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## **COMMISSION STAFF WORKING DOCUMENT**

### **Environmental Implementation Review 2022 Country Report - MALTA**

#### *Accompanying the document*

**Communication from the Commission to the European Parliament, the Council, the  
European Economic and Social Committee and the Committee of the Regions**

**Environmental Implementation Review 2022: *Turning the tide through environmental  
compliance***

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## Executive summary

In previous environmental implementation reviews (EIRs), the Commission identified four main challenges for Malta's implementation of EU environmental policy and law.

- the need to speed up implementation of the EU's waste-management requirements, due to extremely high landfill rates and very low recycling rates;
- the need to improve the protection of habitats and species of EU interest by fully implementing the Natura 2000 instruments and strengthening the enforcement of the Birds Directive;
- the need to improve air quality in the most urbanised areas by introducing systemic solutions for transport congestion; and
- the need to address the insufficient treatment of waste waters.

With the adoption of a new waste management plan, Malta envisages increasing its **waste management** capacity with new infrastructure to solve the heavy reliance on landfilling. Urgent reforms and investments in waste management and the circular economy are needed to move away from Malta's heavy reliance on waste disposal in landfills, which remains significant. In particular, Malta relies greatly on landfill for municipal waste, construction waste and demolition waste. The recycling rates continues to be too low: Malta is on course to miss its 2020 target to recycle 50% of its municipal waste and subsequent targets. The country's recovery and resilience plan (RRP) supports an enhanced waste policy whereas the Construction and Demolition Waste Strategy is aimed at increasing building materials reuse and recycling. Malta needs to further capitalise on turning waste into resources, thus advancing its transition to a more circular economy.

Illegal trapping and hunting of **protected bird species** continues to be a matter of serious concern in Malta. The issue of finch trapping had already been subject to infringement proceedings, leading to a ruling of the European Court of Justice in 2018. Despite this, the Commission again had to refer Malta to the Court for a research derogation scheme that allowed large scale trapping of finches. Furthermore, another infringement had to be launched to address undue use of derogations for hunting and trapping wild birds. Furthermore, the situation for forested areas protected under the nature directives is worrying as more than half of assessments show a bad conservation status.

The predominance of the use of private cars as the main means of transport has led to traffic congestion becoming a major barrier to investment and quality of life in Malta. There has been some progress in addressing **air quality and traffic congestion** in recent years with emissions of several air pollutants decreasing while GDP growth continued. Nevertheless, additional efforts are still needed to curb some specific pollutants, namely NO<sub>x</sub> and PM<sub>10</sub>. Investments under the RRP are being deployed to promote alternative modes of transport, increase the uptake of electric cars and decarbonise of the public transport fleet. Additional reform measures are related to the building of administrative capacity in regulatory authorities by making fully operational the Malta's Building and Construction Authority.

There has been only limited progress in making sure that **wastewater collected** in Malta is adequately treated. While a solution was found for Gozo to separately treat animal manure, the main Maltese agglomerations remain subject to an infringement procedure for their failure to properly treat wastewater.

**EU financing** continues to provide substantial support for the environmental implementation needs. From the European Structural and Investment Funds (ESIFs), Malta received EUR 155 million to cover direct environmental investments in 2014-2020. Of this amount, EUR 113.3 million was spent on water management; EUR 22.9 million on waste management; EUR 15.7 million on biodiversity and nature, and EUR 3.2 million on climate change mitigation, climate change adaptation, climate risk management. With other EU funding and the Environmental Investment Bank (EIB), the total EU financing reached around EUR 200 million in 2014-2020.

Malta is due to receive over EUR 316 million from its RRP (2021-2026) and EUR 787.2 million from the cohesion policy (ERDF and ESF) (2021-2027). There is a clear shift of investment priorities in Malta towards the support to climate, energy and transport policies in the recovery and resilience plan.

Through these sources, it is important to maintain the Malta's existing level of financing for environmental investments (0.56% of annual GDP in 2014-2020) to cover the investment needs in the coming years (over 0.89% of GDP, signalling a financing gap of at least 0.33% over baselines), which mainly relate to protecting the quality air and water.

## Part I: Thematic areas

### 1. Circular economy and waste management

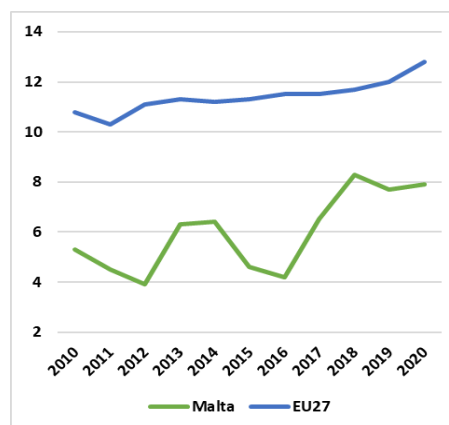
#### Measures towards a circular economy

The new Circular Economy Action Plan adopted in March 2020 is one of the main building blocks of the European Green Deal. The EU's transition to a circular economy will reduce pressure on natural resources and will create sustainable growth and jobs. It is also a prerequisite to achieve the EU's 2050 climate neutrality target and to halt biodiversity loss. The Action Plan announces initiatives along the entire life cycle of products, aiming to reduce the EU's consumption footprint and to double the EU's circular material use rate by 2030. It targets how products are designed, promotes circular economy processes, encourages sustainable consumption, and aims to ensure that waste is prevented and the resources used are kept in the EU economy for as long as possible.

The circular material use rate is a good indicator of an economy's circularity, as it includes all the materials that are fed back into our economy. Large differences in the circularity rate exist between countries. To help achieve the goal in the EU circular economy action plan of doubling the EU's circular material-use rate by 2030, ambitious measures targeting the whole product life cycle are needed at Member State level. Such measures range from sustainable product design that makes it possible to increase the durability, reparability, upgradability and recyclability of products, to other measures, like: (i) 'remanufacturing'; (ii) increasing circularity in production processes; (iii) recycling; (iv) boosting eco-innovation; and (v) increasing the uptake of green public procurement.

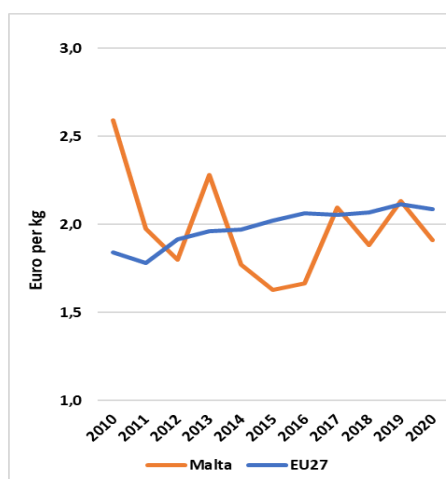
Malta's circular (secondary) use of material increased from 5.2% in 2016 to 7.9% in 2020. This rate is still below the EU average of 12.8%.

Figure 1 – Circular material use rate (%), 2010-2020<sup>1</sup>



Resource productivity expresses how efficiently the economy uses material resources to produce wealth. Improving resource productivity can help to minimise negative impacts on the environment and reduce dependency on volatile raw material markets. As shown in Figure 2, Malta generated EUR 1.91 per kg of material consumed in 2020, putting Malta's resource productivity slightly below the EU average of EUR 2.09 per kg.

Figure 2: Resource productivity 2010-2020<sup>2</sup>



#### Circular economy strategies

The Commission encourages Member States to adopt and implement national/regional circular economy

<sup>1</sup> Eurostat, Circular Economy Monitoring Framework.

<sup>2</sup> Eurostat, Resource productivity.

strategies covering the whole life cycle of products. This is because such strategies are one of the most effective ways to progress towards a more circular economy at Member State level. Since the launch of the online European Circular Economy Stakeholder Platform in 2017<sup>3</sup>, national, regional or local authorities have used the platform to share their strategies and roadmaps.

In 2020, the Maltese Ministry for the Environment, Climate Change and Planning, together with Circular Economy Malta, adopted 'Vision 2020' the country's circular economy for 2020-2030<sup>4</sup>. In line with the waste hierarchy, the strategy takes into account Malta's current performance in waste management as well as its obligations to minimise waste generation and the disposal of waste in landfills. The strategy also plans to improve Malta's recycling performance and its recovery of secondary materials. The policies to implement the strategy will include: (i) extended producer responsibility schemes; (ii) deposit-refund schemes; and (iii) investments in waste management infrastructure.

Malta has also set up a sectorial strategies for both construction and plastics. For construction, Malta has adopted a strategy for construction and demolition waste, which will help the transition towards a more circular economy and hence closing the loop of products' lifecycles. For plastics, Malta has drawn up the Single-use plastic products Strategy for Malta 2021-2030 called 'Rethink Plastic'. This plastics strategy contains 24 measures that aim to both reduce the consumption of certain single-use plastic products and increase the quality and quantities of plastic waste collected for recycling. Moreover, the 'Saving Our Blue' Campaigns<sup>5</sup> compliments the plastics strategy.. However, Malta is subject to infringement proceedings for the non-communication of national transposition measures for EU Directive 2019/904 on the reduction of the impact of certain plastic products on the environment<sup>6</sup>.

Malta recently published the country's new waste management plan (2021-2030)<sup>7</sup>, which sets out a number of measures with the overarching objective to move waste management up the waste hierarchy, including: (i) waste prevention; (ii) waste collection and treatment (including infrastructure); (iii) the Extended Producer Responsibility (EPR) schemes for end-of-life tyres, non-packaging paper, and waste oils as priority

streams; (iv) commercial waste; and (v) monitoring, compliance and data management.

Although Malta does not have a sectorial strategy for textiles, the waste management plan selects textiles as one of the priority waste streams for future action to prevent and minimise textile waste. The plan aims to achieve this, mainly by facilitating repair and reuse activities - four repair centers are planned to be open shortly. Malta's RRP is set to support reforms and investments to improve waste management by: (i) improving the waste collection system by region; (ii) introducing extended producer responsibility to more areas; (iii) adopting the construction and demolition waste strategy (already adopted<sup>8</sup>); and (iv) revising of the legislation on packaging materials to allow for the regional collection of packaging waste. Additional efforts are done in building administrative capacity for the supervisory authorities by making fully operational Malta's Building and Construction Authority.

### Eco-innovation

A successful transition to a circular economy requires social and technological innovation. This is because the full potential of the circular economy can only when it is implemented across all value chains. Therefore, eco-innovation is an important enabling factor for the circular economy. New approaches to product design and new business models can help to produce systemic circularity innovations, creating new business opportunities.

Malta ranked 26<sup>th</sup> in the list of EU countries on the Eco-innovation Scoreboard with a score of 67. This indicates that the country needs to catch up with its European peers on eco-innovation. In all five components of the Eco-Innovation Index of 2021 (eco-innovation inputs, eco innovation activities, eco innovation outputs, resource efficiency outcomes and socio-economic outcomes) Malta performs below the EU average.

<sup>3</sup> Circular Economy Stakeholder Platform

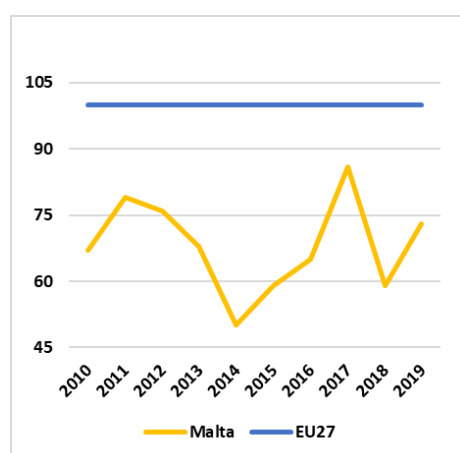
<sup>4</sup> <https://www.ecohive.com.mt/>

<sup>5</sup> <https://savingourblue.gov.mt>

<sup>6</sup> EUR-Lex - 32019L0904 - EN - EUR-Lex (europa.eu).

<sup>7</sup> <https://era.org.mt/wp-content/uploads/2022/02/Long-Term-Waste-Management-Plan-v1.4.3-Spreads-Digital-Version.pdf>

<sup>8</sup> <https://era.org.mt/wp-content/uploads/2020/02/ERA-Construction-and-Demolition-Waste-Strategy-for-Malta-VIS-4.pdf>

**Figure 3 – Eco-innovation performance 2010-2019<sup>9</sup>**

### Green public procurement (GPP)

Public procurement accounts for a large proportion of European consumption, with public authorities' purchasing power representing around 14% of EU GDP. Public procurement can help drive the demand for sustainable products that meet reparability and recyclability standards.

The national action plan for green public procurement has been in force since 2012. It was later revised in 2018. In 2021, the Maltese Government adopted the 2<sup>nd</sup> GPP national action plan 2022-2027<sup>10</sup>, to include the obligations established for the procurement of clean vehicles as set out in the Clean Vehicles Directive. This second plan is set to be more ambitious in its targets while adopting a realistic and incremental approach. It contains targets for 17 products and service groups, 8 of which are for new product/service areas (e.g. street lighting and traffic signals; electrical and electronic equipment used in the health care sector, transport; paints, varnishes and road markings; computers and monitors, office building design, construction and management; road design, construction and maintenance; sanitary tapeware; toilets and urinals; and hospitality and catering services). To monitor the implementation of the plan, data are collected by means of a green public procurement weekly report.

This has now been integrated in the national electronic procurement system (e-pps) to allow for collection of data at the pre-publication phase in digital format. In addition to this report, the Ministry for the Environment, Climate Change and Planning also

undertakes a quality assurance exercise that compares the data collected in each ministry weekly green public procurement reports post-publication with the tenders published on the e-pps.

### EU Ecolabel and the eco-management and audit scheme (EMAS)

The number of EU Ecolabel products and EMAS-licensed<sup>11</sup> organisations in a given country provides some indication of the extent to which the private sector and national stakeholders in that country are actively engaged in the transition to a circular economy. It also shows how committed public authorities are to supporting instruments designed to promote the circular economy.

As of September 2021, Malta had 6 products out of 83 590, and 6 licenses out of 2 057 registered in the EU Ecolabel scheme. This shows a very low take-up of the products and licences<sup>12</sup>. Moreover, only 1 site belonging to 1 organisation in Malta is currently registered in EMAS<sup>13</sup>. Since the last report in 2019, there has been no change in Malta in the number of products and licences under EU Ecolabel scheme or EMAS registrations.

In the 2019 EIR, Malta received a priority action to strengthen its policy framework to both speed up its transition towards the circular economy and make incentives for resource efficiency in SMEs more effective. The Commission notes very limited progress in this field, and given the circular material-use rate is well below average, it is adding a new priority action on the circular material-use rate.

### 2022 priority actions

- Strengthen the policy framework to speed up the transition towards the circular economy by all economic sectors, including priority sectors like plastics, textiles and construction.
- Adopt measures to increase the circular material use rate.

### Waste management

Turning waste into a resource is supported by:  
(i) fully implementing EU waste legislation, which includes the waste hierarchy, the need to ensure

<sup>9</sup> European Commission - Directorate-General for Environment (DG ENV), Eco-innovation Observatory', Eco-innovation Scoreboard and the ECO-innovation index.  
[10https://environment.govmt/en/decc/Pages/environment/gpp/gpp.aspx](https://environment.govmt/en/decc/Pages/environment/gpp/gpp.aspx)

<sup>11</sup> EMAS is the European Commission's Eco-Management and Audit Scheme, a programme to encourage organisations to behave in a more environmentally sustainable way.

<sup>12</sup> European Commission, Ecolabel Facts and Figures.

<sup>13</sup> As of May 2018. European Commission, Eco-Management and Audit Scheme.



separate collection of waste, the landfill diversion targets, etc.;

(ii) reducing waste generation and waste generation per capita in absolute terms;

(iii) limiting energy recovery to non-recyclable materials and phasing out landfilling of recyclable or recoverable waste.

This section focuses on management of municipal waste<sup>14</sup> for which EU law sets mandatory recycling targets.

Preventing products and materials from becoming waste for as long as possible is the most efficient way to improve resource efficiency and to reduce the environmental impact of waste. Waste prevention and product re-use are the most preferred options under the waste hierarchy. The revised Waste Framework Directive adopted in 2018 sets new obligations on waste prevention and introduces more effective waste prevention programmes.

Municipal waste generation in Malta has continued to increase in recent years reaching 697 kg/year/inhabitant in 2019<sup>15</sup>. This rate is well above the EU average (502 kg/year/inhabitant), as Figure 4 shows. It also suggests that Malta's generation of waste is likely not decoupled from its economic growth.

**Figure 4: Municipal waste by treatment in Malta, 2011-2020<sup>16</sup>**

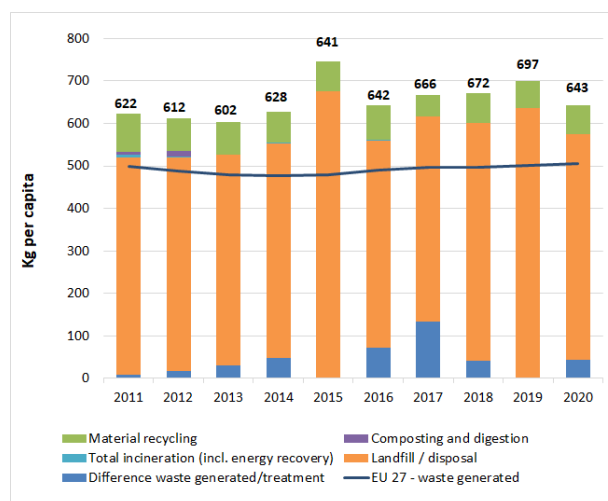


Figure 4 also shows municipal waste by treatment and by kg per capita. Managing waste efficiently remains a significant challenge for Malta. Malta has seen a year-on-year increase in the weight of landfilled waste per capita (from 530 kg/year/inhabitant in 2017 to 636 kg/year/inhabitant in 2019), while the material recycling rate remains low, and actually decreased in that period (from 74 kg/year/inhabitant to 62 kg/year/inhabitant for the same years).. Organic waste has been separately collected door-to-door since 2018. With an average of 25,750 tonnes collected in the last three years (2019-2021), however, its treatment does not qualify as recycling. In 2015, as a follow-up to the Malagrotta Court ruling<sup>17</sup>, the Commission launched a study<sup>18</sup> to investigate the situation in the 27 Member States as regards the landfilling of untreated non-hazardous municipal solid waste. For Malta, the Commission selected for its investigation the Ghallis landfill site for non-hazardous waste. The Commission study not only reveals treatment shortcomings at this site but, more importantly, it also states that substantive amounts of waste are landfilled without treatment, a fact which is recognised in the Maltese waste management plan. This is because there is not enough treatment capacity in the country to treat all the waste disposed of in the landfill sites. The Commission continues to investigate this case with the Maltese authorities.

In comparison with the EU averages for recycling and landfilling rates, Malta has made very limited progress over the past decade. The material recycling rate for municipal waste in 2019 was 9.9%, the same as in 2018

<sup>14</sup> Municipal waste consists of (a) mixed waste and separately collected waste from households, including paper and cardboard, glass, metals, plastics, bio-waste, wood, textiles, packaging, waste electrical and electronic equipment, waste batteries and accumulators, and bulky waste, including mattresses and furniture; (b) mixed waste and separately collected waste from other sources, where such waste is similar in nature and composition to waste from households. (Directive 2008/98/EC, Art. 3 2b).

<sup>15</sup> Waste generation per capita in Malta is affected by the tourism sector: in 2019, 2.7 million tourists visit Malta.

<sup>16</sup> Eurostat, [Municipal waste by waste operation](#), april 2022.

<sup>17</sup> <http://curia.europa.eu/juris/liste.jsf?language=en&num=C-323/13>

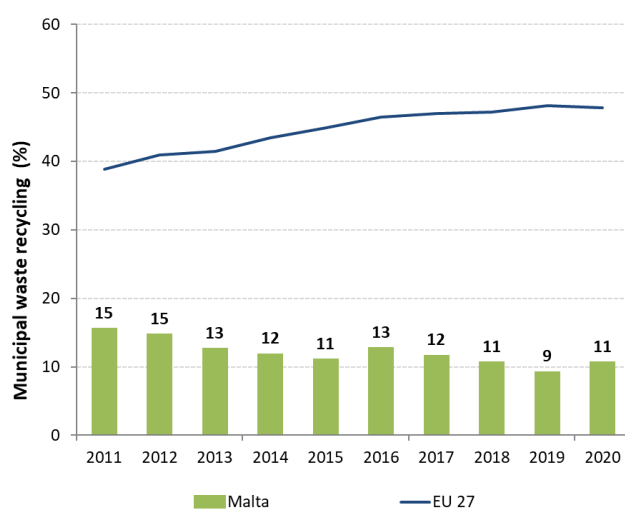
<sup>18</sup> <https://publications.europa.eu/en/publication-detail/-/publication/cd1748fb-0884-11e7-8a35-01aa75ed71a1/language-en>



and below the 11.1 % reached in 2017. This is well below the EU average of 47.7 % (EU 2019) and shows insufficient improvement overall.

Furthermore, Figure 5 shows that Malta needs to step up its investment in recycling to meet the EU's 2020 and 2025 recycling targets.

**Figure 5: Recycling rate of municipal waste, 2011-2020<sup>19</sup>**



In the Commission's first 'Early Warning' report (2018)<sup>20</sup> the Commission warned Malta about the high risks of not meeting the 2020 target to recycle 50% of municipal waste and gave suggestions for improvement. The Commission is currently finalising: (i) its analysis of the progress made by Member States on the recommendations from the 2018 'Early Warning' reports; and (ii) an analysis of progress towards achieving the 2025 waste recycling targets. This report will be presented at the end of 2022<sup>21</sup>. Given the recycling figures reported for 2019 it is likely that Malta will miss the 2020 recycling target.

### Implementation of the 2018 waste legislative package<sup>22</sup>

Following infringement proceedings for the non-communication of the national transposition measures for the 2018 waste legislative package, Malta eventually

notified the transposition of the 2018 waste package to the Commission. The Commission is now conducting a conformity assessment of this transposition.

Waste management plans and waste prevention programmes are instrumental for the full implementation of EU waste legislation. These plans and programmes set out key provisions and investments to ensure compliance with existing and new legal requirements (e.g. on waste prevention; on separate collection for certain waste streams, on recycling and on landfill targets). Revised plans and programmes were due on 5 July 2020.

In September 2021, Malta adopted its national waste-management plan for 2021-2030. The Commission assessed this waste-management plan and found that it was not fully compliant with Article 28(3) of the Waste Framework Directive. This was because Malta's waste-management plan lacked: (i) an assessment of the need for additional waste infrastructure, including an assessment of the investments and other financial tools, including for local authorities, required to meet those needs; and (ii) an assessment of the need to close existing waste installations, including an assessment of the investments and other financial tools, including for local authorities, required to meet those needs<sup>23</sup>.

In the 2019 EIR, Malta received priority actions to: (i) increase its landfill tax, (ii) set up separate collection for different waste streams with economic instruments (e.g. pay-as-you-throw schemes); and (iii) improve the effectiveness of the Extended Producer Responsibility (EPR) system for packaging in line with the general minimum requirements on EPR. Malta's waste-management records up to 2019 show there has been no progress in this area. In fact, these records show there has been a deterioration in waste management in Malta, as the landfill rate has increased, and the recycling rate has decreased in the reported years<sup>24</sup>. Therefore, implementing these priority actions is a greater priority than ever before, and will help to reverse these negative trends, including for municipal waste generation.

<sup>19</sup> Eurostat, Recycling rate of municipal waste, april 2022.

<sup>20</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018SC0421&from=EN>

<sup>21</sup> Placeholder

<sup>22</sup> Directive (EU) 2018/851, Directive (EU) 2018/852, Directive (EU) 2018/850 and Directive (EU) 2018/849 amend the previous waste legislation and set more ambitious recycling targets for the period up to 2035.

<sup>23</sup> As stated in Article 28(3)(c) WFD, both assessments 'shall be included in the relevant waste-management plans or in other strategic documents covering the entire territory of the Member State concerned'. If the assessment is not included in the waste-management plan, the plan must indicate in which external document this assessment is provided, and this is lacking in the Maltese waste-management plan.

<sup>24</sup> The upcoming 2022 Early Warning Report for Malta would assess these waste-management areas and provide recommendations accordingly.

Given the limited progress, and in light of the upcoming 2022 'Early Warning Report', similar priority actions to the ones set out in the 2019 EIR are proposed below.

#### 2022 priority actions

- Introduce progressive and effective economic instruments to curb the landfill rate. Channel those revenues towards measures to improve waste management in line with the waste hierarchy.
- Ensure the collection and treatment of recyclable waste, especially the biodegradable

fraction of this waste, in line with the EU waste legislation, including the recycling targets, and avoid disposing of recyclable waste in landfill sites.

