's natural assets for shared prosperity and the wellbeing of current and future generations.

37 Public consultation on Reform of the Constitution. As reported in <https://timesofmalta.com/articles/view/environment-tops-public-concerns-in-consultation-on-constitution.824104>

38 Ombudsman - Commissioner for Environment and Planning (2018). *Opinion on the State of the Environment Report 2018*

39 Environmental Resources Authority (2020). *Wellbeing First - A Vision for Malta's Environment National Strategy for the Environment for 2050 (Final - November 2020)*

40 Such strategies include Malta's National Biodiversity Strategy and Action Plan and Malta's National Air Pollution Control Programme.

WHAT WILL MALTA DO?

A. Promote collective action across society to instil behavioural change to take better care of Malta's natural assets and environment. Expand teaching on nature conservation and environmental issues in schools to encourage Malta's young people to drive a change in the mindset and behaviours of older members of society. Expand physical and digital on-location signage to promote wider awareness.

B. Strengthen the local knowledge base and inventory of environmental resources, including the National Database on Biodiversity and Natural Habitats. Incubate a robust research base in marine sciences and agricultural technology to ensure sustainable ecosystem services.

C. Safeguard and harness Malta's heritage assets as a sustainable economic driver. Make eco-tourism and heritage key elements of Malta's tourist offering, including our agricultural heritage and the farm-to-fork experience. Continue to channel funds into the restoration and renovation of historic assets, sites and monuments.

D. Develop a clear strategy for the use and protection of core tourism infrastructure including beaches, cultural sites, museums, parks and mass entertainment zones. Supplement the long-term redevelopment and regeneration of Malta's tourism infrastructure with an improvement in the quality of tourism services and an enhancement of public areas.

E. Mobilise citizens and businesses to engage in remedial behaviour and join environmental protection, conservation and clean-up activities. Provide data and monitoring tools to help the country better understand the impact of activities on the environment.

F. Bolster enforcement resources to better protect important natural areas⁴¹. Increase capacity and expand training to local law enforcement units to carry out necessary inspections.

G. Introduce, link and publish environmental, social and corporate governance (ESG) reporting and key performance indicators across government including local councils to provide transparent information to citizens on priorities and progress.

H. Carry out regular vulnerability and risk assessments to create early warning systems which mitigate against environmental disasters and climate change.

I. Regulate and enforce noise, soil, air and marine pollution parameters in order to improve social wellbeing, quality of life, and individuals' mental and physical health.

⁴¹ Important natural areas include: areas of ecological importance, sites of scientific importance, areas of high landscape value, bird sanctuaries, nature reserves, special areas of conservation, special protection areas and tree protection areas.

12. REINFORCE DISASTER RECOVERY PREPAREDNESS, CRITICAL CAPABILITIES AND ECOSYSTEMS TO ENHANCE RESILIENCE. ENSURE THE AVAILABILITY OF CRITICAL PHYSICAL AND SOCIAL INFRASTRUCTURE SUCH AS FOOD, WATER, ENERGY AND HEALTH AS WELL AS DIGITAL, AIR AND SEA CONNECTIVITY.

Context

Malta's vulnerabilities as a small island nation with limited natural resources and a dependence on the outside world for food, supplies and connectivity were highlighted when much of the world closed its borders and went into lockdown at the beginning of the pandemic. It is important that we use the crisis as a unique opportunity to learn valuable lessons and take action to increase Malta's resilience to critical shocks and disasters.

Over the years, Malta has invested heavily in infrastructure across various sectors including education, energy and utilities, health and transport. The ongoing modernisation and upkeep of critical infrastructure is crucial to sustain the wellbeing of the population and maintain our competitiveness and economic resilience. We also need stronger critical local infrastructure and better disaster recovery preparedness to ensure we are well placed to respond to future threats.

As in many countries, the Maltese government has often turned to the private sector and to alternative financing models to help meet the challenge of funding infrastructure projects. COVID-19 has only added to the strain on public finances, accelerating the need to explore other financing options. Accordingly, Malta needs to ensure that it receives value for money from private partners, while offering a clear, attractive and transparent framework for investors to participate in national projects effectively.

To ensure the Maltese Islands' resilience and competitiveness, different areas need to be considered:

Air connectivity: The pandemic has significantly eroded our air connectivity. A number of airlines ceased flights to Malta, and we also lost certain routes that are important for cargo and non-passenger transportation. Re-establishing these services is a must; their absence damages our economy, which is significantly dependent on tourism and international business, as well as our supply chains, which provide the country with food, critical supplies, products and industrial components.