- Introduce new policies in line with the waste hierarchy, i.e. promote prevention, and make product reuse and waste recycling more economically attractive.
- Ensure that the adopted national waste management plan is in line with the revised Waste Framework Directive.

## 2. Biodiversity and natural capital

The 2030 EU biodiversity strategy adopted in May 2020 aims to put the EU's biodiversity on a path to recovery and sets out new targets and governance mechanisms to achieve healthy and resilient ecosystems.

In particular, the strategy sets out ambitious targets to:

(i) protect a minimum of 30% of the EU's land area and 30% of its sea area and integrate ecological corridors, as part of a true trans-European nature network;

(ii) strictly protect at least a third of the EU's protected areas, including all remaining EU primary and old-growth forests;

(iii) effectively manage all protected areas, defining clear conservation objectives and measures, and monitoring them appropriately.

The strategy also sets out an EU nature restoration plan – a series of concrete commitments and actions to restore degraded ecosystems across the EU by 2030, and manage them sustainably, addressing the key drivers of biodiversity loss.

The EU's Habitats and Birds Directives are key legislative tools to deliver on the targets in the EU's biodiversity strategy for 2030 and are the cornerstone of the European legislation aimed at conserving of the EU's wildlife<sup>25</sup>.

The Maltese National Biodiversity Strategy and Action Plan (NBSAP) (2012-2020) is a national policy, which aims at providing strategic direction at a national level on the management and protection of biodiversity<sup>26</sup>.

### Nature protection and restoration

Natura 2000<sup>27</sup>, the largest coordinated network of protected areas in the world, is the key instrument to achieve the objectives in the Birds and Habitats Directives. These objectives are to ensure the long-term protection, conservation and survival of Europe's most valuable and threatened species and habitats and the ecosystems they underpin. Key milestones towards meeting the objectives of the Birds and Habitats Directives are: (i) the setting up of a coherent Natura 2000 network; (ii) the designation of sites of community

importance (SCIs) as special areas of conservation (SACs)<sup>28</sup>; and (iii) the setting of conservation objectives and measures for the Natura 2000 sites.

### Setting up a coherent network of Natura 2000 sites

Malta hosts 29 habitat types and 66 species covered by the Habitats Directive. The country also hosts populations of 31 bird taxa listed in the Birds Directive Annex I<sup>29</sup>.

As shown in Figure 7, by 2021, 13.3% of the territory of Malta was covered by Natura 2000 sites (EU average 18.5%), with special protection areas (SPAs) classified under the Birds Directive covering 5.1% (EU average 12.8%), and SCIs under the Habitats Directive covering 13% (EU average 14.2%) of Malta's territory.

The latest assessment of the SCI part of the Natura 2000 network shows that there are insufficiencies in the Maltese designation of protected sites for marine habitat types. Further scientific studies need to be undertaken for at least two habitat types<sup>30</sup> to yield the relevant scientific information – including for the continental shelf extending beyond 25 nautical miles from the Maltese coast. This would enable an informed choice to be made as to whether Malta should propose additional SCIs. An infringement case is open on this matter.

Considering both Natura 2000 and other nationally designated protected areas, Malta legally protects 29% of its terrestrial areas (EU-27 average 26%) and 5.5% of marine areas (EU-27 average 8%)<sup>31</sup>. Figure 6 shows the 2020 situation at EU level for terrestrial and marine protected-area coverage in meeting the 2030 targets under the EU's biodiversity strategy.

In 2020, the Commission initiated infringement proceedings against Malta for failure to complete the designation of Natura 2000 sites on the islands.

<sup>25</sup> These should be reinforced by the Nature Restoration Law, according to the new EU Biodiversity Strategy.

<sup>26</sup> MaltaNBSAP\_2012-2020.pdf (era.org.mt)

<sup>27</sup> Natura 2000 comprises Sites of Community Importance (SCIs) designated pursuant to the Habitats Directive as well as Special Protection Areas (SPAs) classified pursuant to the Birds Directive. Figures of coverage do not add up because some SCIs and SPAs overlap. 'Special Areas of Conservation (SACs)' means an SCI designated by the Member States.

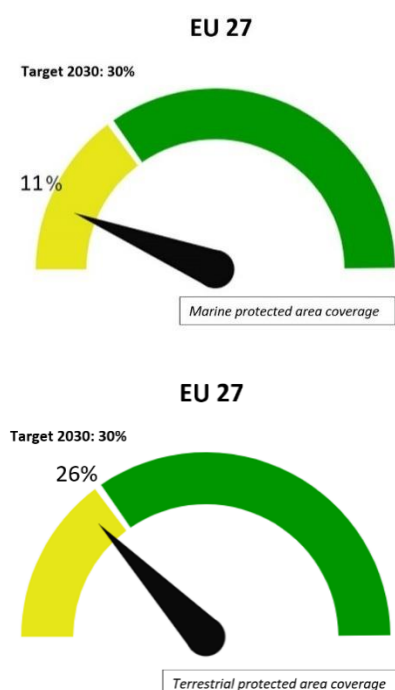
<sup>28</sup> Sites of Community Importance (SCIs) are designated pursuant to the Habitats Directive, whereas Special Protection Areas (SPAs) are designated pursuant to the Birds Directive. Figures of coverage do not add up because some SCIs and SPAs overlap. Special Areas of Conservation (SACs) are SCIs designated by the Member States.

<sup>29</sup> [EEA, Article 12 dashboard, Annex I, 2020. This counting only takes into account birds taxa for which information was requested.](#)

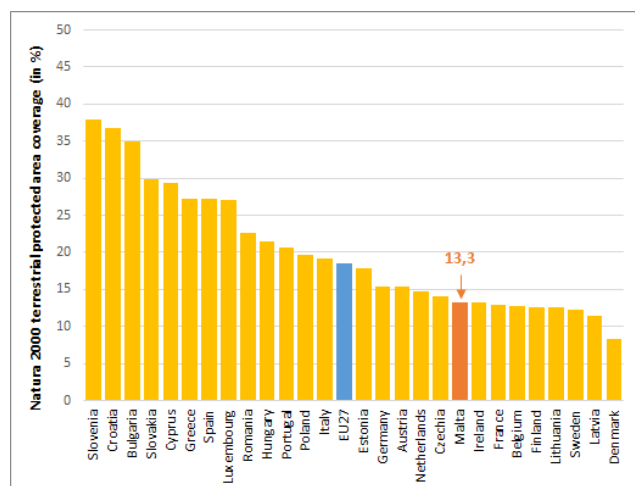
<sup>30</sup> 1170 – 'Reefs' and 8330 – 'Submerged or partially submerged sea caves'.

<sup>31</sup> Dashboard | Knowledge for policy (europa.eu).

**Figure 6: Marine & terrestrial protected area coverage, 2021<sup>32</sup>**



**Figure 7: Natura 2000 terrestrial protected area coverage, 2021<sup>33</sup>**



### Designating SACs and setting conservation objectives and measures

The six year deadline set by the Habitats Directive to designate SCIs as SACs and draw up conservation

<sup>32</sup> EU Biodiversity Strategy Dashboard, indicators A1.1.1 and A1.2.1, February 2022.

<sup>33</sup> European Environment Agency, Natura 2000 Barometer, February 2022.

objectives and measures has expired for 32 sites in Malta. Site specific conservation objectives and measures have been drawn up for 34 terrestrial Natura 2000 sites (27 terrestrial SACs and 7 SPAs with Management Plans/Conservation Orders, with 6 of the SACs completely overlapping with the SPAs and 7 partially overlapping). However, 5 marine SCIs have not yet been designated as SACs and conservation objectives and measures have not yet been drawn up.

Furthermore, the quality of the set conservation objectives is insufficient. The conservation objectives that have been drawn up appear too generic and are therefore not suitable to serve as the required conservation measures. These conservation measures are sometimes not described with a sufficient level of detail, and do not cover all habitats and species for which the sites have been designated. Malta is currently in the process of reviewing the existing objectives and measures ensuring that they are based on the SMART model along the guidance provided by the Commission.

There is on-going dialogue between Maltese authorities and the Commission on issues relating to the drafting of the conservation objectives and measures for the marine sites. In 2020, the Government has established a new role for Ambient Malta related to habitat restoration projects and dissemination of information on both Marine and Terrestrial Protected Areas on the basis of the draft conservation objectives.

### Progress in maintaining or restoring favourable conservation status of species and habitats

To measure the performance of Member States, Article 17 of the Habitats Directive and Article 12 of the Birds Directive require reporting on the progress made towards maintaining or restoring the favourable conservation status of species and habitats.

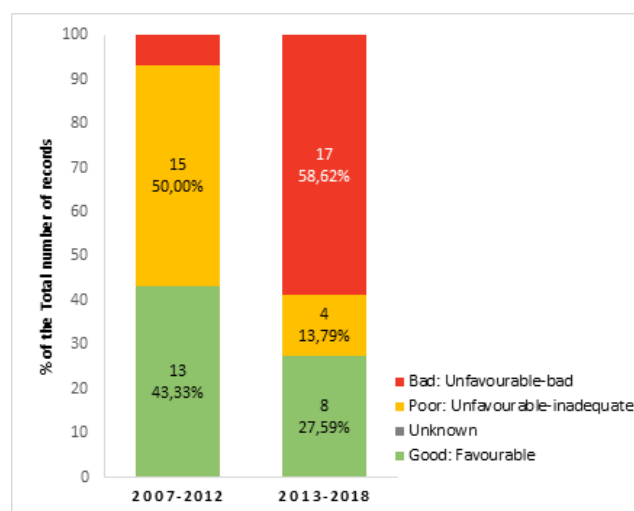
According to the report submitted by Malta on the conservation status of habitats and species covered by Article 17 of the Habitats Directive 2013-2018, the share of assessments for habitats in good conservation status in 2018 is 27.59%. This is significantly less than the 43.33% reported under the previous reporting period (2007-2012). On protected species, the share of assessments in good conservation status in 2018 was 53.33%, more than the 40.38% reported under the previous reporting period (2007-2012). For birds, 74% of the breeding species showed short-term increasing or stable population trends (for wintering species this figure was 50%). 85% of the breeding species showed long-term increasing or stable population trends (for wintering species this figure was 56%).

At the same time, the share of habitats in bad conservation status has dramatically increased from

6.67% to 58.62% in 2013-2018. The share of assessments for species in bad conservation status has slightly increased from 7.69% to 8.89%. These changes between reporting cycles (submitted in 2013 and 2019) are due to: (i) new scientific information; (ii) updates to the reporting checklist; (iii) ongoing survey efforts; (iv) revisions to the interpretation of habitats at national level; and (v) changes in the methodology used to assess some of the parameters, especially for habitats.

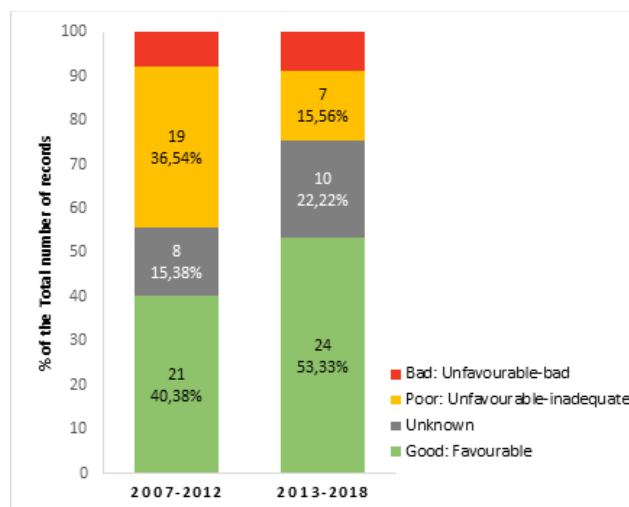
The main pressures causing this bad status for habitats are: (i) development, construction, and the use of residential, commercial, industrial and recreational infrastructure; and (ii) alien and problematic species.

**Figure 8: Assessments on conservation status for habitats for the 2007-2012 and 2013-2018 reporting periods<sup>34</sup>**



<sup>34</sup> European Environment Agency, Conservation status and trends of habitats and species, December 2021. Please note when comparing the figures shown for 2007-2012 and 2013-2018 these may also be affected by changes of methods or due to better data availability.

**Figure 9: Assessments on conservation status for species for the 2007-2012 and 2013-2018 reporting periods<sup>35</sup>**



Although there has been a dramatic increase in habitats having an unfavourable status, this needs to be interpreted in the light of the considerable changes in the methodology used to assess the structure and functions of the habitats. Contrastingly for species, there has been an increase in the number of species with a favourable conservation status and a decrease in the number of species in an unfavourable status<sup>36</sup>.

While more effort is required in ensuring effective management of the Natura 2000 sites, ongoing additional resources are being allocated accordingly, including the implementation of conservation measures. This is achieved through the collaboration between various governmental and non-governmental entities, amongst others. There seems to be a lack of progress in Malta in maintaining or restoring the favourable conservation status of species and habitats protected under the Nature Directives. There is also a lack of progress in effectively managing the country's Natura 2000 sites.

Illegal trapping and killing of protected species remain one of the main challenges in Malta in 2018, the Court of Justice of the European Union ruled against the Malta's finch trapping derogation<sup>37</sup> from the Birds Directive, following which Malta ended the trapping of finches. However, in 2020 and 2021, Malta introduced new finch trapping practices under a research-derogation scheme. In November 2021, the Commission

<sup>35</sup> Idem

<sup>36</sup> <https://www.eea.europa.eu/themes/biodiversity/state-of-nature-in-the-eu/article-17-national-summary-dashboards>

<sup>37</sup> CURIA - Documents (europa.eu)

decided<sup>38</sup> to refer Malta to the Court of Justice of the European Union for failing to correctly apply the Birds Directive<sup>39</sup>.

In 2020, the Commission also launched another infringement proceedings against Malta for its derogations from the Birds Directive for the spring hunting of quail and the autumn live-capturing of song thrush and golden plover<sup>40</sup>. These derogations fall short systematically of the requirements in the Birds Directive, in particular due to Malta's poor supervision of the conditions set out in the derogations, which results in species other than those targeted being affected.

Malta has not signed and ratified the Agreement on the Conservation of African-Eurasian Migratory Waterbirds.

In the 2019 EIR, the Commission suggested that Malta step up its action on: (i) the process of designating Natura 2000 sites; (ii) completing the management plans for marine sites with clearly defined conservation objectives; (iii) implementing the necessary conservation measures for all Natura 2000 sites; and (iv) providing appropriate resources for implementing the Nature Directives in the fields of species and habitats of community interest. Finally, the Commission urged Malta to take urgent action on clamping down on illegal practices in bird hunting and trapping.

The Commission notes very limited progress in all these areas. In fact, implementation results in some of these areas have deteriorated since the last report. For this reason, the Commission urges Malta to consider implementing similar priority actions for 2022 and beyond.

### Bringing nature back to agricultural land and restoring soil ecosystems

#### Agricultural land

The biodiversity strategy works alongside the new farm to fork strategy and the new common agricultural policy (CAP) to support and achieve the transition to fully sustainable agriculture.

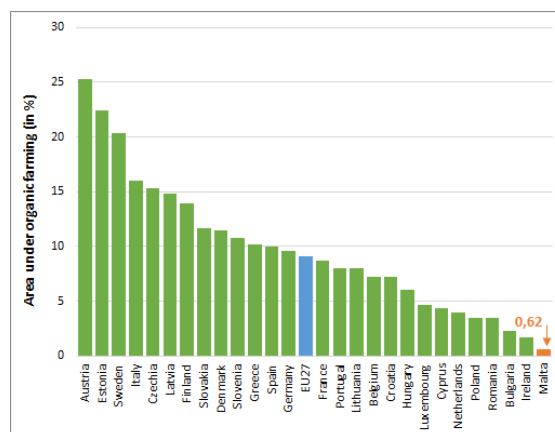
The biodiversity and farm to fork strategies have set four important targets for 2030:

- a 50% reduction in the overall use of – and risk from – chemical pesticides;

- a 50% reduction in the use of more hazardous pesticides;
- a 50% reduction in losses of nutrients from fertilisers while ensuring there is no deterioration of soil fertility (which will result in a 20% reduction in the use of fertilisers);
- bring back at least 10% of agricultural area under high-diversity landscape features and increase areas under organic farming to at least 25%.

As shown in the figure 10, it is estimated that 0.62% of Malta's land area is under organic farming. This is the worst result in the EU and far from the EU average of 9.07% (2020 data, Eurostat). Malta is not currently contributing to achieving the target to have 25% of the EU's agricultural land under organic farming by 2030.

**Figure 10: Share of total utilised agricultural area occupied by organic farming per Member State, 2020<sup>41</sup>**



According to the Commission recommendations for Malta's CAP strategic plan<sup>42</sup>, the share of ammonia emissions from agriculture in the country is still relatively high, and Malta has been found to be at high risk of non-compliance with its commitments to reduce ammonia emissions

Malta has a high risk of soil erosion and faces severe water challenges, both in terms of water quantity and water quality.

Malta's poor soil conditions constitute real obstacles to tackling biodiversity issues and preserving its habitats and landscape. Nevertheless, the potential of the country's agricultural sector to help maintain and improve biodiversity is not being fully exploited. A positive contribution to improving biodiversity could be

<sup>38</sup>[https://ec.europa.eu/commission/presscorner/detail/en/IP\\_21\\_566](https://ec.europa.eu/commission/presscorner/detail/en/IP_21_566)

<sup>39</sup> EUR-Lex - 32009L0147 - EN - EUR-Lex (europa.eu)

<sup>40</sup>[https://ec.europa.eu/commission/presscorner/detail/en/inf\\_20\\_214](https://ec.europa.eu/commission/presscorner/detail/en/inf_20_214)

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[https://ec.europa.eu/eurostat/databrowser/view/sdg\\_02\\_40/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/sdg_02_40/default/table?lang=en) (Eurostat, Area under organic farming, February 2022).

<sup>42</sup> EUR-Lex - 52020SC0387 - EN - EUR-Lex (europa.eu).



made by maintaining landscape features and encouraging voluntary schemes by the public to better manage the country's landscape.

Malta's particular situation is challenging for a variety of reasons including: (i) non-uniform soil depth; and (ii) the exposure to climatic conditions, long dry summer and a wet season with frequent heavy showers, under which the soils are easily eroded. Soil erosion constitutes a major ongoing problem throughout the whole Maltese countryside, especially in valleys. Erosion appears to be on the increase owing to several other factors (e.g. lack of maintenance and/or restoration on derelict and collapsed retaining rubble walls; clearing of vegetation from uncultivated land; and abandonment of traditional runoff management structures).

This has constituted real obstacles to tackling biodiversity issues and preserving habitats and landscape. Nevertheless, the potential of the agricultural sector to help maintain and improve biodiversity is not fully exploited. Maintenance of landscape features and voluntary schemes, addressing an enhanced management of those elements, could contribute in this direction. Investments for creating/planting new landscape features could play a main role in this as well.

The agricultural area in Malta increased from 10 250 hectares in 2005 to 11 580 hectares in 2016. This increase has come alongside land parcelling and fragmentation, even as the total farming population is decreasing. Yet more than 70% of all agricultural holdings in the country cover less than one hectare, and the total area of grassland accounts for approximately 4.5% of the agricultural area (527 hectares).

Organic farming practices can benefit biodiversity. However only 0.4% of total agricultural area in Malta is estimated to be organic, a percentage that continues to fluctuate. This is the lowest share in the EU. The EU average has progressively increased its total share of agricultural area under organic management to reach 8% in 2018. A major challenge for organic farming is the small parcel size and the fragmented nature of Maltese farmland.

### Soil ecosystems

Soil is a finite and extremely fragile resource. It is increasingly degrading in the EU.

The new EU soil strategy, adopted on 17 November 2021, stresses the importance of soil protection, of sustainable soil management and of restoring degraded soils to achieve the Green Deal objectives as well as land-degradation neutrality by 2030.

This entails:

(i) preventing further soil degradation;

(ii) making sustainable soil management the new normal;  
(iii) taking action for ecosystem restoration

One factor in the degradation of soil ecosystems is the area of soil that is sealed or artificialised<sup>43</sup>. In Malta (Figure 11), the net land taken (land 'taken' means land that is sealed or artificialised) per year in 2012-2018 can be seen as a measure of one significant pressure on nature and biodiversity – land-use change. At the same time, land-use change constitutes an environmental pressure on people living in urbanised areas.

Despite a reduction in the last decade (land take was over 1 000 km<sup>2</sup>/year in the EU-28 between 2000-2006), land take in the EU-28 still amounted to 539 km<sup>2</sup>/year in 2012-2018<sup>44</sup>. The concept of 'net land take' combines land take with the return of land to non-artificial land categories (re-cultivation). While some land was re-cultivated in the EU-28 in 2000-2018, 11 times more land was taken than returned.

Notwithstanding the above, Malta is a small, densely populated country without much rural hinterland. The unit of measurement used (m<sup>2</sup>/km<sup>2</sup>), is very disadvantageous for Malta. The 10x10 km grid used as resolution in the EEA data, is not detailed enough for Malta.

Figure 11 shows that Malta ranks the worst in the EU for land take, with net land take of 485.8 m<sup>2</sup>/km<sup>2</sup> (EU-27 average: 83.8 m<sup>2</sup>/km<sup>2</sup>)<sup>45</sup>.

In 2018, Malta updated its reporting on land degradation according to the next PRAIS3 reporting platform<sup>46</sup> with actions intended to remedy the degradation identified.

<sup>43</sup> Artificial land cover is defined as the total of roofed built-up areas (including buildings and greenhouses), artificial non built-up areas (including sealed area features, such as yards, farmyards, cemeteries, car parking areas etc. and linear features, such as streets, roads, railways, runways, bridges) and other artificial areas (including bridges and viaducts, mobile homes, solar panels, power plants, electrical substations, pipelines, water sewage plants, and open dump sites).

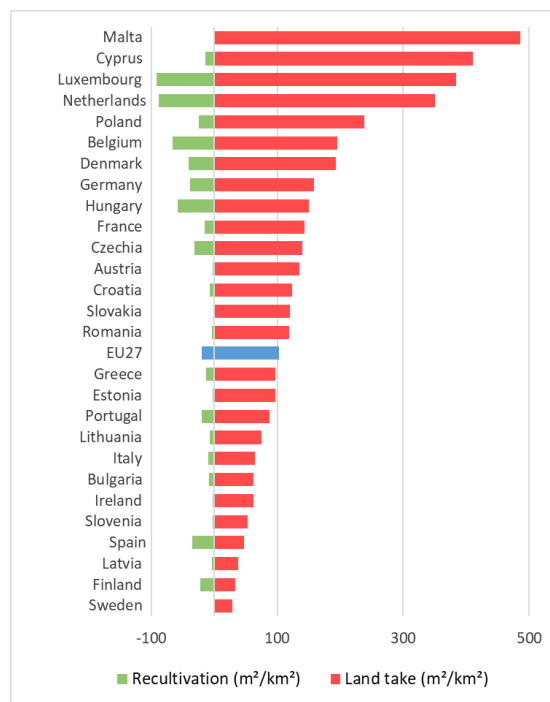
<sup>44</sup> Land take in Europe — European Environment Agency (europa.eu).

<sup>45</sup> Land take in Europe — European Environment Agency (europa.eu).

<sup>46</sup> All Reports | Prais3 (unccd.int)



**Figure 11: Land take and re-cultivation in the EU27 (m<sup>2</sup>/km<sup>2</sup>), 2012-2018<sup>47</sup>**



In 2015, the United Nations Convention to Combat Desertification reached a breakthrough agreement<sup>48</sup> to endorse a vision of land-degradation neutrality and link this vision to the implementation of the UN's sustainable development goals (SDGs) in general, and to SDG 15.3<sup>49</sup> in particular. To date, Malta has not yet committed to set targets for land-degradation neutrality under the United Nations Convention to Combat Desertification's agreement.

### Forests and timber

The EU forest strategy for 2030, adopted in July 2021, is part of the 'Fit for 55' package. The strategy promotes the many services that forests provide. Its key objective is to ensure healthy, diverse and resilient EU forests that contribute significantly to the strengthened biodiversity and climate ambitions.

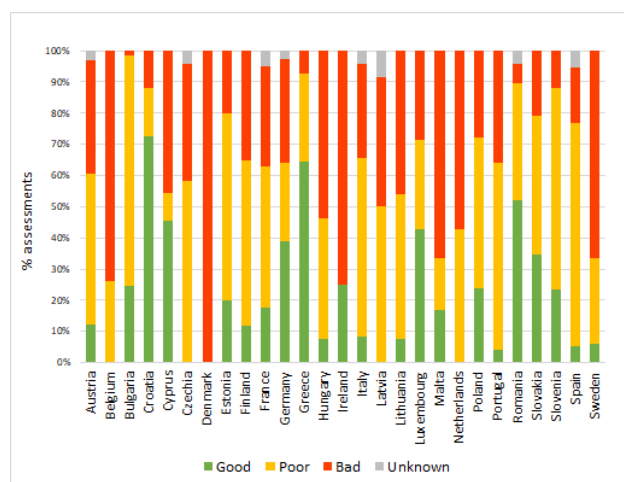
Forests are important carbon sinks and conserving them is vital if the EU is to achieve climate neutrality by 2050

Of the 27% of EU forest area protected under the Habitats Directive, less than 15% of assessments show a

favourable conservation status<sup>50</sup>. The share of forested areas in the EU with a bad conservation status increased from 27% in 2015 to 31% in 2018.