Sea connectivity: Shipping and transportation companies are critical in ensuring an adequate supply of essential goods such as food and medicine. These facilities must be preserved and modernised. Furthermore, the use of fast ferry services around the Maltese islands may in part alleviate the demand on the road network and contribute towards modal transport shifts in line with national transport objectives.

Energy: The country meets part of its energy needs by investing in various projects including an energy interconnector to Europe, liquid natural gas (LNG) plants, and renewables. Further connectivity and investment in renewable energy sources will be important, especially the potential to exploit offshore renewable energy to replace dependency on imported energy and instead aim at exporting renewables to the European grid.

Water treatment and irrigation: Malta has developed a leading water-management policy that is comprehensive and has zero impact. We must ensure security of water supply is maintained in the face of increased economic activity, population growth and climate change. Desalination and the production of new water must remain sustainable and energy efficient.

Waste treatment: The development of adequate waste treatment and recycling facilities needs to be fully aligned with the country's needs and with the long-term outlook on demographic and business shifts. Malta should ensure it maintains its leading track record in treating sewage before effluent is discharged at sea.

Food: Malta is dependent on food imports and future population growth will place additional pressure on an already strained system. Food security needs to be improved, and the potential of investing in local produce for this purpose should be considered as a possible source of economic diversification. Recent rent-regulation reforms may further threaten the financial sustainability of farming, a sector already under threat due to a variety of factors including limited agricultural land, a lack of natural resources and a shrinking number of young farmers⁴². There is a clear need to protect and bolster local food production to enhance resilience.

Health: The robustness of Malta's health sector has played a critical role in minimising the impact of COVID-19 across the country, from both a health and an economic perspective. Malta must continue to ensure sufficient capacity of health workers, medicines, vaccines, supplies and equipment to respond to this evolving crisis as well as future unknown disasters. We must also continue to argue for the concept of joint procurement at EU level.

Digital: The role of digital technologies in the proper functioning of critical aspects of our life cannot be overstated. While Malta enjoys a number of digital/telecommunication connectivity options, it is important to take a long-term view and ensure we remain well served on the technology front, to guarantee future resilience and competitiveness.

42 European Commission (2020). *Commission recommendations for Malta's CAP strategic plan*

WHAT WILL MALTA DO?

A. Strengthen foresight and anticipatory governance capabilities across governance architecture, including policy analysis, engagement and decision-making resources to anticipate developments, better prepare for change and create a strong organisational immune system.

B. Enhance disaster recovery capabilities, training, redundancy and investment to safeguard against large-scale shocks. Explore how an emergency reserve could be enlisted, potentially tapping pools of retired professionals, which could be brought in to support with specific situations and be continuously trained in emergency preparedness.

C. Continue to participate in EU Joint Procurement initiatives which support public health and serious cross-border threat preparedness. Seek EU support /waivers to diversify importation of medicines from across EU to decrease reliance on single markets. Encourage local industry to consider manufacturing personal protective equipment (PPE) to decrease dependence on international markets.

D. Focus on restoring public finances which have been affected by the unprecedented levels of support provided to workers and businesses. Sustain the National Development and Social Fund (NDSF) over the medium term to assist the government in its endeavours to help and support society and businesses.

E. Create a framework for the setting-up and financing of a disaster recovery fund which can be tapped when exceptional and critical events occur. Quantify the amount of financing needed and determine the most effective financing mechanisms, including the potential mix of mandatory and voluntary sources of funding. Support the initiative with clear and transparent principles governing how the fund can be accessed, the prioritisation of beneficiaries, and the thresholds and triggers to release funding.

F. Establish long-term plans for Malta's connectivity in terms of sea, land, air, energy and data/digital needs. The plan should cater for adequate redundancy to ensure critical resources and infrastructure are safeguarded.

G. Invest in innovative renewable and clean-energy sources to reduce reliance on external providers, while at the same time developing more sustainable and environmentally friendly approaches to our national energy mix.

H. Strengthen the resilience of Malta's local food supply. Safeguard Malta's farmland via specific measures aimed at supporting farmers to maintain tenure over privately-owned land; introduce pest-resistant and climate-adapted breeds and varieties, digitalisation, and agricultural technologies; and access new markets, distribution channels and online sales platforms. Support the shift towards sustainable forms of farming with special emphasis on organic production, animal welfare, and food that is free from pesticides and antimicrobials through R&I investment and farm advisory services. Invest in the development of the agri-food industry with initiatives for food labelling and certification, processing and low food-mileage products.

I. Develop a long-term infrastructure investment plan based on a detailed infrastructure gap analysis and social and economic impact assessment. Ensure funding and resources are allocated efficiently to fill key infrastructural gaps and sustain future economic benefits.

J. Revisit and modernise Malta's public-private partnership (PPP) regulations to facilitate collaboration with private-sector and international investors in a clear and transparent manner, especially in relation to long-term infrastructure projects, while ensuring value for money.

K. Establish targets and enablers to transition towards a circular economy in line with the broader waste-management strategy for Malta and the implementation of national and EU strategies.

A hand is shown writing on a whiteboard with a black marker. The whiteboard is covered with several colorful sticky notes (yellow, orange, blue, green) and some faint diagrams or text. The background is a soft, out-of-focus pinkish-white. A large, vibrant pink triangle is overlaid on the bottom left corner of the image. The text 'COORDINATION & IMPLEMENTATION FRAMEWORK' is written in bold, white, uppercase letters on a yellow rectangular background in the lower center.

**COORDINATION &
IMPLEMENTATION
FRAMEWORK**

The National Post-Pandemic Strategy aims to shape a new approach to policy making that is more coherent and integrated, supported by strong governance, coordination and implementation mechanisms, to create a whole-of-government approach, centred on the needs and opportunities facing Malta’s citizens and businesses. It also brings to the fore the importance of longer-term planning as tool to orientate evidence-based policy making.

The Ministry for Research, Innovation and Coordination of the COVID-19 Strategy (MRIC) will facilitate the coordination of the strategy’s implementation, in line with the mandate it was entrusted with by Cabinet.

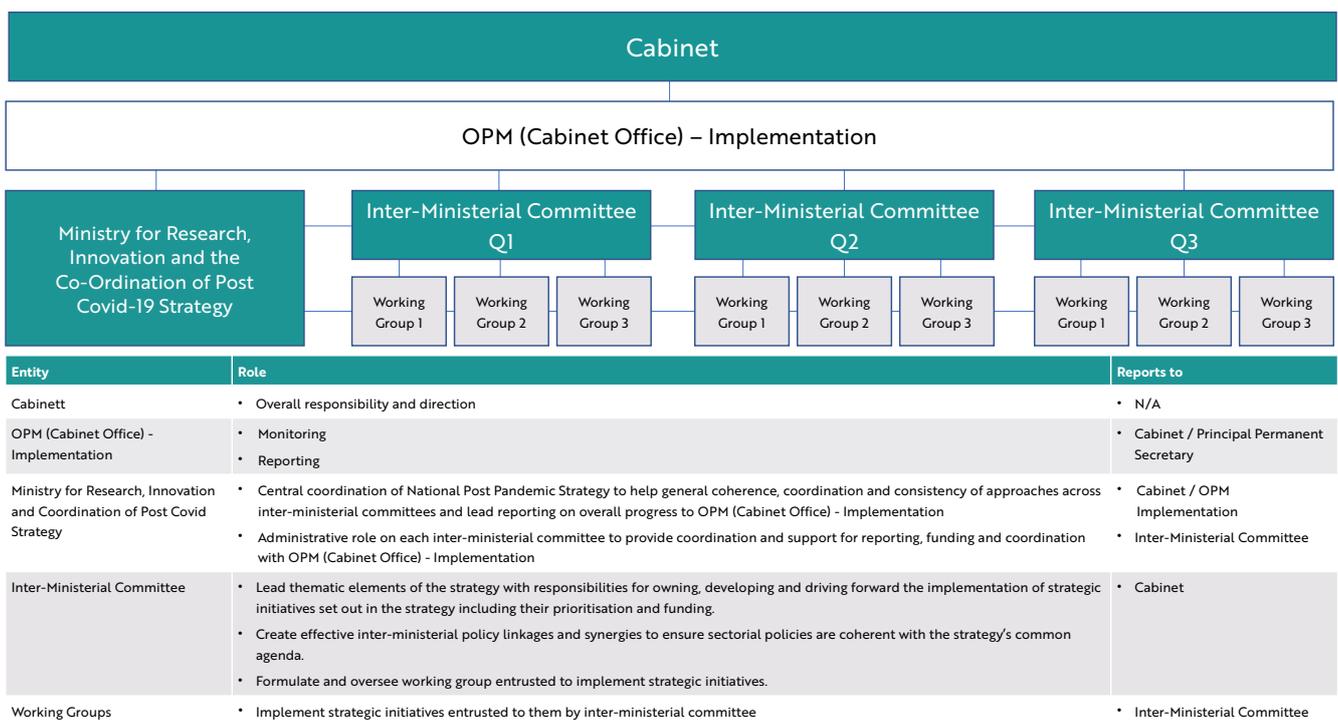
Three inter-ministerial committees, formed around the three central question the NPPS seeks to address, will have responsibility to establish clear mandates and mobilise adequate resources, to develop and drive forward the areas entrusted to them. The aim is to create effective inter-ministerial policy linkages and synergies to ensure sectoral policies are coherent with the Strategy’s common agenda. Line ministries will be responsible for operationalising initiatives through working groups established by the inter-ministerial committees.