Forests cover only 1.4% of Malta's territory<sup>51</sup> (EU average, 36.44%), and the situation is particularly worrying as more than half of the assessed protected forests show a bad status<sup>52</sup>.

**Figure 12: Conservation status of forests protected under the Habitats Directive in the EU-27, 2013-2018 (% assessments)<sup>53</sup>**



The European Union Timber Regulation (EUTR)<sup>54</sup> prohibits the placing on the EU market of illegally harvested timber. According to the EUTR, EU Member States' competent authorities must conduct regular checks on operators and traders, and apply penalties for non-compliance. With the amendment of Article 20 of the EUTR, reporting every 2 years has been changed to become annual reporting, and covers the calendar year as of 2019.

EU market of illegally harvested timber, EU Member States Competent authorities must conduct regular checks on operators and traders, and apply penalties in case of non-compliance. With the amendment of Article 20 of the EUTR, biennial reporting became annual and covers the calendar year as of 2019.

Ambjent Malta<sup>55</sup>, which was set up in 2018, implements habitat restoration measures in Natura 2000 sites. These include: (i) the removal of invasive alien species; (ii) the planting of indigenous shrubs/trees; (iii) the

<sup>50</sup> EEA, [State of Nature in the EU](#).

<sup>51</sup> EEA, [Forest information system for Europe](#).

<sup>52</sup> [COM SWD \(2021\) 652](#).

<sup>53</sup> European Environment Agency, Conservation status and trend in conservation status by habitat group - forests, January 2022.

<sup>54</sup> Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010.

<sup>55</sup> <https://environment.gov.mt/en/ambjentmalta/Pages/home.aspx>

<sup>47</sup> European Environment Agency, [Land take in Europe](#).

<sup>48</sup> The LDN Target Setting Programme | UNCCD.

<sup>49</sup> 'By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.'

restoration of rubble walls; (iv) the removal of illegal structures and regular clean ups which aims to preserve, conserve and enhance the natural capital in line with approved management plans<sup>56</sup>. On the other hand, forestry actions are implemented on the basis of a Forestry Strategy<sup>57</sup> adopted in 2014.

In the period from March 2017 to February 2019<sup>58</sup>, Malta carried out 30 checks on operators importing timber. Over the reporting period, it is estimated that Malta had no operators placing domestic timber onto the internal market and 750 operators placing imported timber types onto the internal market.

The new Deforestation Regulation<sup>59</sup> will repeal and replace the EUTR, as it will essentially integrate and improve the existing system to check the legality of timber.

### Invasive alien species (IAS)

IAS are a key cause of biodiversity loss in the EU (alongside changes in land and sea use, overexploitation, climate change and pollution). Besides inflicting major damage on nature and the economy, many IAS also facilitate the outbreak and spread of infectious diseases, posing a threat to humans and wildlife. The implementation of the EU Invasive Alien Species Regulation and other relevant legislation must be stepped up. The biodiversity strategy for 2030 aims to manage recognised invasive alien species and decrease the number of 'red list' species they threaten by 50%.

The core of the Regulation (EU) 1143/2014 on IAS<sup>60</sup> ('the IAS Regulation') is the list of IAS of Union concern.

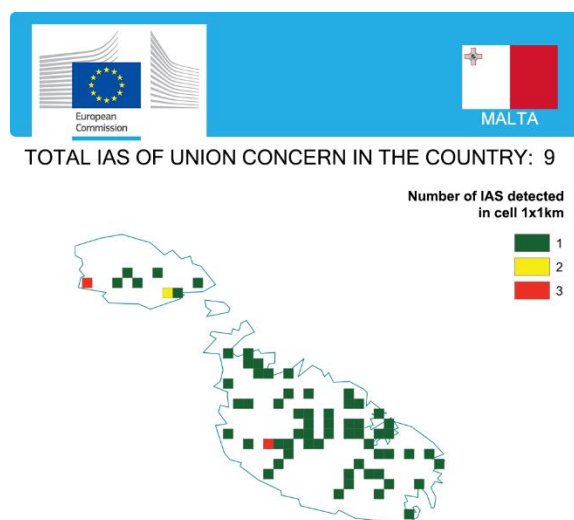
The total number of IAS of Union concern is currently 66, of which: 30 are animal species; 36 are plant species; 41 are primarily terrestrial species, 23 are primarily freshwater species, 1 is a brackish-water species and 1 is a marine species.

According to a 2021 report<sup>61</sup> on the review of the application of the IAS Regulation, the implementation of

the IAS Regulation is already starting to deliver on its objectives such as a coherent framework for addressing IAS at EU level and increased awareness of the problem of invasive alien species. At the same time, the above report identified some challenges and areas for improvement. Given that the deadlines for implementing the various obligations of the IAS Regulation applied gradually between July 2016 and July 2019, it is premature to draw conclusions on several aspects of the implementation of the IAS Regulation.

A recent report<sup>62</sup> on the baseline distribution shows that of the 66 species on the Union list, 9 have been observed in the environment in Malta. The spread of IAS can be seen in Figure 13.

**Figure 13: Number of IAS of EU concern, based on available georeferenced information for Malta, 2021**



<https://easin.jrc.ec.europa.eu>

### 2022 priority actions

- Complete the Natura 2000 designation process.
- Adopt clearly defined conservation objectives, as well as the necessary conservation measures for the marine Natura 2000 sites and revise conservation objectives and measures for terrestrial sites, in line with the required standard. Provide additional resources for their implementation in order to maintain/restore species and habitats of

<sup>56</sup> [Management Plans for Terrestrial Natura 2000 Sites in Malta & Gozo - ERA](#)

<sup>57</sup> <https://environment.gov.mt/en/Documents/Downloads/afforestationRestorationEcologyCassar.pdf>

<sup>58</sup> [COM/2020/629 final](#).

<sup>59</sup> A proposal for the Regulation on the making available on the EU market and export of products associated with deforestation and forest degradation.

<sup>60</sup> Regulation (EU) No 1143/2014 of the European Parliament and of the Council of 22 October 2014 on the prevention and management of the introduction and spread of invasive alien species

<sup>61</sup> Report from the Commission to the European Parliament and the Council on the review of the application of Regulation (EU) No

1143/2014 of the European Parliament and of the Council of 22 October 2014 on the prevention and management of the introduction and spread of invasive alien species, [COM\(2021\) 628 final](#), 13.10.2021.

<sup>62</sup> Cardoso A.C., Tsiamis K., Deriu I., D' Amico F., Gervasini E., EU Regulation 1143/2014: assessment of invasive alien species of Union concern distribution, Member States reports vs JRC baselines, EUR 30689 EN, Publications Office of the European Union, Luxembourg, 2021, ISBN 978-92-76-37420-6, doi:10.2760/11150, JRC123170.

community interest to a favourable conservation status across their natural range.

- Ensure that bird-hunting and bird-trapping practices comply with the Birds Directive, strengthen enforcement efforts and invest in education and awareness-raising programmes.
- Step up action on implementing the recommendations set out in the Malta's CAP Strategic Plan, especially on cutting ammonia emissions and improving biodiversity on farmland and natural areas supporting sustainable management practices such as organic farming.
- Reduce its excessive area of sealed and artificialised soil and remediate degraded areas of soil. To this end, consider formally committing to targets for land-degradation neutrality under the relevant United Nations Convention to Combat Desertification agreement.

## Marine ecosystems

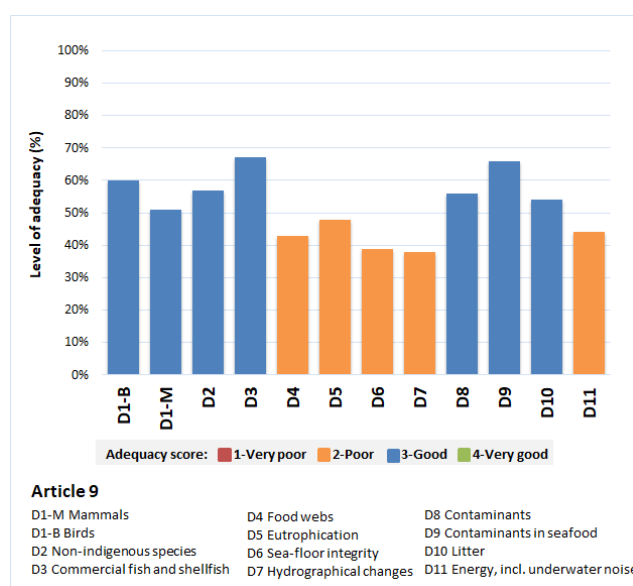
The EU Biodiversity Strategy 2030 aims to substantially reduce the negative impacts on sensitive species and habitats in marine ecosystems and to achieve good environmental status as well as eliminate or reduce the incidental catches of protected, endangered, threatened and sensitive species to a level that allows species recovery and conservation<sup>63</sup>.

The Marine Strategy Framework Directive (MSFD)<sup>64</sup> requires Member States to achieve good environmental status (GES) for their marine waters. To that end, Member States must draw up marine strategies for their marine waters, and cooperate with Member States sharing the same marine region or subregion. These marine strategies comprise different steps to be developed and implemented over six-year cycles.

Among other obligations, the MSFD requires Member States by 15 October 2018 to draw up a set of GES characteristics for each descriptor (Article 9), and to provide an initial assessment of their marine waters (Article 8). The Commission then assesses whether this constitutes an appropriate framework to meet the requirements of the Directive.

The Commission assessed Malta's 2018 determinations of GES for each of the MSFD's 11 descriptors<sup>65</sup> and determined their level of adequacy in relation to the Commission GES Decision<sup>66</sup>. A good or very good score in the Commission assessment indicates that the national determinations of GES are well aligned with the requirements of the Commission GES Decision and provide qualitative and quantitative national environmental objectives to be achieved for their marine waters.

**Figure 14: Level of adequacy of GES determination by Malta (MIC region) with criteria set under the Commission GES Decision – Article 9 (2018 reporting exercise)<sup>67</sup>**



Malta has one marine sub-region, MIC-Mediterranean: Ionian Sea and Central Mediterranean Sea. In this marine sub-region, 7 out of 11 determinations of GES were assessed as good or very good. The national determination of GES by Malta is coherent for 7 out of 11 descriptors.

The MSFD also requires that Member States assess the current environmental status of their marine waters in relation to the determination of GES. A good or very good score indicates that the Member States have good

<sup>63</sup> The EU Common Fisheries Policy (CFP) aims to contribute to the achievement of the objectives of the environmental legislation for marine ecosystems.

<sup>64</sup> Directive 2008/56/EC establishing a framework for community action in the field of marine environmental policy.

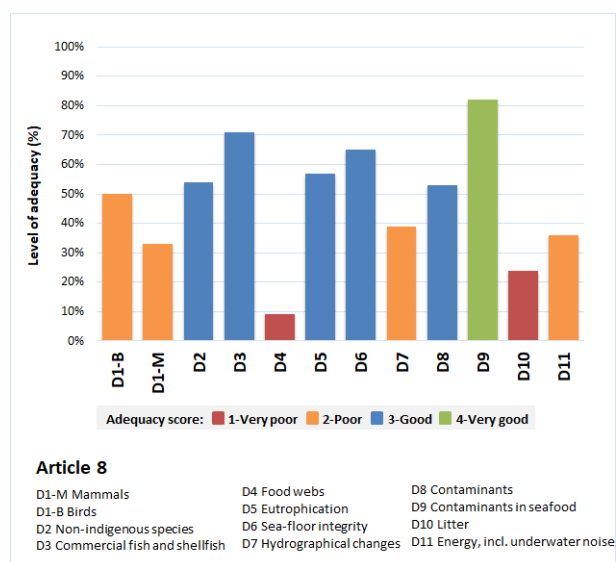
<sup>65</sup> Annex I of Directive 2008/56/EC.

<sup>66</sup> Commission Decision (EU) 2017/848 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU.

<sup>67</sup> Assessment carried out by the European Commission of the data reported by the Member States, January 2022. Please note that only two sub-sections of descriptor D1 are displayed (D1-M Mammals and D1-B Birds). For the analysis, these two sub-sections were considered as a whole after averaging them.

capabilities to assess their marine environment in according to the requirements set out in the Commission GES Decision.

**Figure 15: Level of adequacy of initial assessment of Malta's marine environment (MIC region) with criteria set under the Commission GES Decision – Article 8 (2018 reporting exercise)<sup>68</sup>**



Of the descriptors 7 out of 11 were scored as good or very good. Malta's assessment of its marine environment is coherent with requirements set under the Commission GES Decision for 7 out of 11 descriptors.

In April 2019, Malta ratified the Protocol on Integrated Coastal Zone Management. Malta has not ratified the Offshore Protocol of the Barcelona Convention in 2019. Malta has not signed and ratified the International Convention for the Regulation of Whaling (1946); however, all cetaceans (whales, porpoise and dolphins) are protected in Malta and consequently whaling is prohibited in Malta since 1992 via the Environment Protection Act.

In the 2019 EIR, Malta received as priority actions its need to: (i) define GES where it has not yet done so; (ii) determine the timelines needed to achieve GES, when these have not been reported; (iii) provide more information about measures; (iv) draw up more measures that have a direct impact on the pressures and quantify the expected level of reduction of the pressure as a result of these measures; and (v) monitor progress and ensure reporting of the different elements under the MSFD by the set deadline. Malta made some

progress on the above actions since the 2019 EIR. However, the results set out earlier in this section bolster the call for Malta to take further actions to achieve GES in the descriptors ranked as poor in Figure 15 above.

As highlighted in the Commission's report on the implementation of the MSFD<sup>69</sup>, although regional cooperation among Member States has improved since the adoption of the MSFD, more cooperation is still needed to attain full regional coherence of the marine strategies, as required by the Directive.

Furthermore, in March 2022, the European Commission published a Communication with recommendations for Member States. The Commission assessment highlights that Member States need to step up their efforts to determine the good environmental status and the use of the criteria and methodological standards according to the Commission GES Decision. The above considerations form the basis for the 2022 priority actions.

### 2022 priority actions

- Implement the recommendations made by the Commission in the Staff Working Document<sup>70</sup> accompanying the Communication<sup>71</sup> on recommendations per Member States and region on the 2018 updated reports for Articles 8, 9 and 10 of the MSFD.
- Ensure regional cooperation with Member States sharing the same marine sub-region to address predominant pressures.
- Sign and ratify the International Convention for the Regulation of Whaling (1946).

### Ecosystem assessment and accounting

The EU biodiversity strategy for 2030 calls on Member States to better integrate biodiversity considerations into public and business decision making at all levels and to develop natural capital accounting. The EU needs a better performing biodiversity observation network and more consistent reporting on the condition of ecosystems.

An ecosystem assessment is an analysis of the pressures on – and the condition of – terrestrial, freshwater and marine ecosystems and their services. It uses spatially explicit data and a comparable methodology based on

<sup>68</sup> Idem.

<sup>69</sup> [COM\(2020\)259](#)

<sup>70</sup> [SWD\(2022\)1392](#)

<sup>71</sup> [COM\(2022\)550](#)

European data about the functions of ecosystem assets and the ecosystem services they produce.

Ecosystem accounting is built on five core accounts (ecosystem extent, ecosystem condition, physical ecosystem services, monetary ecosystem services and monetary ecosystem assets). These accounts are compiled using indicators of ecosystem assets and the ecosystem services they produce.

Malta has carried out a preliminary identification of its key ecosystems and ecosystem services as part of its Fifth National Report to the Convention on Biological Diversity (CBD)<sup>72</sup>. On the basis of this exercise, Malta has commenced work to implement the measures for ecosystem assessment in its national biodiversity strategy and action plan 2012-2020. This work involved: (i) prioritising ecosystems and ecosystem services for mapping and assessment; (ii) determining the level of detail best applicable to Malta; (iii) identifying available data/data sources that can be used in this regard; and (iv) identifying data gaps.

Malta invested in capacity building for mapping ecosystems through intense training of its civil servants in geographic information systems (GIS). Following a period of trial mapping, as well as discussions with national experts, Malta adopted its amended ecosystem typology. Malta also began officially mapping ecosystems in 2017.

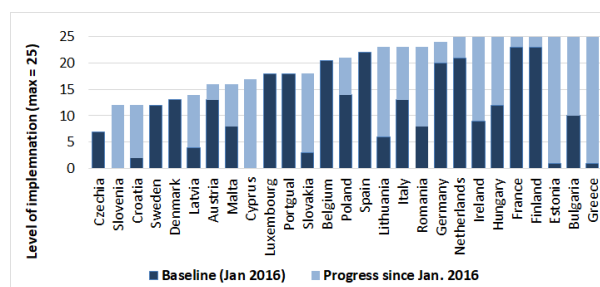
Malta's national Mapping and Assessment of Ecosystems and their Services (MAES) is based on the ecosystem type classification. To further enhance the skills for the mapping of ecosystems, Malta has invested in dedicated GIS training to raise its capacity building. Through this, Malta has attained further knowledge in areas related to the identification of ecosystem services, including through national projects (such as ESMERALDA<sup>73</sup>, En-Route<sup>74</sup> and ReNature<sup>75</sup>).

In 2021, a locally funded project by MCST on the Mapping and Monitoring of Posidonia Oceanica using Remote and Sentinel Technology (MAARES)<sup>76</sup> received an award. This project aims at developing and testing novel methodologies to complement the existing data-gathering toolbox for sea grass meadows which ultimately enables more efficient management and conservation of *P. oceanica* in this epoch threatened by the ever-increasing anthropogenic factors and emerging pressures such as ocean acidification and rising ocean

temperatures due to climate change and marine litter.

Malta has provided updated information on ecosystem assessment and progress has been recorded since January 2016 (Figure 16). This assessment is based on 27 implementation questions and updated every six months.

**Figure 16: ESMERALDA MAES Barometer (January 2016 - March 2021)<sup>77</sup>**



There are many platforms, networks and communities of practice that try to involve businesses in protecting biodiversity. These business-and-biodiversity platforms are key tools for promoting and facilitating natural capital assessments (NCAs) among businesses and financial-services providers. One example of this is the Natural Capital Protocol of the Natural Capital Coalition<sup>78</sup>. NCAs help private businesses to better understand and value not only their impacts but also their dependencies on nature, and in so doing contribute to the EU's biodiversity strategy. These platforms have been set up at EU level<sup>79</sup> and in a number of the Member States, although not in all.

The Initiative on Business and Biodiversity<sup>80</sup>, a national platform in Malta, has the objective of promoting the introduction of biodiversity strategies within businesses through voluntary arrangements.

## 2022 priority actions

- Continue to support the mapping and assessment of ecosystems and their services, and the development of ecosystem accounting through appropriate indicators for integrating information on ecosystem extent, ecosystem

<sup>72</sup> <https://www.cbd.int/doc/world/mt/mt-nr-05-en.pdf>

<sup>73</sup> [Esmeralda \(esmeralda-project.eu\)](https://esmeralda.esmeralda-project.eu)

<sup>74</sup> [JRC Publications Repository \(europa.eu\)](https://jrc-publications-repository.europa.eu)

<sup>75</sup> [ReNature \(renature-project.eu\)](https://renature-project.eu)

<sup>76</sup> Mapping and monitoring of Posidonia oceanica using remote and sentinel technology (MAARES) - ERA

<sup>77</sup> European Commission, Joint Research Centre, Publication Office, EU Ecosystem assessment: summary for policymakers, page 80, May 2021.

<sup>78</sup> Natural Capital Coalition, Natural Capital Protocol.

<sup>79</sup> Business and Biodiversity, The European Business and Biodiversity Campaign aims to promote the business case for biodiversity in the EU Member States through workshops, seminars and a cross-media communication strategy.

<sup>80</sup> Malta, Initiative on Business and Biodiversity.

- condition and ecosystem services (including some monetary values) into national accounts.
- Continue supporting the development of national business and biodiversity platforms,

including natural capital accounting systems to monitor and value the impact of business on biodiversity.



### 3. Zero Pollution

#### Clean air

EU clean air policies and legislation need to significantly improve air quality in the EU, moving the EU closer to the quality recommended by the WHO and curbing emissions of key air pollutants.

Air pollution and its impacts on ecosystems and biodiversity should be further reduced with the long-term aim of not exceeding critical loads and levels. This requires strengthening efforts to reach full compliance with EU clean-air legislation and defining strategic targets and actions for 2030 and beyond.

The 2030 zero-pollution action-plan targets are to reduce the health impacts of air pollution by 55% and to reduce the EU ecosystems threatened by air pollution by 25%, compared to 2005.

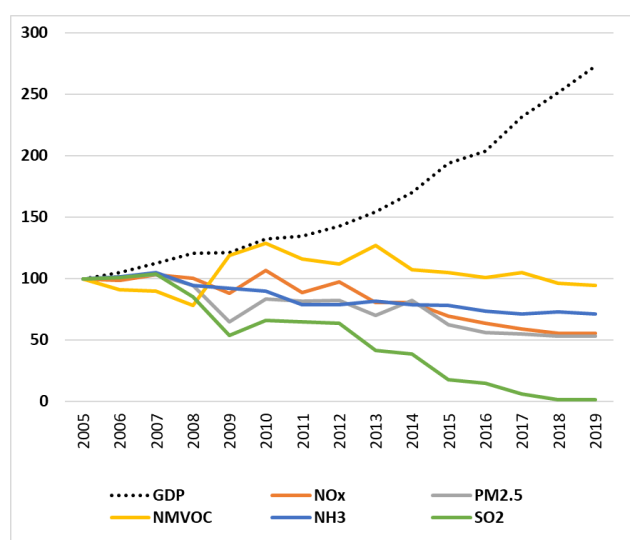
The EU has developed a comprehensive suite of air-quality legislation, which sets health-based air-quality standards<sup>81</sup> and emissions-reduction commitments<sup>82</sup> by Member State for several air pollutants.

Air quality in Malta is generally good with some exceptions. The latest available annual estimates (for 2019) by the European Environment Agency<sup>83</sup> point to Malta suffering about 300 premature deaths each year (or 3 200 years of life lost (YLL)) attributable to fine particulate-matter concentrations<sup>84</sup>; 20 premature deaths each year (or 200 YLL) attributable to ozone concentrations<sup>85</sup>; and less than 1 premature death each year (or less than 5 YLL) attributable to nitrogen dioxide concentrations<sup>86</sup>. The emissions of several air pollutants have decreased significantly in Malta in recent years, while GDP growth has continued (see graph). According to the latest projections submitted under Article 10(2) of the National Emission-Reduction

Commitments Directive (NECD)<sup>88</sup>, Malta is projected to meet its emission-reduction commitments: (i) for most air pollutants covered by the Directive for 2020-2029; and (ii) for SO<sub>2</sub>, non-methane volatile organic compounds (NMVOCs), and PM<sub>2.5</sub> for 2030 onwards. However, these projections do not demonstrate compliance with the 2020-2029 emissions-reduction commitment for NMVOCs by 2020, or the emissions-reduction commitments for NO<sub>x</sub> and NH<sub>3</sub> from 2030 onwards.

Malta submitted its national air-pollution control programme to the Commission on 18 March 2020.

**Figure 17: Emission trends of main pollutants/ GDP in Malta, 2005-2019<sup>89</sup>**



<sup>81</sup> European Commission, 2016. [Air Quality Standards](#)

<sup>82</sup> European Commission, [Reduction of National Emissions](#).

<sup>83</sup> European Environment Agency, Air Quality in Europe – 2021 Rapport. Please see details in this report as regards the underpinning methodology, p. 106.

<sup>84</sup> Particulate matter (PM) is a mixture of aerosol particles (solid and liquid) covering a wide range of sizes and chemical compositions. PM10 refers to particles with a diameter of 10 micrometres or less. PM2.5 refers to particles with a diameter of 2.5 micrometres or less. PM is emitted from many human sources, including combustion.

<sup>85</sup> Low-level ozone is produced by photochemical action on pollution.

<sup>86</sup> NO<sub>x</sub> is emitted during fuel combustion e.g. from industrial facilities and the road transport sector. NO<sub>x</sub> is a group of gases comprising nitrogen monoxide (NO) and nitrogen dioxide (NO<sub>2</sub>).

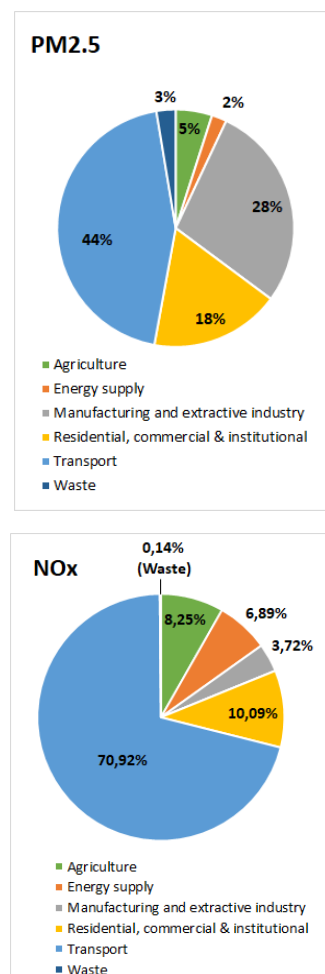
<sup>87</sup> Please note that these figures refer to the impacts of individual pollutants, and to avoid double-counting cannot be added up to derive a sum.

<sup>88</sup> Directive 2016/2284/EU.

<sup>89</sup> European Environment Agency.



**Figure 18: PM2.5 and NOx emissions by sector in Malta (2019)<sup>90</sup>**



For the year 2020, no exceedances above the limit values set by the Ambient Air Quality Directive were registered in Malta. However, for several air-quality zones in the country, the target values for ozone concentrations have not been met<sup>91</sup>.

Malta has not yet ratified the Heavy Metals Protocol and the Persistent Organic Pollutants Protocol under the United Nations Economic Commission for Europe Air Convention.

Malta has also not yet signed or ratified three agreements under the Convention on Long-range Transboundary Air Pollution: the Gothenburg Protocol to Abate Acidification, Eutrophication and Ground-level Ozone; the Persistent Organic Pollutants Protocol; and the Heavy Metals Protocol.

In the 2019 EIR, the Commission suggested that Malta take, as part of its national air-pollution control programme, actions to reduce emissions from its main emission sources. As indicated above, Malta has made some progress in reducing the concentrations of some pollutants (SO<sub>2</sub>, NMVOCs and PM2.5). However, additional efforts are needed to ensure that Malta fully implements EU air-quality legislation.

### 2022 priority actions

- Take, in the context of the National Air Pollution Control Programme (NAPCP), actions towards reducing emissions from the main sources mentioned above.
- Ensure full compliance with EU air-quality standards and maintain downward emissions trends for air pollutants, while reducing the adverse impacts of air pollution on human health and the economy to ensure that future concentrations of air pollutants reach WHO guideline values.
- Accelerate the ratification of the Gothenburg Protocol, the Heavy Metals Protocol, and the Persistent Organic Pollutants Protocol under the United Nations Economic Commission for Europe Air Convention.

### Industrial emissions

The main objectives of EU policy on industrial emissions are to:

- protect air, water and soil;
- prevent and manage waste;
- improve energy and resource efficiency;
- clean up contaminated sites.

To achieve this, the EU takes an integrated approach to the prevention and control of routine and accidental industrial emissions. The cornerstone of the policy is the Industrial Emissions Directive (IED)<sup>92</sup>. The Commission tabled a proposal in April 2022<sup>93</sup>. The revision seeks to improve the Directive's contribution to the zero-pollution objective, as well as its consistency with climate, energy and circular economy policies.

<sup>92</sup> Directive 2010/75/EU covers industrial activities carried out above certain thresholds. It covers the energy industry, metal production, the mineral and chemical industry, waste management, and a wide range of industrial and agricultural sectors (e.g. intensive rearing of pigs and poultry, pulp and paper production, painting and cleaning).

<sup>93</sup>

European Commission, [proposal for a revision of the Industrial Emissions Directive](#), 4 April 2022. The revision of the IED is performed in parallel to the revision of Regulation (EC) No 166/2006 on the European Pollutant Release and Transfer Register (E-PRTR).

<sup>90</sup> European Environment Agency.

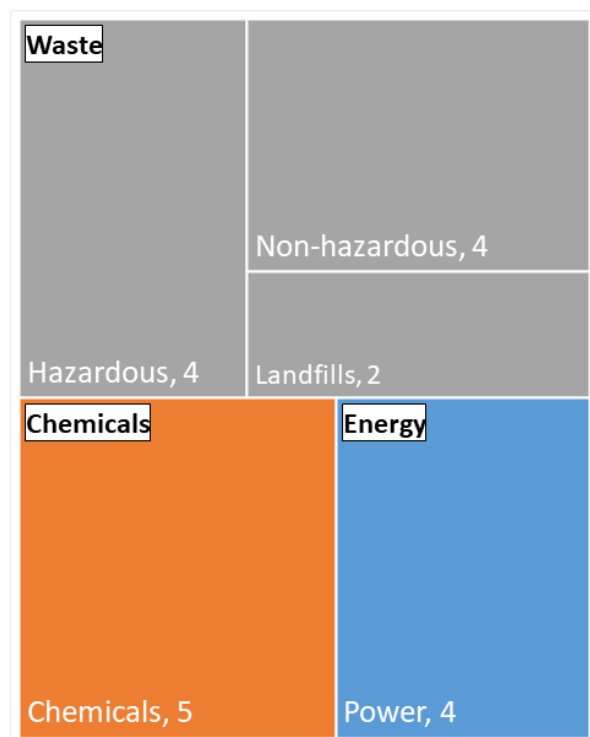
<sup>91</sup> European Environment Agency, [Eionet Central Data Repository](#).

The overview of industrial activities regulated by IED below is based on data reported to the EU Registry (2018)<sup>94</sup>.

In Malta, 19 industrial installations are required to have a permit based on the IED. The distribution of installations is shown in Figure 19.

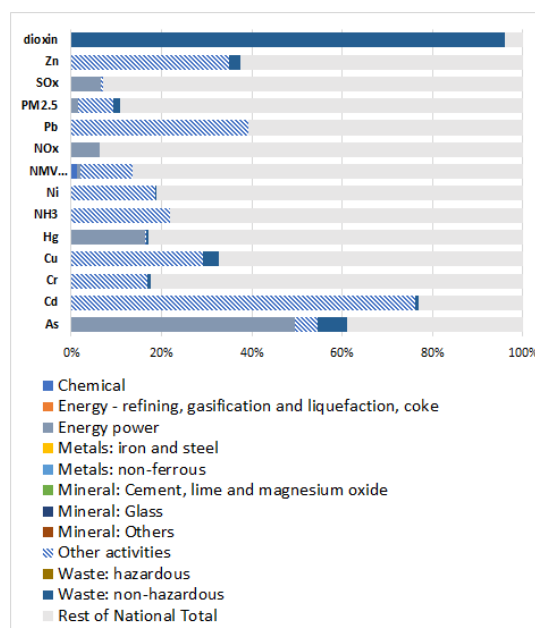
The industrial sectors in Malta with the most IED installations in 2018 were the waste management sector, including landfills (53%), followed by the chemicals sector (26%) and the energy sector (21%).

**Figure 19: Number of IED industrial installations per sector in Malta, 2018<sup>95</sup>**



The industrial sectors identified as contributing the largest burden to the environment for emissions to air were: (i) the energy sector for emissions of sulphur oxides, nitrogen oxides (NO<sub>x</sub>), mercury (Hg) and arsenic (As); and (ii) the waste-management sector for emissions of dioxins. The rest of the industrial emissions are due to 'other activities' (mainly surface treatment). The breakdown is shown in the following graph.

**Figure 20: Emissions to air from IED sectors and rest of national total air emissions in Malta, 2018<sup>96</sup>**



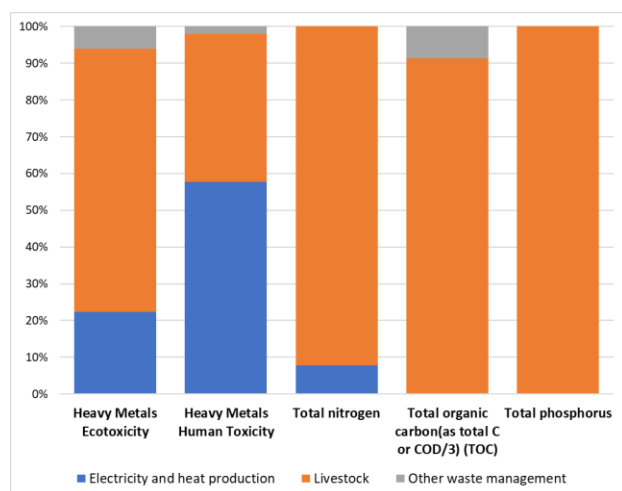
The environmental burdens for industrial emissions to water mainly result: (i) from the energy sector for emissions of heavy metals; and (ii) from aquaculture for emissions of nitrogen, total organic carbon and phosphorous. The breakdown, based on E-PRTR data, is presented in Figure 21 below.

<sup>94</sup> <https://industry.eea.europa.eu/>

<sup>95</sup> European Environment Agency, EU Registry, [European Industrial Emissions Portal \(data retrieved on 3 November 2021\)](#).

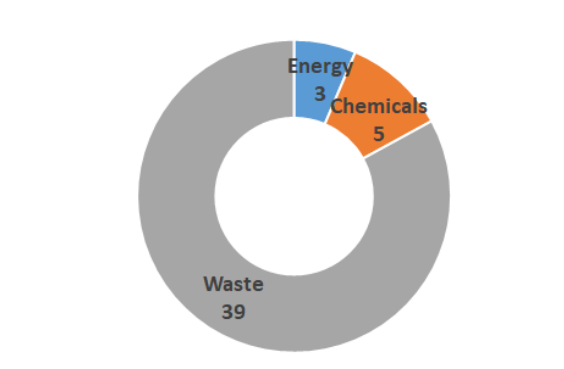
<sup>96</sup> European Environment Agency, LRTAP, Air pollutant emissions data viewer (Gothenburg Protocol, LRTAP Convention) 1990-2019 ([data retrieved on 3 November 2021](#)).

**Figure 21: Relative releases to water from industry in Malta<sup>97</sup>, 2018<sup>98</sup>**



The EU approach to enforcement under the IED creates direct rights for the public to have access to relevant information and to participate in the permitting process for potentially polluting installations. This empowers the public and NGOs to ensure that permits are appropriately granted and that the conditions of these permits are complied with. As part of environmental inspection, competent authorities undertake site visits to IED installations to take samples and to gather necessary information. According to Article 23(4) of the IED, site visits must be carried out between once a year and once every 3 years, depending on the environmental risks posed by the installations. In 2018, Malta undertook 47 site visits, most of which were to installations in the waste-management sector, including landfills (83% of visits were to waste-management installations).

**Figure 22: Number of inspections in IED installations in 2018 in Malta<sup>99</sup>**



The development of best available techniques (BAT) reference documents (BREFs) and BAT conclusions<sup>100</sup> ensures good collaboration between stakeholders and enables better implementation of the IED. Since the last EIR, the Commission adopted BAT conclusions for Malta for: (i) waste incineration; (ii) the food, drink and milk industries; and (iii) for surface treatment using organic solvents including the preservation of wood and wood products with chemicals.

The Commission relies on the efforts of national competent authorities to implement the legally binding BAT conclusions and associated BAT emission levels in environmental permits. This should result in considerable and continuous reductions in pollution.

Malta has not signed and ratified the Kiev Protocol on Pollutant Release and Transfer Registers (2009), which aims at increasing public access to information by the setting up of coherent, nationwide pollutant release and transfer registers (PRTRs).

In the 2019 EIR, the Commission suggested that Malta review permits to: (i) ensure that they comply with the newly adopted BAT conclusions; and (ii) strengthen control and enforcement to ensure compliance with the BAT conclusions. These actions have been followed up by the Commission through the reporting by Malta to the EU Registry. No non-compliant permits were reported in 2018.

## 2022 priority actions

- Sign and ratify the Kiev Protocol on Pollutant Release and Transfer Registers.

<sup>97</sup> The heavy metals are presented both as a weighted sum of eco toxicity and human toxicity factors to illustrate both the ecological and human impact (based on USEtox).

<sup>98</sup> European Commission, European Environment Agency, E-PRTR, European Industrial Emissions Portal ([data retrieved on 3 November 2021](#)).

<sup>99</sup> EU Registry (data retrieved on 3 November 2021)

<sup>100</sup> [BAT reference documents | Eippcb \(europa.eu\)](#).

## Major industrial accidents prevention - SEVESO

The main objectives of EU policy on the prevention of major industrial accidents are to:

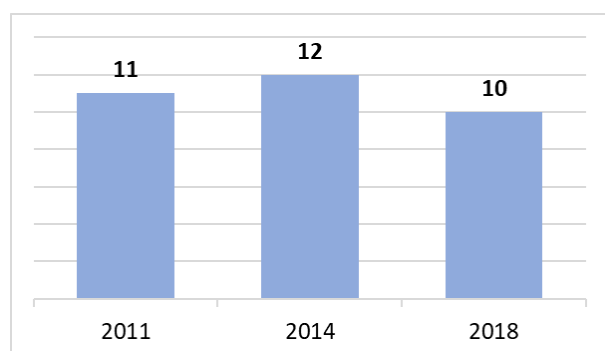
- (i) control major accident hazards involving dangerous substances, especially chemicals;
- (ii) limit the consequences of such accidents for human health and the environment;
- (iii) continuously improve prevention, preparedness and response to major accidents.

The cornerstone of the policy is Directive 2012/18/EU (the Seveso-III Directive<sup>101</sup>).

The overview detailed below of industrial plants regulated by Seveso-III Directive, ('Seveso establishments'), is based on data reported to the eSPIRS database (2018)<sup>102</sup> and the report by Malta on the implementation of the Seveso-III Directive for 2015-2018<sup>103</sup>.

Of the 10 Seveso establishments in Malta, 2 are categorised as lower-tier establishments (LTE) and 8 as upper-tier establishments (UTE) – based on the quantity of hazardous substances likely to be present in them. The UTE are subject to more stringent requirements. The evolution change in the number of Seveso establishments is presented in Figure 23.

**Figure 23: Number of Seveso establishments in Malta, 2011, 2014 and 2018<sup>104</sup>**



Many Seveso establishments are required to draw up external emergency plans (EEPs). These EEPs are essential to allow proper preparation and effective implementation of the necessary actions to protect the environment and the population should a major industrial accident occur at a Seveso establishment.

<sup>101</sup> Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances

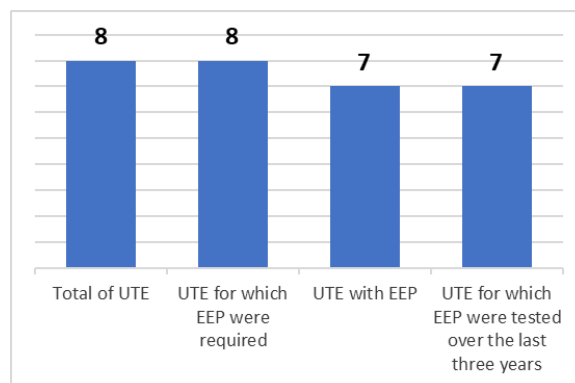
<sup>102</sup> European Commission, Seveso Plants Information Retrieval System

<sup>103</sup> As provided for by Article 21(2) of the Seveso-III Directive

<sup>104</sup> European Commission, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing Directive 2012/18/EU on the control of major accident hazards involving dangerous substances), 2022.

According to Malta, an EEP is required for 8 UTEs. In 2018, 7 UTEs had an EEP and 7 of these EEPs had been tested over the last 3 years. The summary is shown in Figure 28.

**Figure 24: Situation regarding EEP in Malta, 2018<sup>105</sup>**



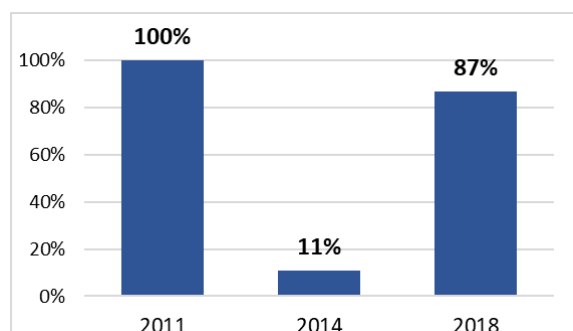
The following types of information are permanently available for 83% of the Seveso establishments in Malta: (i) information to the public referred to in Annex V of the Seveso-III Directive – especially about how the public concerned will be warned if there is a major accident; (ii) information on the appropriate behaviour if there is a major accident; and (iii) information containing the date of the last site visit. The share of UTEs for which information on safety measures and requisite behaviours were actively made available to the public in recent years are presented in Figure 29. This provision on knowledge is an important provision of the Seveso-III Directive as knowledge of this information by the public may reduce the consequences of a major industrial accident.

Malta has not signed and ratified the Helsinki Convention on Industrial Accidents (as amended in 2015), which applies to: (i) the prevention of, preparedness for, and response to industrial accidents capable of causing transboundary effects; and (ii) international cooperation in the event of industrial accidents concerning, among other things, mutual assistance by signatory countries.

In 2019, the Commission launched infringement proceedings against Malta for failing to correctly transpose the SEVESO III Directive. The grievances encompass internal emergency plans, information to competent authority of the major accident prevention policy and safety report, public consultation, and access to review and penalties.

<sup>105</sup> Idem.

**Figure 25: Share of UTE for which information on safety measures and requisite behaviours were actively made available to the public in Malta, 2011, 2014 and 2018<sup>106</sup>**



### 2022 priority actions

- Strengthen the control and enforcement of the Seveso-III Directive, especially on information to the public and EEP.
- Sign and ratify the Helsinki TEIA Convention.

### Noise

The Environmental Noise Directive<sup>107</sup> provides for a common approach to avoid, prevent and reduce the harmful effects of exposure to environmental noise, although it does not set noise limits as such. The main instruments it uses in this respect are strategic noise mapping and planning. A relevant 2030 zero pollution action plan target is a reduction by 30% of the share of people chronically disturbed by transport noise compared to 2017.

Excessive noise from aircraft, railways and roads is one of the main causes of environmental health-related issues in the EU. It can cause ischaemic heart disease, stroke, interrupted sleep, cognitive impairment and stress<sup>108</sup>. In Malta, overall exposure to excessive noise in 2012, the latest year with complete data, was 64 000 people.

In Malta, based on a limited set of data, environmental noise is estimated to cause at least around 10 premature deaths and 20 hospital admissions annually<sup>109</sup>. Moreover,

some 3 000 people in Malta suffer from sleep that is disturbed by environmental noise. Based on the latest full set of information that has been analysed, Malta has completed its noise mapping and its noise planning of agglomerations and roads. This noise mapping and noise planning was adopted after a public consultation.

### Water quality and management

EU legislation and policy requires that the impact of pressures on transitional, coastal and fresh waters (including surface and ground waters) be significantly reduced. Achieving, maintaining or enhancing a good status of water bodies as defined by the Water Framework Directive will ensure that EU citizens benefit from good quality and safe drinking and bathing water. It will further ensure that the nutrient cycle (nitrogen and phosphorus) is managed in a more sustainable and resource-efficient way.

### Water Framework Directive

The Water Framework Directive (WFD)<sup>110</sup> is the cornerstone of EU water policy in the 21st century<sup>111</sup>. The WFD and other water-related directives<sup>112</sup> set the framework for sustainable and integrated water management, which aims at a high level of protection of water resources, prevention of further deterioration and restoration to good status.

By March 2022, all Member States are asked to submit to the Commission the third generation of river-basin management plans (RBMPs) required under the WFD. Malta has not yet reported it. These RBMPs will be subject to a Commission assessment.

The Commission also published in December 2021 the 6th Implementation Report<sup>113</sup>, which assesses implementation of the WFD and the Floods Directive. This report includes an assessment of the implementation of the programmes of measures and of the new priority substances. The assessment report for

<sup>106</sup> Idem.

<sup>107</sup> Directive [2002/49/EC](#)

<sup>108</sup> WHO 2018, Environmental Noise Guidelines for the European Region

<sup>109</sup> These figures are an estimation by the European Environmental Agency based on: (i) the data reported by Member States on noise exposure covered by Directive 2002/49/EC; (ii) ETC/ATNI, 2021, Noise indicators under the Environmental Noise Directive 2021: Methodology for estimating missing data, ETC/ATNI Report No 2021/06, European Topic Centre on Air Pollution, Transport, Noise and Industrial Pollution; and (iii) the [methodology for health impact calculations, ETC/ACM](#),

2018, Implications of environmental noise on health and wellbeing in Europe, Eionet Report ETC/ACM No 2018/10, European Topic Centre on Air Pollution and Climate Change Mitigation.

<sup>110</sup> The [Water Framework Directive \(2000/60/EC\)](#).

<sup>111</sup> The [EU Water Policy](#).

<sup>112</sup> This includes the [Groundwater Directive \(2006/118/EC\)](#), the [Environmental Quality Standards Directive \(2008/105/EC\)](#), the [Floods Directive \(2007/60/EC\)](#), the [Bathing Water Directive \(2006/7/EC\)](#), the [Urban Waste Water Treatment Directive \(91/271/EEC\)](#), the new [Drinking Water Directive \(2020/2184/EC\)](#), the [Nitrates Directive \(91/676/EEC\)](#), the [Marine Strategy Framework Directive \(2008/56/EC\)](#) and the [Industrial Emissions Directive \(2010/75/EU\)](#).

<sup>113</sup> See the [6th Implementation Report of the WFD and the Floods Directive](#).

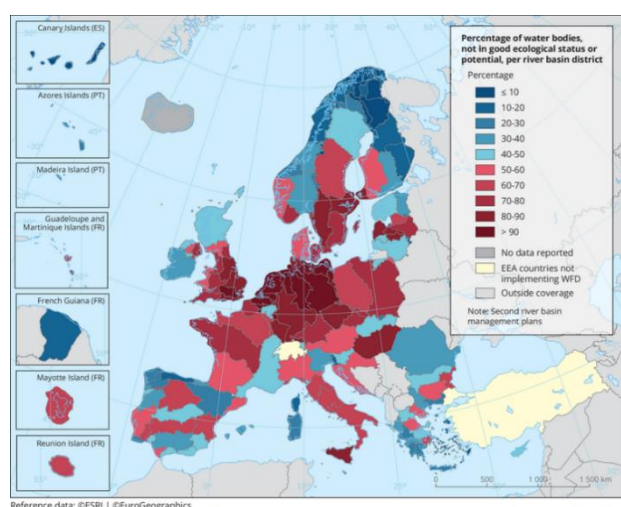


Malta<sup>114</sup> shows that the main measures in the programme of measures that were subsequently included in Malta's second round of RBMPs have made good progress. Out of 97 measures in Malta's second round of RBMPs, 87% are ongoing or were in progress at the time of reporting. Around 9% of these measures had been completed both in terms of substance and timing when Malta reported its RBMPs, while 4% will have been completed in the second half of 2020. Procurement procedures are already in place for the commissioning of these measures.

Based on the reporting on the second round of RBMPs and data published in 2020<sup>115</sup>, 36.8% of all surface water bodies<sup>116</sup> in Malta have reached good ecological status (with unknown ecological status for 52.6% of all surface water bodies) while only 52.6% have good chemical status. For groundwater bodies, 80.0% failed to achieve good chemical status and 13.3% are in poor quantitative status.

Figure 26 below illustrates the proportion of surface water bodies in Malta and other European countries that failed to achieve good ecological status.

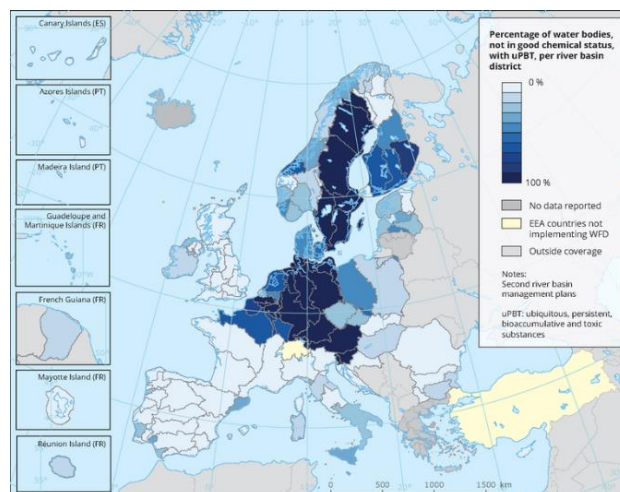
**Figure 26: Proportion of surface water bodies (rivers, lakes, transitional and coastal waters) in less than good ecological status per river basin district<sup>117</sup>**



The Figure 27 below presents the percentage of surface water bodies in Malta and other European countries that fail to achieve good chemical status. For Malta, the percentage is 47.4%, if one includes water bodies failing

due to the presence in them of substances behaving as ubiquitous PBTs (persistent, bio-accumulative, or toxic substances). Without uPBTs, 100% of surface water bodies in Malta would have reached good chemical status.