The initiatives set out in the strategy will be initiated or undertaken over a 3-year working period, depending on each case.

The over-arching ‘umbrella’ nature of the strategy requires strong a governance structure. A performance evaluation framework has been developed, based on established project evaluation principles, to ensure that objectives of the Strategy are being effectively achieved. An ex-ante evaluation process will assess whether the initiatives, indicators and targets are expected to achieve the desired objectives. Progress against agreed indicators and targets will be monitored jointly by the MRIC and respective line ministries.

Interim evaluations will be conducted annually to assess implementation effectiveness in terms of process, impact and value-for-money. The evaluation will also include learnings and recommendations to help enhance outcomes. These inputs will then be consolidated into an interim report which will be presented to Cabinet on an annual basis.

An evaluation will be undertaken following the conclusion of the 3-year period and a final report presented to Cabinet.



Graphic: National Post-Pandemic Strategy implementation and coordination framework

A close-up photograph of a person's hands interacting with a tablet. The tablet screen shows a bar chart with blue bars. To the right, a paper document with a multi-colored bar chart is visible. The scene is set on a wooden desk. A large yellow triangle is overlaid on the bottom left, and a purple line is on the right side.

METHODOLOGY & APPROACH

The National Post-Pandemic Strategy was developed based on a bottom-up and top-down approach, using extensive qualitative and quantitative data, and a range of different methods to identify, structure and address a complex set of problems at a national level.

Development of fact base, and identification of areas of focus and priorities

- Questionnaire sent to all government Ministries requesting input on post COVID-19 plans, desired outcomes, issues and concerns, and details pertaining to any planned actions.
- Follow-up meetings held with Ministry Permanent Secretaries to discuss and elaborate on the vision and challenges for sectors under their portfolios, planned projects and policy initiatives.
- Meetings held with key social partners to discuss post COVID-19 vision, opportunities, challenges and seek input on themes and strategic priorities to be addressed in the strategy. Structured and semi-structured interview approaches were used across the process.
- Desktop research on local strategies, action plans and relevant publications.
- Desktop research on international COVID-19 recovery plans, national recovery and resilience programmes, key EU strategies, and COVID-19 related analysis and research.
- Discussions and analysis on the State of the Maltese Economy report prepared by the Ministry for Finance and Employment's Economic Policy Department to provide a fact-base to underpin the NPPS. The report focuses on the impact of COVID-19 on the Maltese economy, employment and social developments, competitiveness, productivity and public finances.

Development of strategic themes and identification of initiatives to underpin Strategy

- Based on the fact base and research that was undertaken, key issues that the strategy should address were identified and refined through a prioritisation exercise based on a range of factors.
- Initiatives were then clustered into strategic themes to break down sectoral policy silos, and ensure issues were being tackled cohesively and holistically and key goals identified.
- A mapping exercise was undertaken to determine if and how initiatives were being tackled under sectoral / thematic strategies (published or being developed by Ministries), with potential gaps and areas deserving greater focus identified.
- Follow up meetings were held with Ministers to discuss the areas of focus, together with their vision for their sectors / portfolios, areas of opportunities, challenges and priorities.
- Co-creation workshops were held to develop, challenge and refine the thematic areas that would underpin the Strategy. A month-long public consultation process enabled individuals and organisations to provide input on the areas identified and put forward recommendations and strategic initiatives.

Building out the Strategy

- An initial list of strategic initiatives to underpin the strategy were defined, analysed and refined through an iterative process involving various stakeholders which included one-to-one discussions, meetings and focus sessions.
- Initiatives were then further analysed and assessed in terms of fit, impact, cost and ease of implementation and mapped to UN sustainable development goals, as well as economical, societal and environmental factors, to ensure appropriate balance.
- Feedback received through the public consultation exercise was mapped to strategic themes and initiatives new initiatives assessed considering suitability and alignment.
- Strategy alignment activities were undertaken to ensure consistency of focus across key policy direction provided by Government and Malta's National Recovery and Resilience Plan.
- A Ministerial review process was then undertaken prior to the Strategy being presented to Cabinet for approval before publication.