**Figure 27. Percentage of surface water bodies not achieving good chemical status<sup>118</sup>**



Under the IED framework, it should be stressed that Malta showed the last decade a significant decrease (94.7%) in industrial releases of heavy metals like Cd, Hg, Ni, Pb, but a slight increase (0.7%) in TOC to water<sup>119</sup>.

The total water abstracted annually in Malta from surface and groundwater sources was 49.95 hm<sup>3</sup> in 2019 (EEA, 2022). Figure 288 shows how this water is used and by what sector. Of this abstracted water, 50.81% is used for agriculture, 30.01% for public water supply, 17.16% for electricity cooling, and 2.01% for manufacturing. Malta has identified over-abstraction issues at groundwater-body level. Malta uses a register to monitor water abstractions from groundwater. The register of groundwater sources is not publicly available. Where a source has been marked for exemption from checks on its groundwater-abstraction meter, no record is kept of this by the competent authority. No competent authorities are responsible for updating and managing water-abstraction registers, unlike the situation which exists for abstraction from fresh surface-water sources, which is being monitored.

<sup>114</sup> European Commission, Directorate-General for Environment, Assessment of Member States' progress in Programmes of Measures during the second planning cycle of the Water Framework Directive. Member State: Malta, 2022.

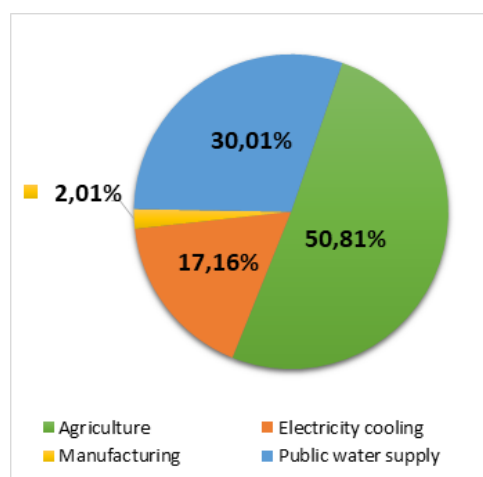
<sup>115</sup> [WISE Freshwater \(europa.eu\)](https://wise.freshwater.europa.eu/).

<sup>116</sup> Rivers, lakes, transitional waters, coastal waters, and territorial waters.

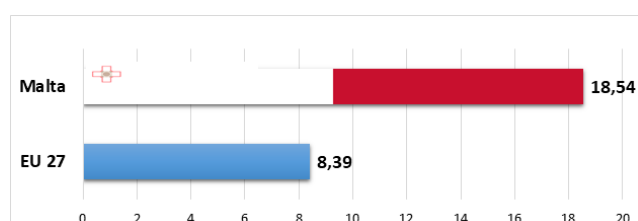
<sup>117</sup> European Environment Agency, 2021.

<sup>118</sup> European Environment Agency, December 2019.

<sup>119</sup> European Environment Agency, 2022

**Figure 28. Water abstraction per sector in Malta<sup>120</sup>**

In Malta, the water-exploitation index plus (WEI+)<sup>121</sup> is 18.54%, which is slightly less than the 20% that is generally considered to indicate water scarcity<sup>122</sup>. Malta is ranked fifth (with first place indicating extreme water scarcity) in the EU in the WEI+.

**Figure 29. Water exploitation index plus (WEI+) inside EU, 2017<sup>123</sup>**

A successful LIFE project<sup>124</sup> is being developed in Malta in the field of water management. The most important outcomes of the project to date include the needed baseline assessments for Malta on water demand and supply and availability and market penetration of water efficient technologies as well as the identification of industrial pollution sources, of emerging contaminants of concern, and of the input needs of the hydrographic model for Malta's marine waters. A particularly worth-noting achievement is the set-up of a complex geographic information system that brings together data

available and collected on valleys' catchments classification and ecosystem services mapping. This has provided Maltese authorities, for the first time, with GIS platform and skilled personnel to be able to respond to WFD needs. Another important achievement is the elaboration of the Master Plans and Technical Guidelines for 16 Valley Catchments in the Maltese Islands through an articulated participatory process.

### Floods Directive

As mentioned above, the Commission published in December 2021 the 6th Implementation Report, which assesses the implementation of both the WFD and the Floods Directive. The report includes a review and update of the preliminary flood-risk assessments drawn up by all Member States during the second cycle (2016-2021).

Within the Commission's 6th Implementation Report, the Commission carried out a review of the preliminary flood-risk assessment drawn up by Malta<sup>125</sup>. This review shows that a methodology is in place in Malta to identify the risk of future floods, and that this methodology includes an assessment of all potential consequences. However, the methodology in this report contains no definition of 'significant impacts', which means that there is no way to identify previous floods in Malta that had significant adverse impacts. The impacts of climate change to the phenomenon of flooding should be clearly taken into consideration, and the impact of further urbanisation, as well.

Malta has not yet reported the second generation of Flood Risk Management Plans (FRMPs) under the Floods Directive. The European Commission will assess progress since the adoption of the first Flood Risk Management Plans and publish a new report, as done in 2019.

### Drinking Water Directive

On the Drinking Water Directive<sup>126</sup>, no new assessment of the quality of drinking water is available since the 2019 EIR. The quality of drinking water in Malta has not been indicated as an area of concern.

The recast Directive<sup>127</sup> entered into force on 12 January 2021, and Member States have until 12 January 2023 to transpose it into their national legal system. Malta will have to comply with these reviewed quality standards.

<sup>120</sup> European Environment Agency, [Water abstraction by source and economic sector in Europe](#), 2022.

<sup>121</sup> The water-exploitation index plus (WEI+) is a measure of total fresh water use as a percentage of renewable fresh water resources (groundwater and surface water) at a given time and place. It quantifies how much water is abstracted and how much water is returned after use to the environment.

<sup>122</sup> By May 2022, the EEA will develop a seasonal WEI+ at river basin and NUTS2 level, which will provide a more complete picture of water stress and water scarcity for each Member State.

<sup>123</sup> European Environment Agency, Water exploitation Index Plus, 2022.

<sup>124</sup> <https://webgate.ec.europa.eu/life/publicWebsite/project/details/4816>

<sup>125</sup> European Commission, Directorate-General for Environment, Assessment of Second Cycle Preliminary Flood Risk Assessments and Identification of Areas of Potential Significant Flood Risk under the Floods Directive: Member State: [Malta](#), 2022.

<sup>126</sup> OJ L 330, 5.12.1998, p. 32–54.

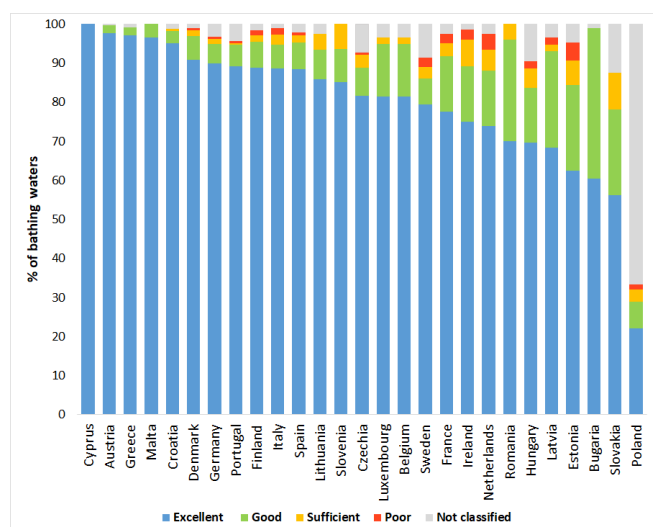
<sup>127</sup> OJ L 435, 23.12.2020, p. 1–62.



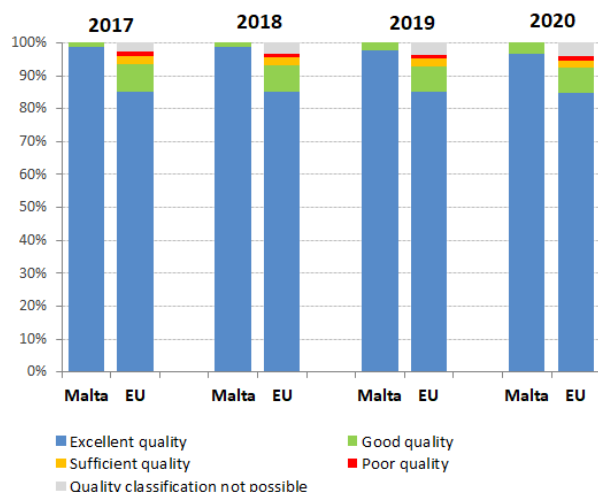
## Bathing Water Directive

On the Bathing Water Directive, Figure 35 shows that in 2020, 84 Maltese bathing waters, (96.6%) were of excellent quality<sup>128</sup> and 3 bathing waters (3.4%) of good quality. No bathing waters were found to be of sufficient or poor quality.

**Figure 30: Bathing water quality in Europe in the 2020 season**<sup>129</sup>



**Figure 31: Bathing water quality 2017-2020**<sup>130</sup>



\*For 2017, 2018 and 2019, data about the UK bathing waters are included under the EU average.

## Nitrates Directive

The latest Commission Report on the implementation of the Nitrates Directive<sup>131</sup>, refers to the period 2016-2019<sup>132</sup>. This report warns that nitrates are still causing harmful pollution to water in the EU. Excessive nitrates in water are harmful to both human health and ecosystems, causing oxygen depletion and eutrophication. Where national authorities and farmers have cleaned up waters, it has had a positive impact on drinking-water supply and on biodiversity. It has also benefited the sectors – such as fisheries and tourism – that depend on biodiversity and on a good supply of drinking water. Nevertheless, excessive fertilisation remains a problem in many parts of the EU.

According to this report, groundwater quality in the EU has improved since the adoption of the Directive. However, further improvement in groundwater quality has been very slow since 2012. A high percentage of groundwater-monitoring stations still show levels that are above the maximum of 50 mg nitrate/litre in six Member States – including Malta – which are facing the greatest challenges in tackling nutrient pollution from agriculture. There have been considerable efforts from most Member States and farmers to design and apply measures to mitigate nitrate losses in waters. But in spite of these efforts, the water-quality data show that the level of implementation and enforcement are still not sufficient at the broader EU level to reach the objectives of the Directive. Twelve Member States, including Malta, have recorded bad water quality all around their territory and have a systemic problem in managing nutrient losses from agriculture. Although there has been a decrease in the phosphate balance in Malta since 2008, the balance is still greater than 20 kg/ha.

Malta had a high surplus for nitrogen and phosphorus from 2000 to 2015 and is one of the Member States facing the greatest challenges in tackling nutrient pollution from agriculture. Regrettably, Malta has not provided information to the Commission about the contribution of its agriculture to nitrogen discharges in the aquatic environment for the 2016-2019 reporting period.

There is a very well-established network of groundwater-monitoring stations in Malta. Nitrate concentrations of groundwater are very high, but they slightly improved in 2016-2019 compared to 2012-2015. None of Malta's coastal or marine waters are eutrophic.

<sup>128</sup> European Environment Agency, 2021. State of bathing water — European Environment Agency (europa.eu) , p. 17.

<sup>129</sup> European Environment Agency, Bathing Water Quality in 2020, 2022.

<sup>130</sup> European Environment Agency, European Bathing Water Quality in 2017, 2018, 2019, 2020.

<sup>131</sup> Implementation of the Nitrates Directive in the EU.

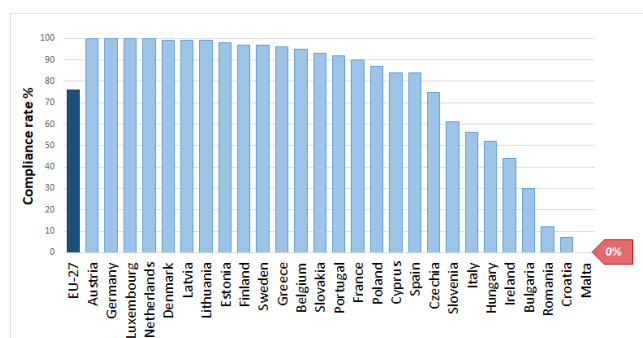
<sup>132</sup> Last implementation report 2016-2019.

## Urban Waste Water Treatment Directive

Malta has encountered difficulties in meeting its obligations under the Urban Waste Water Treatment Directive (UWWTD). According to the Commission's report<sup>133</sup>, the UWWTD requires Malta to provide in urban areas:

- Collection of 0.9 million p.e. of waste water
- Biological treatment of 0.9 million p.e. of waste water
- Biological treatment with nitrogen removal of 0.1 million p.e. of waste water

**Figure 32: Proportion of urban waste water that meets all requirements of the UWWTD (collection, biological treatment, biological treatment with nitrogen and/or phosphorus removal) in compliant urban areas of the UWWTD ('compliance rate'), 2018<sup>134</sup>**



Malta has 3 agglomerations covered by the UWWTD, and 2 of these have still compliance issues.

In February<sup>135</sup> 2022, the Commission decided to refer Malta to the European Court of Justice for its failure to ensure compliance with the UWWTD in the Malta North and Malta South agglomerations. The Commission's key concerns relate to the discharge of farmyard waste (animal manure) into the urban wastewater system, a long-standing problem in Malta, for which the authorities were trying to find solutions. Despite some progress, Malta has not fully addressed the grievances.

In the 2019 EIR, Malta received priority actions on: (i) completing the monitoring schemes for the quantitative status of groundwater; (ii) water scarcity and over-abstraction issues; (iii) enforcement measures to prevent and reduce nitrate pollution; (iv) excess discharges of farm manure in the collecting systems and the intrusion of seawater into sewage systems; and (v) the prioritisation of measures in the next round of flood-risk management plans. The Commission has noted limited progress in these areas, especially in issues such as water scarcity and over-abstraction; nitrate enforcement; and flood-risk management. In addition, the situation with the implementation of the UWWTD raises serious concern.

## 2022 priority actions

- Assess new physical modifications of water bodies in line with Article 4(7) of the WFD. Consider in these assessments alternative options and adequate mitigation measures.
- Continue current efforts to further reduce nitrates pollution from agriculture in groundwater. Continue efforts on monitoring inland and transitional waters for nitrate pollution.
- Efforts should be done to improve the coordinated implementation of water, marine and nature policies.
- Complete the implementation of the UWWTD for all agglomerations, by building up the necessary infrastructure to ensure the separation of farmyard waste.

## Chemicals

The EU seeks to ensure that chemicals are produced and used in a way that minimises any significant adverse effects on human health and the environment. In October 2020, the Commission published its chemicals strategy for sustainability - 'Towards a Toxic-Free Environment'<sup>136</sup> which led to some systemic changes in EU chemicals legislation. The strategy is part of the EU's zero-pollution ambition – a key commitment of the European Green Deal

The EU's chemicals legislation<sup>137</sup> provides a baseline protection for human health and the environment. It also ensures stability and predictability for businesses operating within the internal market.

Since 2007, the Commission has gathered information on

<sup>133</sup> Country profiles on urban waste water treatment (europa.eu)

<sup>134</sup> European Commission, WISE Freshwater, 2021.

<sup>135</sup> To be adopted 17 February.

<sup>136</sup> COM(2020) 667 final.

<sup>137</sup> REACH: OJ L 396, 30.12.2006, p.1. - CLP: OJ L 252, 31.12.2006, p.1

the enforcement of the Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (the REACH Regulation) and the Regulation on Classification, Labelling and Packaging (the CLP Regulation). In December 2020, the Commission assessed the Member States' reports on the implementation and enforcement of these Regulations<sup>138</sup>, in line with Article 117(1) of the REACH Regulation and Article 46(2) of the CLP Regulation. According to the latest available data, national enforcement structures have not changed much. However, it is apparent from this report that there are still many disparities in the implementation of the REACH and CLP Regulations, notably in the area of law enforcement. Recorded compliance levels in Member States seem to be quite stable over time, but with a slight worsening trend, which is likely due to: (i) enforcement authorities being more effective in detecting non-compliant products/companies; and (ii) more non-compliant products being put on the EU market.

In August 2021, the Commission published a measurable assessment of the enforcement<sup>139</sup> of the two main EU Regulations on chemicals (the REACH Regulation and the CLP Regulation) using a set of indicators on different aspects of enforcement.

In Malta, responsibility for checking compliance with both the REACH and CLP Regulations lies with the Competition and Consumer Affairs Authority<sup>140</sup> (MCCAA). In Malta, only 2 staff members from the MCCAA are allocated to REACH and CLP enforcement.

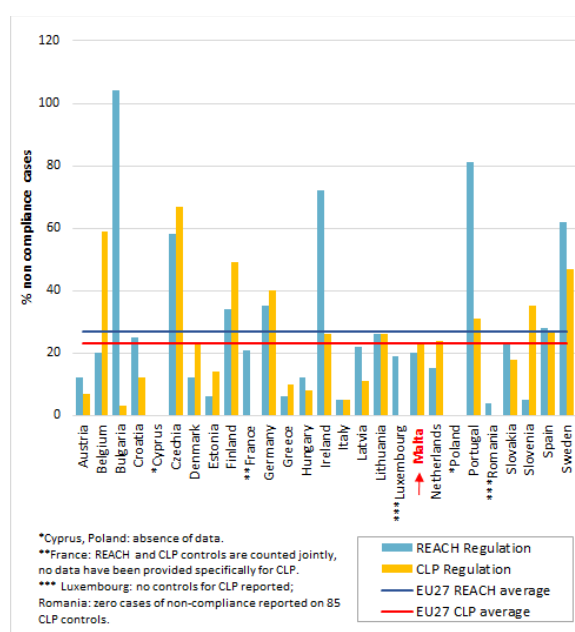
Since 2020, Malta continued to strengthen its resources for the REACH-CLP enforcement by another 2.5 Full Time Employees (FTE). In addition, 4 staff members within the MCCAA within the Ministry for Tourism (MFT) support the enforcement activities through quality assurance and administrative functions.

Malta has devised and partially implemented only a REACH enforcement strategy, but has not indicated whether it follows the strategy devised by the Forum for Exchange of Information on Enforcement<sup>141</sup>. Moreover, Malta has no plans to devise a CLP enforcement strategy, although it had indicated that such a strategy had been implemented in the previous reporting period (i.e. such a strategy had been implemented in 2012-2015). The number of enquiries received by Maltese helpdesks in

2019 were only 10 on the REACH Regulation and 21 on the CLP Regulation. The main topics of the enquiries related to REACH are unknown and little information was reported by Malta on awareness-raising activities carried out by the Maltese competent authority.

The 2019 EIR did not set priority actions in Malta due to a lack of significant data. Based on the 2020 enforcement reports, the Commission has identified the following shortcomings which call for priority actions in Malta. The first shortcoming is resources: more resources should be allocated to REACH and CLP enforcement<sup>142</sup>. This can be seen in the 88 REACH controls in the reporting period, several controls that remain below the EU average. The second shortcoming is that proactive controls (inspections) also remain below the EU average<sup>143</sup>. The third shortcoming is that the percentage of non-compliance cases out of the total number of REACH and CLP controls is slightly below the EU average.

**Figure 33: Percentage of non-compliance cases out of the total number of REACH and CLP controls during 2019 per Member State and compared to the EU average<sup>144</sup>**



<sup>138</sup> European Commission, Final Report, on the operation of REACH and CLP, [Final report\\_REACH-CLP MS reporting\\_2020.pdf \(europa.eu\)](#).

<sup>139</sup> European Commission, REACH and CLP enforcement: EU level enforcement indicators.

<sup>140</sup> [Final report\\_REACH-CLP MS reporting\\_2020.pdf \(europa.eu\)](#), p. 70

<sup>141</sup> Idem, p. 76.

<sup>142</sup> European Commission, Final Report, on the operation of REACH and CLP, [Final report\\_REACH-CLP MS reporting\\_2020.pdf \(europa.eu\)](#), p. 75.

<sup>143</sup> [Final report\\_REACH-CLP MS reporting\\_2020.pdf \(europa.eu\)](#), p. 95.

<sup>144</sup> European Commission, Final Report, on the operation of REACH and CLP, pp.87-88, 2022.

### 2022 priority actions

- Upgrade the implementation and enforcement administrative capacities towards a zero tolerance of non-compliances.
- Devise and implement strategies to enforce the REACH and CLP Regulations.

## 4. Climate action

In line with the Paris Agreement and as part of the European Green Deal, the European Climate Law sets the EU target of reaching climate neutrality by 2050 and reducing greenhouse gas (GHG) emissions by 55% by 2030 compared to 1990. The law also limits the contribution that carbon removals can make towards emission reductions in 2030 to ensure a sufficient mitigation effort. The EU and its Member States submitted updated Nationally Determined Contribution (NDC) to the UNFCCC in December 2020. The EU is working across all sectors and policies to cut GHG emissions and make the transition to a climate-neutral and sustainable economy, as well as addressing the unavoidable consequences of climate change. EU climate legislation incentivises emissions reductions from power generation, industry, transport, the maritime sector and fluorinated gases (F-gases) used in products. For road transport, EU legislation requires the GHG intensity of vehicle fuels to be cut by 6% by 2020 compared to 2010<sup>145</sup> and sets binding GHG emission standards for different vehicle categories<sup>146</sup>. Under the F-gas Regulation, the EU's F-gas emissions will be cut by two thirds by 2030 compared with 2014 levels. From 2021, emissions and removals of GHGs from LULUCF have been included in the EU emission-reduction efforts. The EU adaptation policy is an integral part of the European Green Deal. From 2021, Member States are required to report on their national adaptation policies<sup>147</sup>, as the EU Climate Law recognises adaptation as a key component of the long-term global response to climate change. Member States will be required to adopt national strategies, and the EU will regularly assess progress as part of its overall governance on climate action. The updated EU adaptation strategy, published in February 2021, sets out how the EU can adapt to the unavoidable impacts of climate change and become climate resilient by 2050.

### Key national climate policies and strategies

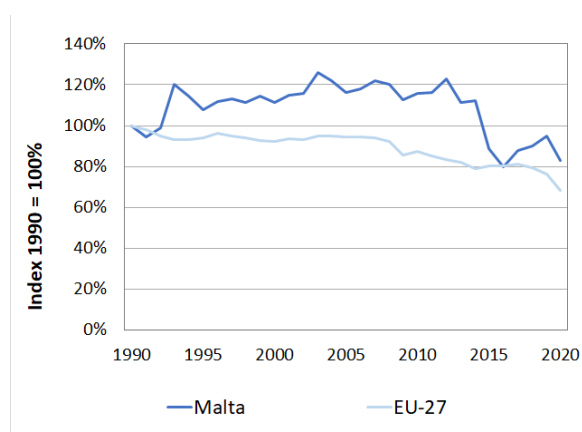
Malta has an integrated national energy and climate plan for 2021-2030. This plan is also consistent with Malta's long-term low-carbon development strategy (October 2021), its long-term renovation strategy (2021) and its long-term waste-management plan (2020). The national objective is to reach carbon neutrality by 2050. The long-term strategy examines the measures to cut emissions across the Maltese economy, in line with the EU goal of climate neutrality by 2050. The low-carbon development strategy operates on a five year policy cycle, as mandated in the amended Climate Action Act, which was adopted in 2015. This Act provides nationally binding legal obligations for coordinated governance to deal with climate issues.

Malta allocates nearly 54% of its RRP's spending to climate objectives and environmental objectives. The RRP also outlines crucial reforms and investments to further the green transition, including investments in reducing transport emissions by electrification and modal shift, and in improving energy efficiency in public buildings including investments in renewable energy (more details in Chapter 5).

Malta's first national climate change adaptation strategy was published in 2012. The Climate Action Act includes an obligation to update periodically (at least every 4 years) the national climate-change adaptation strategy.

The country's greenhouse gas emissions decreased by 17% between 1990 and 2020. Both the emissions intensity of its economy and emissions per capita are lower than the EU average.

**Figure 34: Total greenhouse gas emissions (incl. international aviation) in Malta, 1990-2020**



<sup>145</sup> The Fuel Quality Directive (Directive 98/70/EC) sets strict quality requirements for fuels used in road transport in the EU to protect human health and the environment, and to make road travel across the EU safer.

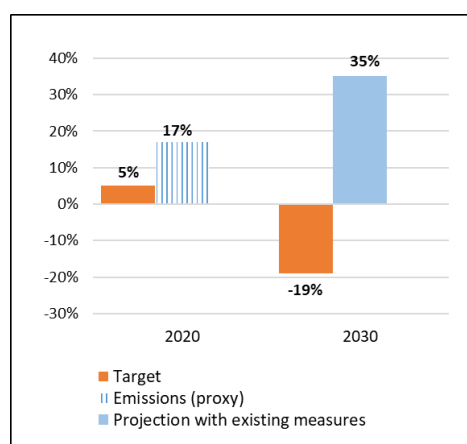
<sup>146</sup> Directive 98/70/EC.

<sup>147</sup> Article 29 of Regulation (EU) 2018/1999.

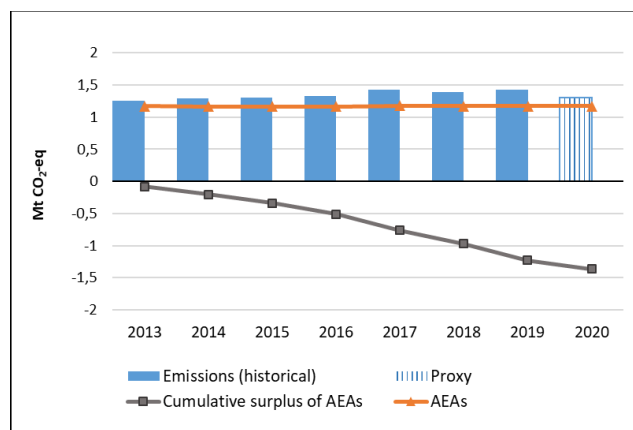
## Effort sharing

For emissions not covered by the EU's emissions trading scheme (ETS), Member States have binding national targets under the Effort Sharing legislation<sup>148</sup>. Malta's target under the EU legislation is to limit the increase in its emissions not covered by the ETS (such as buildings, road transport, agriculture, small industry and waste) to 5% by 2020, and then reduce these emissions by 19% by 2030 compared to 2005. Ongoing efforts to cut emissions do not appear sufficient to achieve Malta's reduction targets. In 2020, emissions are projected to be 17% above the 2005 level. Malta has the highest relative cap of any Member State to its European 2030 domestic greenhouse gas emissions reduction target compared to its 2005 emissions levels. Malta's national energy and climate plan projects that the country's emissions will increase by +41% between 2005 and 2030. Without additional measures, Malta's emissions in the effort sharing sectors are set to increase for the period 2021-2030.

**Figure 35: Emissions and targets under the Effort Sharing Decision/ Effort Sharing Regulation 2020 and 2030 as percentage change from 2005**



**Figure 36: Emissions, annual emission allocations (AEAs) and accumulated surplus/ deficit of AEAs under the Effort Sharing Decision in Malta, 2013-2020**



## Key sectoral developments

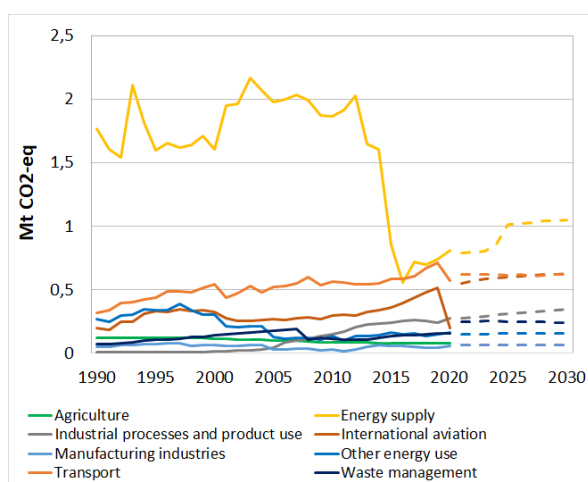
In road transport, the GHG intensity of vehicle fuels in Malta decreased by 4.3% from 2010 to 2019. The country needs to act swiftly to meet the current EU-wide reduction target of a 6% decrease by 2020. There are several types of action that Member States can take in this regard, for example: (i) further expanding the use of electricity in road transport; (ii) supporting the use of biofuels and advanced biofuels in particular; (iii) incentivising the development and deployment of renewable fuels of non-biological origin; and (iv) reducing upstream emissions before refining processes.

Road transport in 2020 in Malta represented 27% of the total greenhouse gas emissions. Road transport emissions are steadily growing and emissions have increased by 35% compared to 2005. Several policy measures, recently put in place or planned, have the potential to promote sustainable transport. Current policies encourage the uptake of electric vehicles. The government has also renewed grant schemes for more fuel-efficient passenger vehicles. Emissions from road transport could be reduced by addressing traffic congestion through improved service quality in public transport, intelligent transport systems and investing in soft mobility infrastructure.

**Figure 37: Greenhouse gas emissions by sector in Malta<sup>149</sup> – historical emissions 1990-2019, projections 2021-2030<sup>150</sup>**

<sup>149</sup> The sectors in the figure correspond to the following IPCC sectors: Energy supply: 1A1, 1B and 1C. Energy use in manufacturing industries: 1A2. Industrial processes and product use: 2. Transport: 1A3. Other energy use: 1A4, 1A5 and 6. Agriculture: 3. Waste: 5. International aviation: 1.D.1.a.

<sup>148</sup> Regulation (EU) 2018/842



The buildings sector is key to meeting Malta's long-term decarbonisation goals, and additional measures are needed in this sector.

Emissions in agriculture have been stable. Their share of total greenhouse-gas emissions is small at 3%.

In the land-use, land-use-change and forestry (LULUCF) sector, Malta's net emissions are near zero. Projections in the national energy and climate plan indicate a similar trend to 2030. Malta is the only EU Member State with no reported and accounted quantities under the Kyoto Protocol's second commitment period for LULUCF.

### Use of revenues from the auctioning of EU ETS allowances

Total revenues from the auctioning of emission allowances in Malta under the EU ETS in 2012-2021 were over EUR 103 million. Malta reported use of a revenues for the scopes listed in Directive 2003/87/EC of an average of 135%, spent for climate and energy purposes. All revenues go to the consolidated fund (general Budget), and expenditure on energy and climate projects are financed through this fund.

### 2022 priority actions

- Promote the gradual electrification of the car fleet.
- Improve public transport and further encourage the use of public transport to help reduce both congestion and greenhouse gas emissions. Improving the sustainability of transport will also improve the quality of life of Maltese residents by reducing congestion, accidents, and environmental damages.

- Accelerate the roll-out of renewable energy.
- Seize the significant opportunities to reduce non-CO2 greenhouse gas emissions from the waste sector. Reduce non-CO2 emissions in agriculture while enabling the agro-food industry to transition to sustainable modes of production. Size the significant mitigation opportunities of non-CO2 greenhouse gas emissions from the waste sector.
- Ensure the sustainability of biomass.
- Further mainstream climate-change adaptation and disaster-risk-reduction measures, especially flooding prevention.

<sup>150</sup> European Environmental Agency, [Total GHG trends and projections](#).



## Part II: Enabling framework: Implementation tools

### 5. Financing

#### Environmental investment needs in the European Union

Financing environmental measures is essential for their success. Although most financing comes from national sources, various EU funds contribute significantly, helping to close the financing gaps.

Post-2020, environmental measures will also be supported by the EU's COVID-19 Recovery Fund (via the RRF) and the 'do no significant harm' principle which runs across the EU budget. The renewed commitments made at COP26 (Glasgow, October-November 2021) and the Biodiversity Convention (April-May 2022)<sup>151</sup> will also be reflected in the EU budget. Overall environmental investment gaps (EU-27).

#### Overall environmental investment gaps (EU27)

The EU's investment needs for the green transition cover a range of interlinked areas. The additional investment needs over the baselines (i.e. the gap between what is needed and what is forecast to be invested if no additional action is taken) for climate, energy and transport were estimated in 2021 at EUR 390 billion per year (EU-27)<sup>152</sup>, with a further EUR 130 billion a year to deliver the EU's core environmental objectives<sup>153</sup>. The costs of climate-change adaptation can also be significant, and are estimated to reach a total of EUR 35-62 billion (narrower scope) or EUR 158-518 billion (wider scope) per year<sup>154</sup>. Those investment needs reflect the implementation objectives to 2020 and to 2030 (except for climate-change adaptation, the costs of which are expected to last over a longer time horizon).

A preliminary update of the EU's core environmental-investment gap is provided in Table 1<sup>155</sup>. Almost 40% of the environmental-investment gap relate to dealing with

pollution, which accounts for nearly two-thirds of the total gap if combined with water management. The investment gap in circular economy and waste is estimated between EUR 13-28 billion a year depending on levels of circularity implemented. The annual biodiversity financing gap is estimated at around EUR 20 billion.

**Table 1: Estimated breakdown of the EU's environmental investment gaps, by environmental objective, 2021-2030 per year<sup>156</sup>**

Environmental objective	Estimated investment gap (EU-27, p.a.)	
	EUR billion	%
Pollution prevention & control	42.8	39%
Water management & industries	26.6	24%
Circular economy & waste	13.0	12%
Biodiversity & ecosystems <sup>157</sup>	21.5	20%
R & D & I and other	6.2	6%
<b>Total</b>	<b>110.1</b>	<b>100%</b>

#### Environmental investment needs in Malta

Malta is the smallest, most urbanised and most densely populated EU Member State. These features, as well as the scarcity of natural resources in the country, pose specific challenges to Malta's efforts to reach a high level of environmental protection, despite investment in

<sup>151</sup> [The Convention on Biological Diversity \(cbd.int\): Post-2020 Global Biodiversity Framework | IUCN.](https://www.cbd.int/postes/cbd-cop15-final-programme-of-work)

<sup>152</sup> SWD (2021) 621, accompanying proposal COM (2021) 557 to amend the REDII Directive (EU) 2018/2001.

<sup>153</sup> SWD (2020) 98 final/2.

<sup>154</sup> SWD(2018)292 Impact assessment accompanying the LIFE Regulation.

<sup>155</sup> With decreases due to Brexit and some reconciliation among the objectives.

<sup>156</sup> European Commission, DG Environment, "Study supporting EU green investment needs analysis" (ongoing, 2021-2023) and DG Environment internal analysis "Environmental Investment needs and financing in the EU's green transition", July 2020.

<sup>157</sup> To meet the needs of the 2030 Biodiversity Strategy (Natura 2000, green infrastructure), at least EUR 20 billion a year should be unlocked for nature (COM/2020/380 final) while to fully cover the strategy (including restoration) EUR 30-35 billion may be needed, indicating a gap of EUR 10-20 billion a year compared to current baseline expenditure.

environmental infrastructure and regulation. There has been a clear shift of investment priorities in Malta towards supporting climate, energy and transport policies, as can be seen in the RRP. Nevertheless, significant investment efforts are still needed in the following fields to support the implementation of EU environmental legislation.

### *Pollution prevention & control*

The EU's first Clean Air Outlook<sup>158</sup> under the clean air programme estimated that, for Malta, to reach the emission-reduction requirements (ERRs)<sup>159</sup> in the NECD by 2030 would require spending EUR 39 million on air pollution control per year, including EUR 33 million a year for capital investment (assuming the achievement the 2030 climate and energy targets).

The second Clean-Air Outlook<sup>160</sup> suggests that the EU would largely achieve the reductions of air pollutant emissions that correspond to the obligations under the NEC Directive for 2030 if: (i) all relevant legislation adopted up to 2018 was implemented (including all air-pollution legislation and the 2030 climate and energy targets set in 2018); and (ii) Member States also implemented the measures announced in their national air-pollution control programmes (NAPCPs)<sup>161</sup>. The only exception is for ammonia (NH<sub>3</sub>), for 15 Member States excluding Malta<sup>162</sup>.

### *Water management*

According to an OECD study on financing water-supply sanitation and flood protection (2020), Malta relies on a mix of conventional (e.g. groundwater) and non-conventional (e.g. desalination) resources for its water supply. The quality of groundwater in Malta is degrading (due to saline intrusion, and pollution by nitrates), and this may increase costs of supply in the future. Current investments in water reuse aim to reduce pressures on groundwater in the country. EU funding has provided a significant share of public funding over the past decade<sup>163</sup>. It is also estimated that Malta will need to

invest an additional cumulative EUR 91 million by 2030 for drinking water and sanitation (beyond the baseline investments) – corresponding to around EUR 9 million in additional investment (capital expenditure) per year, with over 90% of that relating to wastewater<sup>164</sup>. Moreover, the recent 6<sup>th</sup> Water Framework Directive and Floods Directive Implementation Report<sup>165</sup> and the financial - economic study<sup>166</sup> accompanying it, are also a relevant source of information in this domain.

### *Waste & circular economy*

According to a Commission study<sup>167</sup>, to meet the recycling targets for municipal waste and packaging waste, Malta still needs to invest an additional EUR 34 million (around 4.9 million per year) between 2021 and 2027 (beyond the baseline investments). These waste investments will need to cover: waste collection, bio-waste treatment; recycling reprocessors; waste-sorting facilities; and digitalisation of the waste registry. This does not include investment necessary in other key waste streams (plastics, textiles, furniture) or the investment needed to unlock a higher uptake of circularity and waste prevention across the economy.

### *Biodiversity & ecosystems*

The recently submitted prioritised action framework (PAF) for Malta shows that existing nature-protection costs (including Natura 2000) in 2021-2027 are estimated at EUR 181.3 million – or around EUR 25.9 million per year<sup>168</sup>, while more efforts may be necessary to cover the increased ambitions of the EU's biodiversity strategy to 2030 and any relevant financing gaps on protection and restoration.

## **EU environmental funding 2014-2020**

The multiannual financial framework (MFF) for 2014-2020 allocated almost EUR 960 billion (in commitments, 2011 prices)<sup>169</sup> for the EU to spend over this period. The commitment in this 2014-2020 MMF to the green transition included a 20% climate spending target. It also

<sup>158</sup> International Institute for Applied Systems Analysis (IIASA), Progress towards the achievement of the EU's air quality and emissions objectives, 2018.

<sup>159</sup> [Directive \(EU\) 2016/2284](#).

<sup>160</sup> [COM\(2021\) 3 Final](#). International Institute for Applied Systems Analysis (IIASA), [Support to the development of the Second Clean Air Outlook](#), 2020 and [Report Annex](#).

<sup>161</sup> COM(2021) 3 final. International Institute for Applied Systems Analysis (IIASA), Support to the development of the Second Clean Air Outlook, 2020 and Annex.

<sup>162</sup> Nevertheless, the NECD also foresees deliveries by 2020 and 2025. [Second Clean Air Outlook, Background report, Annex](#).

<sup>163</sup> OECD, Financing Water Supply, Sanitation and Flood Protection: Challenges and Options, 2020 [6893cdac-en.pdf \(oecd-ilibrary.org\)](#).

<sup>164</sup> [Financing-water-supply-sanitation-and-flood-protection-country-fact-sheet-malta.pdf \(oecd.org\)](#).

<sup>165</sup> [WFD and FD Implementation Reports](#) – DG Environment – European Commission.

<sup>166</sup> European Commission, Directorate-General for Environment, [Economic data related to the implementation of the WFD and the FD and the financing of measures](#), Final report. Publications Office, 2021.

<sup>167</sup> European Commission, Study on investment needs in the waste sector and on the financing of municipal waste management in Member States, 2019.

<sup>168</sup> The N2K Group, Strengthening investments in Natura 2000 and improving synergies with EU funding instruments, report to the European Commission, 2021.

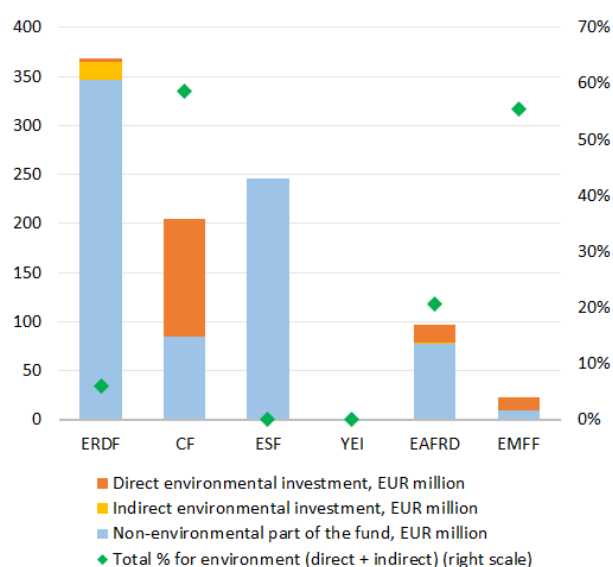
<sup>169</sup> [Council Regulation \(EU, Euratom\) No 1311/2013](#).

included funding opportunities for the environment, in particular, under the European Structural and Investment (ESI) Funds<sup>170</sup>. The 2014-2020 MFF budget was subsequently topped up with over EUR 50 billion (current prices) from the REACT-EU programme (for cohesion-policy action against COVID-19)<sup>171</sup>.

Malta received EUR 939.1 million from the ESI Funds in 2014-2020 to invest in job creation and a sustainable and healthy European economy and environment. Of this EUR 939.1 million, the planned direct environmental investment amounted to EUR 155 million, with a further 19.8 million identified as indirect environmental investment value, totalling to EUR 174.9 million in environmental funding from the ESI Funds in 2014-2020.

Figure 43 shows an overview of (planned) individual ESI Funds earmarked for Malta (EU amounts, without national amounts).

**Figure 38: ESI Funds allocated to Malta, including environmental investments, 2014-2020<sup>172</sup>**



<sup>170</sup> The European Structural and Investment (ESI) Funds include the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF) with the Youth Employment Initiative (YEI), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

<sup>171</sup> Regulation (EU) 2020/2221.

<sup>172</sup> European Commission, DG Environment - Data analysis based on ESI Funds Open Data Portal (cohesiondata.ec.europa.eu), Integration of environmental concerns in Cohesion Policy Funds (COWI, 2017), Regulation (EU) No 1303/2013, Regulation (EU) 2021/1060 and Implementing Regulation (EU) No 215/2014. Environmental investments here are captured via the combined use of intervention fields and coefficients under the Regulation (EU) No 1303/2013 and Regulation (EU) 2021/1060 allowing for a more precise identification and valuation of relevant environmental investments. N.B. Indirect environmental investments are valued using the Annex I environmental coefficients of the Regulation (EU) 2021/1060 (as opposed to full value).

**Table 2: Direct and indirect environmental investments under the ESI Funds in Malta, 2014-2020<sup>173</sup>**

Instrument	Allocations for the environment (EUR million)
<b>Under Cohesion policy (ERDF + CF)</b>	<b>142.3</b>
<u>Direct environmental investments</u>	<u>123.4</u>
water	97.3
waste	22.9
biodiversity and nature	3.2
NBS for climate	0.1
<u>Indirect environmental investments</u>	<u>18.8</u>
renewable energy	5.5
energy efficiency	4.9
sustainable transport	8.4
<b>Under EAFRD/rural development</b>	<b>20.0</b>
<u>Direct environmental investments</u>	<u>19.1</u>
water	16.0
climate and risk management	3.1
<u>Indirect environmental investments</u>	<u>1.0</u>
renewable energy	0.6
energy efficiency	0.4
<b>Under EMFF</b>	<b>12.6</b>
<u>Direct environmental investments</u>	<u>12.5</u>
environment protection & resource efficiency	12.5
<u>Indirect environmental investments</u>	<u>0.04</u>
Business development, R&I	0.04
<b>Under ESI Funds total</b>	<b>174.9</b>
Direct environmental investments	155.0
Indirect environmental investments	19.8

Funding for the environment from the ESI Funds has also been supplemented by other EU funding programmes available to all Member States, such as, the LIFE programme, Horizon 2020 or loans from the European Investment Bank (EIB) that add up to an estimated total of EUR 200 million of EU environmental financing for Malta in 2014-2020.

The LIFE programme<sup>174</sup> is entirely dedicated to environmental and climate objectives. It finances demonstration and best practice actions for green solutions to be deployed. In the programming period 2014-2020 (for nature), Malta has received EU support

<sup>173</sup> European Commission, DG Environment - Data analysis. The values of environmental investments identified here in the specific environmental areas may differ from the tracking values at cohesiondata.ec.europa.eu, e.g. for clean air or biodiversity due to two factors: the set of environmental coefficients used and the range of funds assessed. DG Environment's analysis here covered the full range of ESI Funds. See also previous footnote.

<sup>174</sup> European Commission, LIFE Programme.

for two LIFE projects with a total of EUR 4,802,497 million).<sup>175</sup>

In 2014-2020, Horizon 2020 allocated about EUR 2.75 million for Malta, in particular, for climate action, circular economy and raw materials.<sup>176</sup> Malta did not receive any funding for the environment from the European Fund for Strategic Investments in this period.<sup>177</sup> EIB lending for the environment in Malta was also limited (EUR 9.07 million) compared to the overall EIB lending to Malta in this period (EUR 261.90 million).<sup>178</sup> The country ranks 27th for size of total EIB lending in 2014-2020.

In 2020, the EIB provided EUR 24.2 billion in funding across Europe to fight climate change, 37% of its total financing and EUR 1.8 billion (3% of its financing) for the environment.<sup>179</sup>

### EU environmental funding 2021-2027

The 2020 European Green Deal investment plan (EGDIP) calls for EUR 1 trillion in green investments (public and private) to be made across the EU by 2030. The 2021-2027 MFF and the NextGenerationEU spending programme will mobilise EUR 2.018 trillion (in current prices) to support the recovery from COVID-19 and the EU's long-term priorities, including environmental protection<sup>180</sup>. Following the EU Green Deal's<sup>181</sup> pledge to 'do no harm' and the Interinstitutional Agreement on the 2021-2027 MFF<sup>182</sup>, 30% of the EU budget in 2021-2027 will support climate efforts, while biodiversity will receive 7.5% of the EU budget (as of 2024) and 10% (as of 2026) biodiversity, specifically under the 2021-2027 Cohesion policy and the 2023-2027 CAP to reach those targets.

Sustainable finance significantly increases transparency on environmental sustainability (a goal promoted by the EU Taxonomy)<sup>183</sup>. It also strengthens non-financial reporting requirements and facilitates the issuance of

green bonds (by developing the EU green-bond standard<sup>184</sup>). Reinforced by the renewed sustainable finance strategy (2020)<sup>185</sup>, sustainable finance will increase investment flows to the climate and environment. The new strategy on adaptation to climate change<sup>186</sup> can help to close the insurance protection gap, which currently leaves many risks from climate-related events uninsured<sup>187</sup>. The EIB will align 50% of its lending to climate and environment projects by 2025<sup>188</sup> with a EUR 250 billion contribution to the Green Deal investment plan by 2027.

**Table 3: Key EU funds allocated to Malta (current prices), 2021-2027**

Instrument	Allocations (EUR million)
<b>Cohesion policy</b>	<b>787.2<sup>189</sup></b>
ERDF	474.5
CF	165.2 <sup>190</sup>
ESF+	124.4
ETC (ERDF)	23 <sup>191</sup>
<b>Just Transition Fund</b>	<b>23.3<sup>192</sup></b>
<b>EAFRD/rural development</b> under CAP Strategic Plans 2023-2027 <sup>193</sup>	<b>99.9<sup>194</sup></b>
<b>European Maritime, Fisheries and Aquaculture Fund (EMFAF)</b>	<b>21.8<sup>195</sup></b>
<b>Recovery and Resilience Facility (RRF)</b> 2021 – 2026 <sup>196</sup>	<b>316.4<sup>197</sup> (grants)</b>

<sup>184</sup> EU Green Bond Standard - 2021/0191 (COD).

<sup>185</sup> COM (2021) 390 Final - European Commission, Strategy for Financing the Transition to a Sustainable Economy.

<sup>186</sup> COM(2021) 82 final.

<sup>187</sup> The strategy would support improved coverage of the insurance gap, including through the natural-catastrophe markets as reflected with the European Insurance and Occupational Pensions Authority dashboard on the insurance protection gap for natural catastrophes. See: [The pilot dashboard on insurance protection gap for natural catastrophes | Eiopa \(europa.eu\)](#).

<sup>188</sup> EIB Climate Bank Roadmap 2021-2025, November 2020.

<sup>189</sup> European Commission, [2021-2027 Cohesion policy EU budget allocations](#).

<sup>190</sup> The transfer to the Connecting Europe Facility (Transport) is not included.

<sup>191</sup> Interreg initial allocations per MS including ETC transnational and ETC cross-border co-operation.

<sup>192</sup> European Commission, [2021-2027 Cohesion policy EU budget allocations](#).

<sup>193</sup> European Commission, CAP strategic plans.

<sup>194</sup> Regulation (EU) 2021/2115, Annex XI.

<sup>195</sup> Regulation (EU) 2021/1139, Annex V.

<sup>196</sup> The actual reforms and investments under the RRF have to be implemented until 31 December 2026.

<sup>197</sup> Council Implementing Decision, FIN 701.

<sup>175</sup> LIFE Country overview Malta 2021 (europa.eu)

<sup>176</sup> Horizon 2020 Environment and resources data hub (easme-web.eu)

<sup>177</sup> European Investment Bank, Approved and signed EFSI financing, 2015-2020. <https://www.eib.org/en/products/mandates-partnerships/efsi/index.htm>.

<sup>178</sup> European Investment Bank, EIB loans in EU countries in 2014-2020. Source: EIB Open Data Portal: EIB Open Data

<sup>179</sup> EIB 2020 Activity Report. The EIB Group jointly works with the European Commission in implementing several programs that finance environmental implementation: InvestEU, the successor of EFSI, Pillar II and III of the Just Transition Mechanism. The EIB Group stands as a key implementing partner for InvestEU with responsibility for managing 75% of the overall budgetary capacity of the mandate.

<sup>180</sup> European Commission, [2021-2027 long-term EU budget & NextGenerationEU](#).

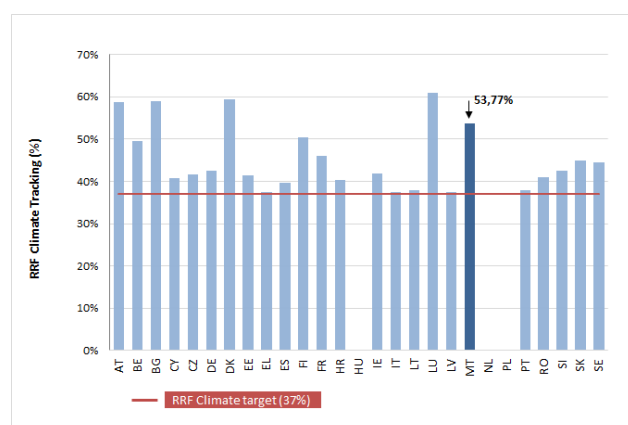
<sup>181</sup> COM/2019/640 final.

<sup>182</sup> Interinstitutional Agreement, OJ L 433I.

<sup>183</sup> [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en)

In Malta, the programming for most EU funds (cohesion-policy funds, EAFRD and the European Maritime, Fisheries and Aquaculture Fund) is ongoing. However, programming has already been concluded for the RRF. 53.8% of Malta's RRP will support climate objectives (see Figure 44). This exceeds the RRF's overall target for 37% of RRP funding to go to climate spending, and makes Malta one of the EU Member States making the greatest climate commitment in its RRP. On the green transition, the RRP reflects Malta's climate pledge by supporting the large-scale electrification of road transport, including: (i) investments to promote the purchase of zero-emission electric vehicles (EUR 60 million) and electric buses (EUR 34 million), and (ii) proposing a reform to offer free public transport to over 100 000 inhabitants. The Maltese RRP will also support: (i) a large-scale retrofitting and energy-efficiency programme for public and private buildings, such as hospitals or schools (EUR 60 million); and (ii) waste-management measures (e.g. measures to deal with construction and demolition waste)<sup>198</sup>.

**Figure 39: Climate expenditure in RRP, 2021-2026<sup>199</sup>**



Under NextGenerationEU, the Commission will issue up to EUR 250 billion of EU green bonds (one third of all bonds issued under NextGenerationEU) until 2026 that will comply with the general spirit of the 'do no significant harm' principle. However, this EUR 250 billion in green bonds will not be subject to the currently developed delegated acts related to the EU Taxonomy and will not fully align with the proposed EU standards for green bonds.

In addition to EU funds earmarked specifically for Malta in 2021-2027, there are also funding programmes that can be accessed at the EU level and which are open to all Member States. These include the LIFE programme

(EUR 5.4 billion), Horizon Europe (EUR 95.5 billion)<sup>200</sup>, the Connecting Europe Facility<sup>201</sup> (EUR 33.7 billion)<sup>202</sup>, or the funds to be mobilised via the InvestEU programme<sup>203</sup>. These other sources of funding will also support the green transition, including through research and innovation activities for environmental protection (Horizon Europe)<sup>204</sup>, clean transport and energy (the Connecting Europe Facility)<sup>205</sup>, or sustainable infrastructure (InvestEU)<sup>206</sup>.

## National expenditure on environmental protection

Total expenditure on environmental protection (including all relevant current and capital expenditure)<sup>207</sup> in the EU-27 was EUR 272.6 billion in 2020, representing 2% of EU-27 GDP. This percentage has remained quite stable over time. Although the largest absolute amounts of expenditure are concentrated in a few countries, most countries spend 1-2% of their GDP on environmental protection, including Malta (which spends 1.3% of its GDP on environmental protection).

Of this spending, the EU-27's capital expenditure on environmental protection (i.e. investment) amounted to EUR 56.3 billion in 2018, falling to EUR 54.5 billion in 2020, representing around 0.4% of EU-27 GDP. Most Member States invested 0.2-0.5% of their GDP in environmental protection, while Malta dedicated 0.2% of its GDP to capital expenditure on environmental protection in 2020. In 2014-2020, capital expenditure on environmental protection totalled around EUR 376 billion of environmental investment in the EU-27, and EUR 210 million for Malta.

<sup>200</sup> European Commission, [Multiannual financial framework 2021-2027 \(in commitments\) - Current prices](#).

<sup>201</sup> The CEF (Transport) also includes EUR 11.3 billion transferred from the Cohesion Fund. 30% of the transferred amount will be made available, on a competitive basis, to all Member States eligible for the Cohesion Fund. The remaining 70% will respect the national envelopes until 31 December 2023. Any amount under national envelopes that is unspent by that date will support all the Cohesion Fund's Member States.

<sup>202</sup> [Regulation \(EU\) 2021/1153](#).

<sup>203</sup> The InvestEU Fund is set to mobilise over EUR 372 billion of investment through an EU budget guarantee of EUR 26.2 billion to back the investment of financial partners such as the European Investment Bank (EIB) Group and others.

<sup>204</sup> European Commission, [Horizon Europe](#).

<sup>205</sup> European Commission, [Connecting Europe Facility](#).

<sup>206</sup> European Union, [InvestEU](#).

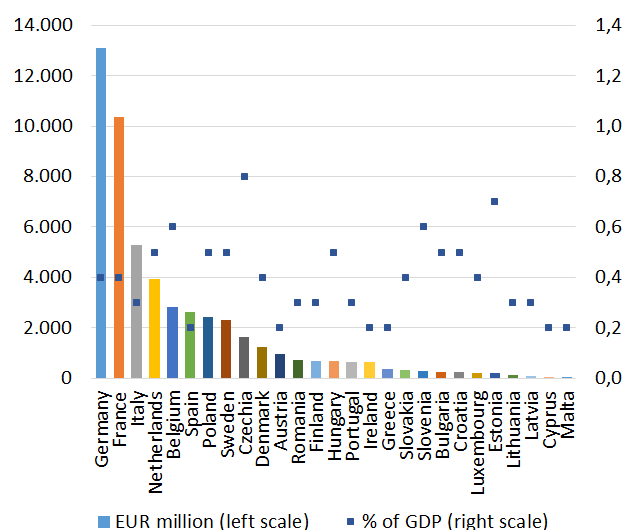
<sup>207</sup> Environmental Protection Expenditure Accounts (EPEA), Eurostat. EPEA accounts are based on the CEPA 2000 classification, excluding climate, energy and circular economy.

<sup>198</sup> European Commission, [Malta's recovery and resilience plan](#).

<sup>199</sup> European Commission. The contributions to climate objectives have been calculated using Annex VI of the RRF Regulation (EU) 2021/241.

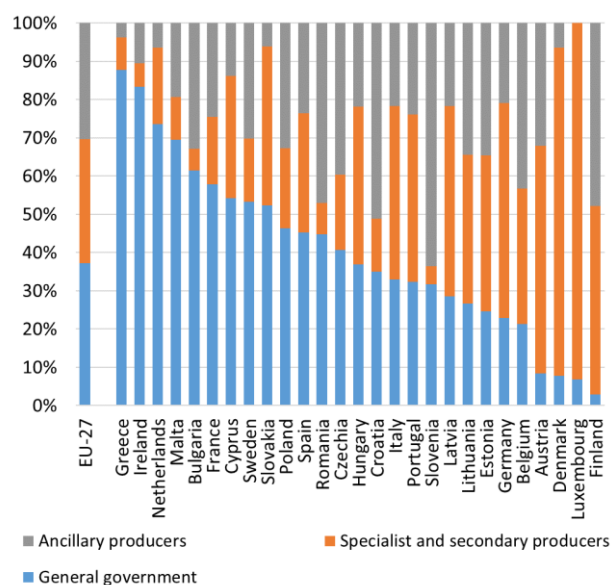


**Figure 40: Environmental protection investments in the EU-27 (EUR million and % of GDP), 2018<sup>208</sup>**



By institutional sector, around 69% of Malta's environmental-protection investments (capital expenditure) came from the general government, with a further 11% coming from specialist private-sector producers (of environmental-protection services, e.g. waste and water companies) and 19% coming from the general business sector that usually pursues environmental activities as ancillary to their main activities. At EU level, 37% of environmental-protection investment comes from governments, 33% from specialist private-sector producers, and 30% from the general business sector.

**Figure 41: EU-27 Member States' environmental protection investments (Capex) by institutional sectors (Total economy = 100%), 2018<sup>209</sup>**



Breakdown of investment by environmental topic is partially available, at the level of institutional sectors (rather than at economy level), due to different reporting patterns across the sectors<sup>210</sup>. At Malta's general government level, 71% of environmental-protection investments went to waste management and 17% to biodiversity in 2018. For the country's specialist producers of environmental-protection services, waste management was also dominant (receiving 61% of their environmental-protection investment), followed by wastewater (which received 39% of their environmental-protection investment). Industry and business also focused (almost exclusively) on waste management, which received 98% of their environmental-protection investments.

In 2020, the total issuance of green bonds<sup>211</sup> by European countries (including some non-EU countries) was USD 156 billion (EUR 137 billion), up from USD 117 billion

<sup>208</sup> Eurostat, Environmental Protection Expenditure Account, 2021.

<sup>209</sup> Eurostat, Environmental Protection Expenditure Accounts (env\_epe).

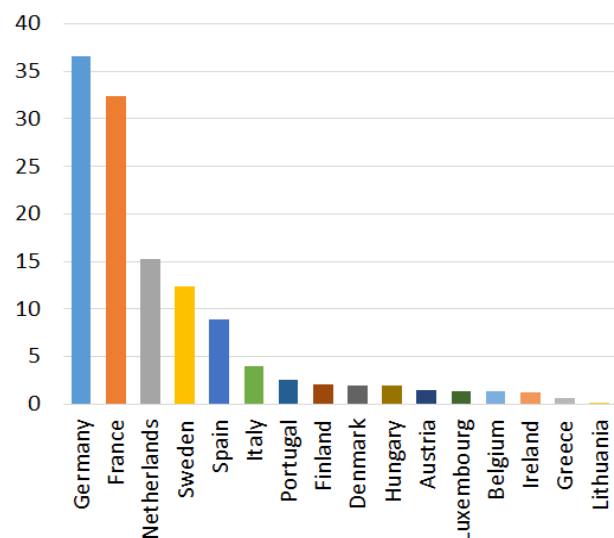
<sup>210</sup> Data reporting differs for the three institutional sectors, leading to aggregation difficulties. Specialist companies provide comprehensive data across all environmental areas (CEPA 1-9), although this is less the case for general government and industry, which often report (the non-obligatory) data in merged categories only (because it is difficult to disaggregate these data) or not at all.

<sup>211</sup> Green bonds were created to fund projects that have positive environmental and/or climate benefits. Most green bonds issued are green 'use of proceeds' or asset-linked bonds. The very first green bond was issued in 2007 with a AAA-rated issuance from multilateral institutions, the European Investment Bank (EIB) and the World Bank.



(EUR 105 billion) in 2019<sup>212</sup>. Looking only at EU-27 Member States, green-bond issuance in 2020 was EUR 124 billion. Malta did not issue green bonds in 2020. In 2014-2020, 83% of the green bonds issued by European countries served objectives in energy, buildings or transport, while 8% supported objectives in water and waste, with a further 6% supporting sustainable land use – with links to ecosystem conservation and restoration<sup>213</sup>.

**Figure 42: Annual EU green bond issuance in 2020 (EUR billion)<sup>214</sup>**

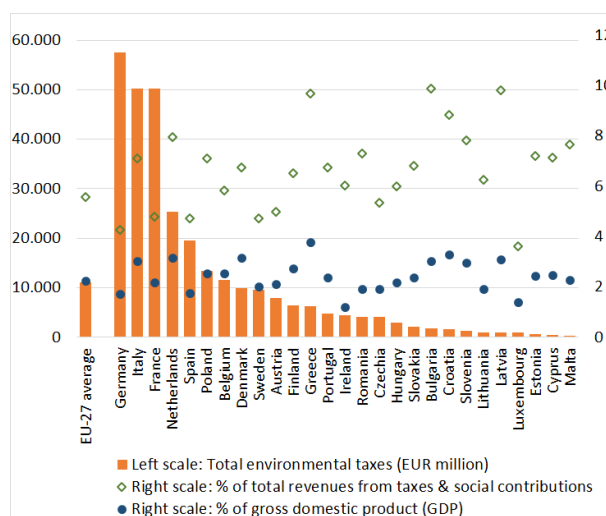


## Green budget tools

### Green taxation and tax reform

Malta's revenue from environmentally relevant taxes is around the EU average, as shown in Figure 47. Environmental taxes stood at 2.27% of Maltese GDP in 2020 (EU average: 2.24%). The largest portion of the environmental taxes were energy taxes which accounted for 1.1% of 2020 GDP, below the EU average of 1.74%. Transport taxes, at 0.94% of GDP, were well above the EU average (0.42%), as were taxes on pollution and resources at 0.24% (higher than the EU average of 0.08%). In 2020, the environmental taxes in Malta came to 7.66% of total revenues from taxes and social security contributions (above the EU average of 5.57%)<sup>215</sup>

**Figure 43: Environmental taxes in the EU-27, 2020<sup>216</sup>**



The 2019 European Green Deal underlines that well-designed tax reforms can boost economic growth and resilience, foster a fairer society, and promote a just transition. Tax reforms can contribute to this by sending the right price signals and incentives to economic players. The Green Deal creates the context for broad-based tax reforms, the removal of fossil-fuel subsidies, and a shift in the tax burden from labour to pollution. It achieves this while simultaneously taking account of social considerations<sup>217</sup>. The Green Deal promotes the 'polluter pays principle' (PPP)<sup>218</sup>, which stipulates that polluters should bear the cost of measures to prevent, control and remedy pollution. The polluter-pay principle is facilitated by the European Commission's Technical Support Instrument (TSI) project on greening taxes. Malta applies economic instruments such as water consumption charges and pay-as-you-throw schemes<sup>219</sup>.

### Environmentally-harmful subsidies

Addressing and removing environmentally-harmful subsidies is a further step towards wider fiscal reforms.<sup>220</sup> Fossil-fuel subsidies are costly for public budgets and make it difficult to achieve the Green Deal objectives. In many cases, these subsidies also counteract incentives for green investments. Annual fossil-fuel subsidies have been around EUR 55 billion in the EU since 2015. They

<sup>216</sup> Eurostat, Environmental taxes accounts (env\_eta).

<sup>217</sup> COM (2019/640 final), p.17.

<sup>218</sup> Enshrined in Article 191(2) of the Treaty on the Functioning of the European Union: 'Union policy on the environment (...) shall be based on the precautionary principle and on the principles that preventive action should be taken, that environmental damage should as a priority be rectified at source and that the polluter should pay'.

<sup>219</sup> European Commission, Green taxation and other economic instruments, 2021.

<sup>220</sup> European Commission, Study on assessing the environmental fiscal reform potential for the EU 28, 2016.

<sup>212</sup> Climate Bonds Taxonomy - <https://www.climatebonds.net/standard/taxonomy>. USD value is converted via Eurostat's annual average EUR/USD exchange rates.

<sup>213</sup> Interactive Data Platform at [www.climatebonds.net](http://www.climatebonds.net). Climate Bonds Taxonomy is similar to the EU Taxonomy.

<sup>214</sup> Climate Bonds Initiative, 2022.

<sup>215</sup> Eurostat, Environmental Taxes (env\_eta).

rose by 4% between 2015 and 2019, although some countries (such as Latvia, Lithuania Sweden, Greece or Ireland) managed to decrease them in this period. In the EU, subsidies for petroleum products in sectors such as transport and agriculture continued to increase in 2015-2019. However, subsidies for coal and lignite decreased, largely due to the diminishing role of solid fuels in electricity generation.

As a share of GDP, fossil-fuel subsidies ranged from 1.2% in Hungary to less than 0.1% in Malta in 2019 (with an EU average of 0.4%). In 2020, the EU-27's total fossil-fuel subsidies decreased to EUR 52 billion (due to falling consumption trends amid the COVID-19-related restrictions). Without Member State actions, these subsidies are likely to rebound as economic activity picks up from 2020<sup>221</sup>.

### Green budgeting practices

Green budgeting encompasses various climate and environmental tagging and tracking practices in budgets. Some EU Member States already use certain green-budgeting practices<sup>222</sup>. Green budgeting helps to identify and track green expenditure and green revenues to increase transparency on the environmental implications of budgetary policies. This is aimed at improving policy coherence and supporting green policies (including climate and environmental objectives)<sup>223</sup>.

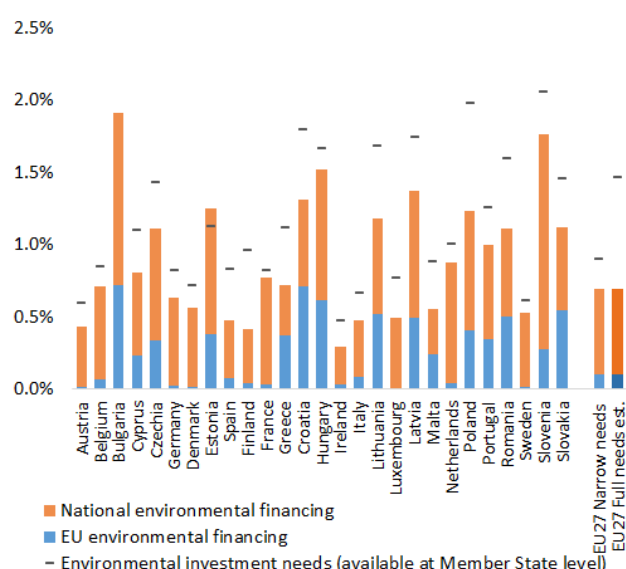
The Commission has also drawn up climate-proofing and sustainability-proofing guidance, as tools to assess project eligibility and a project's compliance with environmental legislation and criteria<sup>224</sup>. The Commission developed a green-budgeting reference framework<sup>225</sup> and launched a TSI project on green budgeting in 2021 to help Member States develop national green-budgeting frameworks to improve policy coherence and support the green transition. Malta participates in the Commission's green budgeting TSI, which started in 2021.

### Overall financing compared to the needs

The EU's overall financing for environmental investments is estimated to have been 0.6-0.7% of GDP in 2014-2020

comprising both major EU funds and national financing. This ranged from 0.3% (Ireland) to 1.91% (Bulgaria), depending on the level of environmental challenges in different Member States. In 2021-2027, it is estimated that the EU's environmental investment needs will reach over 0.9-1.5% of projected common GDP (2021-2027), suggesting a potential environmental financing gap of 0.6-0.8% of GDP at EU level, compared to previous financing levels.<sup>226</sup>

**Figure 44: Total environmental financing baseline (2014-2020) and estimated needs (2020-2030) in the EU27 (% of GDP)<sup>227</sup>**



Malta's financing for environmental investments is estimated to have been 0.56% of GDP in 2014-2020, almost equally split between EU funds and national financing. The country's environmental investment needs in 2021-2027 are estimated to be 0.89% of GDP, suggesting a potential environmental financing gap of around 0.33% of GDP (likely to be higher when also accounting for needs estimated currently at EU-level only (e.g. water protection, circular economy, biodiversity strategy etc.) – to be addressed through additional environmental financing actions.

In the 2019 EIR, Malta had no priority actions for environmental financing. However, there is room for improvement in the coming years.

<sup>221</sup> State of the Energy Union report, COM(2021) 950 and Annex

<sup>222</sup> European Commission, Green Budgeting Practices in the EU: A First Review, 2021.

<sup>223</sup> European Commission, European Commission Green Budgeting Reference Framework. European Commission, Green Budgeting in the EU Key insights from the 2021 Commission survey.

<sup>224</sup> European Commission, Technical guidance on sustainability proofing for the InvestEU Fund.

<sup>225</sup> European Commission, Green Budgeting Reference Framework, based on the review of the OECD Paris Collaborative on Green Budgeting initiative, 2017.

<sup>226</sup> DG Environment data analysis. EU financing sources covered: ESI Funds (ERDF, CF, ESF, YEI, EAFRD, EMFF), Horizon 2020, LIFE, EFSI (EU amount), EIB loans. National financing: total national environmental protection capital expenditure (investments). Sources: ESI Funds Open Data (cohesiondata.ec.europa.eu, European Commission, Eurostat.

<sup>227</sup> Eurostat, [ESI Funds Open Data](#), 2021.

### 2022 priority actions

- Devise an environmental financing strategy to maximise opportunities for closing environmental implementation gaps, bringing together all relevant administrative levels.
- Ensure an increased level of financing for the environment, in particular from private sources

(that is currently around a third of the total), to cover the investment needs across the environmental objectives by closing the investment gaps.

## 6. Environmental governance

### Information, public participation and access to justice

Citizens can more effectively protect the environment if they can rely on the three 'pillars' of the Aarhus Convention:

- (i) access to information;
- (ii) public participation in decision making;
- (iii) access to justice in environmental matters.

It is of crucial importance to public authorities, the public and businesses that environmental information is shared efficiently and effectively<sup>228</sup>. Public participation allows authorities to make decisions that take public concerns into account. Access to justice is a set of guarantees that allows citizens and NGOs to use national courts to protect the environment<sup>229</sup>. It includes the right to bring legal challenges ('legal standing')<sup>230</sup>.

#### Environmental information

This section focuses on Malta's implementation of the INSPIRE Directive. The INSPIRE Directive aims at setting up a European spatial-data infrastructure for sharing environmental spatial information between public authorities across Europe. It is hoped that this will help policy-making across boundaries and facilitate public access to this information. Geographic information is needed for good governance at all levels and should be readily and transparently available.

Malta's performance in implementing the INSPIRE Directive is satisfactory, and has been reviewed based on the country's 2021 country fiche<sup>231</sup>. Data identification and documentation have made good progress in the country, and implementation levels are acceptable.

**Table 4: Country dashboard on the implementation of the INSPIRE Directive, 2016-2020<sup>232</sup>**

	2016	2020	Legend
Effective coordination and data sharing			<div>■ Implementation of this provision is well advanced or (nearly) completed. Outstanding issues are minor and can be addressed easily. Percentage: &gt;89%</div>
Ensure effective coordination	■	■	
Data sharing without obstacles	■	■	
INSPIRE performance indicators			
i. Conformity of metadata	■	■	<div>■ Implementation of this provision has started and made some or substantial progress but is still not close to be complete. Percentage: 31–89%</div>
ii. Conformity of spatial data sets <sup>233</sup>	■	■	
iii. Accessibility of spatial data sets through view and download services	■	■	<div>■ Implementation of this provision is falling significantly behind. Serious efforts are necessary to close implementation gap. Percentage: &lt;31%</div>
iv. Conformity of network services	■	■	

#### Public participation

General information on environmental impact assessment (EIA) and strategic environmental assessment (SEA) processes is provided on the website of Malta's Environment and Resources Authority (ERA)<sup>234</sup>. General information regarding the Environmental Impact Assessment (EIA) and the Strategic Environmental Assessment (SEA) process is provided on the Environment and Resources Authority (ERA) website<sup>235</sup>.

<sup>228</sup> The Aarhus Convention, the Access to Environmental Information Directive (Directive 2003/4/EC) and the INSPIRE Directive (Directive 2007/2/EC) together create a legal foundation for the sharing of environmental information between public authorities and with the public. This EIR focuses on the INSPIRE Directive's implementation.

<sup>229</sup> These guarantees are explained in the Commission Notice on access to justice in environmental matters, OJL 275, 18.8.2017 and a related Citizen's Guide.

<sup>230</sup> This EIR focuses on the means implemented by Member States to guarantee rights of access to justice, legal standing and to overcome other major barriers to bringing cases on nature and air pollution.

<sup>231</sup> <https://inspire.ec.europa.eu/INSPIRE-in-your-Country/MT>

<sup>232</sup> INSPIRE knowledge base, 2021.

<sup>233</sup> The deadlines for implementation of the spatial data interoperability were in 2016 still in the future: 23/11/2017 for Annex I data and 21/10/2020 for Annex II and III data. It must be also considered that this conformity indicator will in many cases never reach 100% conformity as majority of the countries provide as-is-data sets in addition to the INSPIRE harmonised data sets.

<sup>234</sup> For SEA, see <https://era.org.mt/topic/sea-overview/> and for EIA, see <https://era.org.mt/era-topic-categories/eia-process/> and <https://era.org.mt/topic/eia-screening/>

<sup>235</sup> For SEA, see <https://era.org.mt/topic/sea-overview/> and for EIA, see <https://era.org.mt/era-topic-categories/eia-process/> and <https://era.org.mt/topic/eia-screening/>

and the SEA Focal Point website<sup>236</sup>. Legislation on public consultation in the EIA process ensures a basic level of public engagement<sup>237</sup>. To implement the relevant rules in the EIA and SEA Directives, Malta's implementing legislation contains: (i) information duties for applications, consultations, public feedback, and decisions; and (ii) a duty to publish the relevant information to facilitate public participation<sup>238</sup>. The website of Malta's planning authority publishes a weekly list of applications received, decisions and enforcement notices, government notices and legal notices related to the planning authority<sup>239</sup>. The ERA website includes a section on active and archived consultations relating to EIAs<sup>240</sup>. Each listing includes information about the project, applicable dates within which to submit comments and links to the relevant documentation. The potential for public engagement in relation to environmental developments is enhanced through the new Malta Environment Platform and Services website<sup>241</sup>. This website, developed by the ERA, provides a geospatial portal containing easily accessible spatial and zoning information relevant to EIA and SEA procedures<sup>242</sup>. Authorities responsible for carrying out SEAs process data on public participation in EIA and SEA processes.

### Access to justice

Access to justice in environmental matters is provided mainly through the Environment and Planning Review Tribunal (EPRT), regulated through the Environment and Planning Review Tribunal Act (Cap 551). Through this Act, physical and legal persons, including NGOs, may challenge decisions made by the Environment and Resources Authority and the Planning Authority. The decisions taken by the latter can be appealed in the instances referred to in article 11 of Cap 551, which allows appeals from applicants, interested third parties, external consultees and, in certain cases, by any person. In certain instances, in order to appeal against a decision of the Planning Authority, interested third parties

(including NGOs) are required to have submitted written comments regarding the application for development permission during the term established by law for the public consultation process.

With regard to decisions taken by the Environment and Resources Authority, article 47 of Cap 551 provides for the right of appeal for any aggrieved party as well as for any person in relation to environment assessments, access to environmental information and the prevention and remedying of environmental damage. Certain subsidiary legislation may also provide for access to justice provisions with regard to specific matters, such as the Freedom of Access to Information on the Environment Regulations (S.L 549.39).

Judicial review is also possible through the use of article 469A of the Code of Organisation and Civil Procedure (Cap 12). The latter allows for the courts of justice of civil jurisdiction to enquire into the validity of any administrative act or declare such act null, invalid or without effect in specific cases.

In Malta, there are some difficulties in challenging SEA decisions (either the plan or program or the environmental report or both) and also plans and programmes in other environmental fields.

In addition, there is no provision for administrative redress if any person wants to challenge an act or omission in the SEA process, but filing before the First Hall of the Civil Court<sup>243</sup> a legal challenge requesting judicial review.

However, if authorisations (e.g. development consents) take the form of legislation there is no possibility of administrative review or judicial review.

Such authorisations could possibly be challenged by filing an action alleging breach of fundamental human rights, or in terms of Article 46 of the Constitution. In this case, both individuals and NGOs filing the action would have to prove that the alleged breach was being done in relation to them. It can be concluded that a system of regular and substantive supervision is not in place; supervision of acts are not accessible for the public at all. The Environment and Resources Authority (ERA) is the main entity which publishes information regarding environmental access to justice.

Information and guidance for people wishing to exercise their right to access to justice is available online on the

<sup>236</sup> <https://environment.gov.mt/en/sea/Pages/sea.aspx>  
<https://legislation.mt/eli/sl/549.61/eng/pdf>

<sup>237</sup> <https://era.org.mt/era-topic-categories/eia-process/>

<sup>238</sup> <https://era.org.mt/era-topic-categories/eia-process/>

<sup>239</sup>

<https://www.gov.mt/en/Government/DOI/Government%20Gazette/pa/Pages/Planning-Authority.aspx>

<sup>240</sup> For active public consultations, see ERA website, available at: <https://era.org.mt/era-project-categories/eia-active-public-consultations/>. For archived public consultations, see ERA website available at: <https://era.org.mt/era-project-categories/eia-archived-public-consultations/>.

<sup>241</sup> <https://meps.eraportal.org.mt/>

<sup>242</sup> <https://msdi.data.gov.mt/geoportal.html>

<sup>243</sup> Article 469A of Chapter 12 of the Laws of Malta,

ERA's website<sup>244</sup>. In the 2019 EIR, Malta received priority actions to: (i) improve access to spatial data and services by making stronger linkages between the country INSPIRE portals; (ii) identify and document all spatial datasets required to implement environmental law; and (iii) make the data and documentation at least accessible 'as is' to other public authorities and the public through the digital services envisaged in the INSPIRE Directive. The Commission notes limited progress in terms of access to justice on standing and availability of information to the public since 2019. Malta therefore needs to better inform the public about their access-to-justice rights and ensure that there is legal standing for environmental NGOs to bring legal challenges on violations of air-pollution and nature legislation.

The Commission notes some progress on environmental information (INSPIRE). However, Malta needs to step up action on public participation and access to justice.

## 2022 priority actions

- Provide and facilitate access to relevant information on open consultation procedures on the ERA website.
- Monitor public participation in EIA and SEA processes. Measure the impact of new electronic tools aimed at increasing public engagement in environmental planning.
- Ensure that legal standing to challenge a decision of a public authority is not restricted to members of the public concerned who participated in the preceding administrative procedure in environmental cases.
- Improve access to courts by the public concerned on administrative or regulatory planning decisions namely on water, nature and air quality.
- Better inform the public by making reference to the relevant Commission eJustice fact sheets<sup>245</sup> about their access to justice rights.

## Compliance assurance

Environmental compliance assurance covers all the work undertaken by public authorities to ensure that industries, farmers and others fulfil their obligations to protect water, air and nature, and manage waste<sup>246</sup>.

<sup>244</sup> <https://era.org.mt/topic/access-to-justice/>

<sup>245</sup> [https://e-justice.europa.eu/content\\_access\\_to\\_justice\\_in\\_environmental\\_matters-300-en.do](https://e-justice.europa.eu/content_access_to_justice_in_environmental_matters-300-en.do)

<sup>246</sup> The concept is explained in detail in the Communication on EU actions to improve environmental compliance and governance COM(2018)10 and the related Commission staff working document, SWD(2018)10.

It includes support measures provided by the authorities such as:

- (i) compliance promotion<sup>247</sup>;
- (ii) inspections and other checks that they carry out, i.e. compliance monitoring<sup>248</sup>;
- (iii) the steps that they take to stop breaches, impose sanctions and require damage to be remedied, i.e. enforcement<sup>249</sup>.

Citizen science and complaints enable authorities to focus their efforts better. Environmental liability<sup>250</sup> ensures that the polluter pays to remedy any damage.

## Compliance promotion and monitoring

The website of Malta's ERA provides general information on the implementation of the Nature Directives in Malta as well as references to the relevant legislation. Furthermore, spatial environmental data and other environmental information, including on Natura 2000, is available through the new Maltese Environmental Platform and Services website and the Malta Spatial Data Infrastructure service<sup>251</sup>. For the Nitrates Directive, a government website<sup>252</sup> provides practical information on the Nitrates Directive, its nitrates action programme, and the Nitrates LIFE+ project. Malta's environment and agriculture ministries also provide general information on the InfoNitrates LIFE+ project. In addition to the general information on the implementation of the Nitrates Directive<sup>253</sup>, the ERA website also provides a reference to a code of agricultural practice which was developed to help farmers comply with requirements following Malta's designation as a nitrate-vulnerable zone<sup>254</sup>.

It appears that no separate inspection plans or reports of individual inspections are published by the Maltese authorities. However, the ERA publishes annual reports which cover compliance and enforcement regarding installations with potential environmental impact<sup>255</sup>. Inspection reports are however provided to the public

<sup>247</sup> This EIR focuses on the help given to farmers to comply with nature and nitrates legislation.

<sup>248</sup> This EIR focuses on inspections of major industrial installations.

<sup>249</sup> This EIR focuses on the availability of enforcement data and co-ordination between authorities to tackle environmental crime.

<sup>250</sup> The Environmental Liability Directive, 2004/35, creates the framework.

<sup>251</sup> <https://msdi.data.gov.mt/geoportal.html>

<sup>252</sup> <https://agrikultura.gov.mt/>

<sup>253</sup> <https://era.org.mt/topic/nitrates-directive/>

<sup>254</sup>

[https://agrikultura.gov.mt/en/agricultural\\_directorate/Documents/nitratesActionProgrammeRegulations/ntr001.pdf](https://agrikultura.gov.mt/en/agricultural_directorate/Documents/nitratesActionProgrammeRegulations/ntr001.pdf)

<sup>255</sup> <https://era.org.mt/wp-content/uploads/2020/12/ERA-Annual-Report-and-financial-statements-2019.pdf>



upon request. The way for the public to request environmental information is indicated on ERA's website<sup>256</sup>. Compliance inspections by ERA are planned according to a risk management system, which considers various factors, apart from *ad hoc* circumstances. For all categories of installations and site inspections, routine inspections and compliance inspections are carried out<sup>257</sup>. Online government services in Malta provide general and industry-type-specific information on environmental permits that are needed for industry. Malta's enforcement approach under the IED creates good access to information to facilitate public participation in the permitting process<sup>258</sup>. Aside from ERA annual reports, Malta does not systematically publish environmental statistics, although the ERA website provides general information on compliance and enforcement of facilities<sup>259</sup>.

Online government services in Malta are providing general and industry type specific information on the environmental permit for industry and it is noted that the enforcement approach under the IED creates good access to information of citizens to facilitate their participation in the permitting process<sup>260</sup>. Aside from ERA annual reports, no environmental statistics are systematically published, although the ERA website provides general information on compliance and enforcement of facilities<sup>261</sup>. Statistics can however be found online<sup>262</sup>.

<sup>256</sup> <https://era.org.mt/topic/making-a-request-for-environmental-information/>

<sup>257</sup> <https://era.org.mt/era-topic-categories/other-facilities/>; [https://era.org.mt/era-topic-categories/quarries\\_ced/](https://era.org.mt/era-topic-categories/quarries_ced/); and <https://era.org.mt/era-topic-categories/waste-management-facilities-ced/>.

<sup>258</sup> [https://www.servizz.gov.mt/en/Pages/Environment\\_-Energy\\_-Agriculture-and-Fisheries/Environment/Industrial-Permits/WEB1873/default.aspx](https://www.servizz.gov.mt/en/Pages/Environment_-Energy_-Agriculture-and-Fisheries/Environment/Industrial-Permits/WEB1873/default.aspx) and

[https://www.servizz.gov.mt/en/Pages/Environment\\_-Energy\\_-Agriculture-and-Fisheries/Environment/Industrial-Permits/default.aspx?page=1](https://www.servizz.gov.mt/en/Pages/Environment_-Energy_-Agriculture-and-Fisheries/Environment/Industrial-Permits/default.aspx?page=1)

<sup>259</sup> <https://era.org.mt/era-topic-categories/other-facilities/>; [https://era.org.mt/era-topic-categories/quarries\\_ced/](https://era.org.mt/era-topic-categories/quarries_ced/); and <https://era.org.mt/era-topic-categories/waste-management-facilities-ced/>.

<sup>260</sup> [https://www.servizz.gov.mt/en/Pages/Environment\\_-Energy\\_-Agriculture-and-Fisheries/Environment/Industrial-Permits/WEB1873/default.aspx](https://www.servizz.gov.mt/en/Pages/Environment_-Energy_-Agriculture-and-Fisheries/Environment/Industrial-Permits/WEB1873/default.aspx) and [https://www.servizz.gov.mt/en/Pages/Environment\\_-Energy\\_-Agriculture-and-Fisheries/Environment/Industrial-Permits/default.aspx?page=1](https://www.servizz.gov.mt/en/Pages/Environment_-Energy_-Agriculture-and-Fisheries/Environment/Industrial-Permits/default.aspx?page=1)

<sup>261</sup> <https://era.org.mt/era-topic-categories/other-facilities/>; [https://era.org.mt/era-topic-categories/quarries\\_ced/](https://era.org.mt/era-topic-categories/quarries_ced/); and <https://era.org.mt/era-topic-categories/waste-management-facilities-ced/>.

<sup>262</sup> [https://meae.gov.mt/en/Public\\_Consultations/Pages/statistics.aspx](https://meae.gov.mt/en/Public_Consultations/Pages/statistics.aspx)

## Complaint handling and citizen science

In general, the public can lodge complaints through the ERA website<sup>263</sup>, or by sending an email or by calling ERA directly<sup>264</sup>. The way for the public to request environmental information is highlighted on ERA's website<sup>265</sup>. It includes: (i) a general 'Enquiries' link with an email address and phone numbers for people to ask for further information; (ii) to submit a query on environmental permits; (iii) to report an environmental illegality; or (iv) request information<sup>266</sup>. The website of the Ministry of Environment also includes a link to an online guide to government services, which provides the option of contacting the Ministry and providing feedback<sup>267</sup>. Issues such as illegal dumping fall under the type of complaints that can be made to the Environmental Health Risk Management unit of the Environmental Health Directorate, which also provides practical information online on how to file a complaint<sup>268</sup>. However, neither of these fora provide the option to file a general complaint about environmental nuisance or damage.

A webpage on citizen science is provided on the ERA website, which provides general information on the benefits of citizen science and the environmental topics that can benefit from the use of citizen science<sup>269</sup>, and includes citizen science systems to record species, report invasive alien species, marine and beach sightings and marine and beach clean-ups<sup>270</sup>. An additional example of a citizen science project in Malta is the 'Fair with air' project, aimed at promoting citizen science as a tool for: (i) monitoring NO<sub>2</sub> around schools; and (ii) raising awareness of the importance of air quality. Various long term government strategy documents recognise the importance of increased public engagement and education about government policy on sustainability and environmental protection<sup>271</sup>. In addition, Malta published

<sup>263</sup> <https://forms.eraportal.org.mt/customer-care>.

<sup>264</sup> Details are provided in the following link - <https://era.org.mt/contact/>.

<sup>265</sup> ERA Website: <https://era.org.mt/topic/making-a-request-for-environmental-information/>.

<sup>266</sup> <https://forms.eraportal.org.mt/customer-care> It is noted that in case of environmental emergencies, the ERA can be contacted on a 24/7 basis.

<sup>267</sup> <https://www.gov.mt/en/Pages/ContactUs.aspx>

<sup>268</sup> Ibid.

<sup>269</sup> <https://era.org.mt/citizen-science/>

<sup>270</sup> <https://era.org.mt/citizen-science/>

<sup>271</sup> See for example the National Strategy for the Environment for 2050: 'Recognizing Malta's challenges (July 2020)', available at: <https://era.org.mt/wp-content/uploads/2020/07/Recognising-Maltas-Env-Challenges.pdf>; and Malta's Sustainable Development Vision for 2050', p. 21, available at: [https://meae.gov.mt/en/Public\\_Consultations/MSDEC/Documents/Malta's%20Sustainable%20Development%20Vision%20for%202050.pdf](https://meae.gov.mt/en/Public_Consultations/MSDEC/Documents/Malta's%20Sustainable%20Development%20Vision%20for%202050.pdf), p. 43

'Malta's Sustainable Development Vision for 2050', that aims to achieve a more prosperous, secure, sustainable and fairer future for the Maltese citizens.

## Enforcement

The government provides for a general website to search case law<sup>272</sup>. In addition, information on Stop and Compliance Orders can be sought via the ERA's website<sup>273</sup> and via the MEPS geoportal<sup>274</sup>. The ERA has been keeping a record of the number of administrative proceedings on waste crime, but no sophisticated tools have been set up to analyse these data to create an overview of the phenomenon<sup>275</sup>. The ERA has also published a waste-shipment inspection plan for the Maltese islands for 2017-2019. This plan provides some information on waste-shipment inspections in Malta, but no statistics or overview of inspection results<sup>276</sup>. The Commissioner of Police is the competent authority in relation to the Environmental Crime. The Malta Police Force (MPF) more specifically the Environmental Protection Unit (EPU) has its own database regarding Environmental Crimes. These statistics are available once a request is made. The Wild Birds Regulation Unit is responsible for compiling a number of technical reports, including derogation reports in fulfilment of the European Union's reporting obligations. However, the Commission has identified structural enforcement issues in the application of the Birds Directive in Malta, which are the subject to an infringement procedure as pointed out under the biodiversity chapter.

No formalised memoranda or guidance is available on cooperation between different Maltese enforcement authorities on environmental crime. However, the ERA has announced its intention to implement a memorandum of understanding for that purpose<sup>277</sup>. Furthermore, in February 2020, the Ministry for the Environment, Climate Change and Planning announced a new reform and capacity-building project in permissions

and compliance at the ERA<sup>278</sup> to further improve environmental governance in the area of compliance and enforcement<sup>279</sup>. This reform and capacity-building project aims to further improve environmental governance in the area of compliance and enforcement<sup>280</sup>. It will include: (i) improving the skills of its employees; (ii) introducing new and more efficient practices; (iii) improving the management and administration of data; and (iv) enhancing the overall effective workings of the ERA. The reform and capacity-building project is funded by the government's own structural-reform support programme<sup>281</sup>. It is mainly NGOs in Malta that engage in awareness-raising initiatives. One such NGO is the Nature Trust Malta<sup>282</sup>, whose activities include promoting environmental awareness and lobbying for effective environmental legislation and environmental education<sup>283</sup>.

Furthermore, in 2020, Ambient Malta has recruited three Environmental Wardens, who were tasked to disseminate information on monitoring in Natura 2000 sites. Dissemination of information includes the provision of information on the various habitat restoration projects.

## Environmental Liability Directive

The Commission could not identify any online registry or central database where data on environmental incidents or ELD cases in Malta are collected. General information on environmental damage and on preventing/ remedying environmental damage is provided on the ERA website<sup>284</sup>. However, this website does not provide any specific data on environmental damages in relation to mandatory financial security for liabilities under the ELD. The Environment Protection Act (EPA)<sup>285</sup> allows for the Competent Authority to impose bank guarantees (BGs) as means of financial security and as an incentive to compliance as legally-binding permit conditions. BGs are

<sup>272</sup> <https://justice.gov.mt/en/COJ/Pages/default.aspx>

<sup>273</sup> Website ERA: <https://era.org.mt/topic/case-details-updated/>.

<sup>274</sup> Available at: <https://meps.eraportal.org.mt/>.

<sup>275</sup> 8th Round of mutual evaluations: 'The practical implementation and operation of European policies on preventing and combating Environmental Crime'. Report on Malta. Available at: <https://data.consilium.europa.eu/doc/document/ST-5518-2019-REV-1/en/pdf>.

<sup>276</sup> Waste Shipment Inspection Plan for The Maltese Islands' Inspection plan (2017-2019). Available at: <https://era.org.mt/wp-content/uploads/2019/11/MT-Waste-Shipment-Inspection-Plan-final.pdf>.

<sup>277</sup> 8th Round of mutual evaluations: "The practical implementation and operation of European policies on preventing and combating Environmental Crime". Report on Malta, p. 8. Available at <https://data.consilium.europa.eu/doc/document/ST-5518-2019-REV-1/en/pdf>.

<sup>278</sup> <https://era.org.mt/projects/reform-and-capacity-building-in-permitting-and-compliance-at-era/>

<sup>279</sup> Press release, Government of Malta. Available at: <https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/February/04/pr200176en.aspx> and Reform and Capacity - Building in Permitting and Compliance at ERA – ERA.

<sup>280</sup> Press release, Government of Malta. Available at: <https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/February/04/pr200176en.aspx>.

<sup>281</sup> Press release, Government of Malta. Available at: <https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/February/04/pr200176en.aspx>.

<sup>282</sup> <https://naturetrustmalta.org/>.

<sup>283</sup> <https://naturetrustmalta.org/environmental-education/>.

<sup>284</sup> <https://era.org.mt/topic/prevention-remedying/> and <https://era.org.mt/topic/environmental-damage/>

<sup>285</sup> [LEGISLAZIONI MALTA \(legislation.mt\)](https://legislation.mt/)

directly associated with Environment Permits in that ERA may forfeit part or the full amount of the bank guarantee if any of the permit conditions are not complied with. Moreover, the Environment Protection Act<sup>286</sup> allows for the ERA to take direct action to remediate environmental illegalities at the expense of the party responsible for the illegality.

In the 2019 EIR, Malta received priority actions to: (i) better inform the public about compliance promotion, monitoring and enforcement; (ii) ensure more information on how professionals dealing with environmental crime can work together; (iii) improve financial security for liabilities; (iv) improve ELD guidance; and (v) publish information on environmental damage.

As a reaction to the priority action to better inform the public, the ERA website has undergone numerous updates, which is an ongoing in order to provide more in-depth information on the various sectors. Judgments of the courts of Malta are available through the e-Courts website<sup>287</sup> as well as via the EPRT website<sup>288</sup>. Malta Police Force and specifically the Environmental Protection Unit has its own database regarding Environmental crimes<sup>289</sup>. In relation to the third priority action, reports on investigated ELD cases are available on request and ELD-reporting documents are available online within the ERA website. Hence, the ERA website provides public information on ELD and its implementation<sup>290</sup>.

## 2022 priority actions

- Consider publishing plans and reports on environmental inspections or providing more detailed information on the results of inspections and their follow-up.
- Improve information to the public on opportunities to file complaints about environmental concerns or infringements and publish data on the follow-up to such complaints.

## Effectiveness of environmental administrations

Those involved in implementing environmental legislation at EU, national, regional and local levels need to have the knowledge, tools and capacity to ensure that the legislation and the governance of the enforcement process bring about the intended benefits.

<sup>286</sup> <https://legislation.mt/Legislation>

<sup>287</sup> <https://ecourts.gov.mt/online-services/Judgements>

<sup>288</sup> <https://www.eprt.org.mt/>

<sup>289</sup> Noted that the Commissioner of Police is the competent authority in relation to the Environmental Crime.

<sup>290</sup> <https://era.org.mt/topic/the-environmental-liability-directive/>

## Administrative capacity and quality

On the general system of protection for all species of birds, illegal killing or capturing of migratory species outside the legal capturing seasons has been regularly reported in Malta, year after year. Many wild birds are illegally shot in Malta throughout the whole year, due to lack of personnel, resources, cooperation and deterrence. This constitutes a systemic failure to set up a general system of protection as required by Article 5 of the Birds Directive. These systemic flaws are addressed in a pending infringement procedure.

## Coordination and integration

As mentioned in the 2017 EIR, the transposition of the revised EIA Directive<sup>291</sup> provides an opportunity to streamline the regulatory framework on environmental assessments. Despite a delay in full transposition in relation to the deadline (May 2017), Malta has now transposed the revised Directive. The quality of the transposition is currently under assessment through a conformity check by the Commission.

The Commission encourages the streamlining of environmental assessments to reduce duplication and avoid overlaps in environmental assessments applicable to projects. Moreover, streamlining helps reduce unnecessary administrative burden and accelerates decision making, provided it is done without compromising the quality of the environmental assessment procedure<sup>292</sup>. Malta had already introduced the streamlining of environmental assessments under the EIA and Habitats Directives before the revision of the EIA Directive. Coordinated procedures have been decided on for the EIA Directive, the WFD and the IED.

## 2022 priority actions

- Continue building administrative capacity to support the green transition and in particular in the fields of circular economy, governance and public administration, and the financial sector and access to finance.

<sup>291</sup> Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment.

<sup>292</sup> The Commission issued a guidance document in 2016 on the setting up of coordinated and/or joint procedures that are simultaneously subject to assessments under the EIA Directive, Habitats Directive, Water Framework Directive, and the Industrial Emissions Directive, OJ C 273, 27.7.2016, p. 1.

## Reforms through the Commission's technical support instrument (TSI)

The Commission supports environmental implementation and the green transition through the EU financing programmes. But it also gives support by granting technical assistance such as through the TSI and peer-to-peer learning through Taixex peer-to-peer exchanges.

The Commission's TSI<sup>293</sup> supported projects in 2019, 2020 and 2021 in the following fields in Malta:

- the reform and capacity-building at the ERA in 2019;
- the development of a sustainable development strategy for the Maltese islands for 2050 and an accompanying action plan, in 2019;
- supporting the improvement of productivity and service provision in the water sector in 2020;
- implementation of Malta's sustainable development strategy & an accompanying action plan, (2021);
- a coastal protection strategy in 2021.

## TAIEX EIR peer-to-peer

The Commission launched the TAIEX EIR Peer-to-Peer tool<sup>294</sup> to facilitate peer-to-peer learning between Member State's environmental authorities.

In 2019, Malta benefited from a study visit in Belgium and an expert mission on waste management. Malta also participated in two multi-country workshops on ammonia reducing technology and measures in 2021 and zero pollution in 2022.

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<sup>293</sup> Technical Support Instrument (TSI) | European Commission (europa.eu).

<sup>294</sup> TAIEX - Environmental Implementation Review - PEER 2 PEER - Environment - European Commission (europa.eu)