



PRE BUDGET 2011: Ideas, Vision, Discussion



Ministry of Finance,
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The International Economic Scenario

Macroeconomic Developments

- The world economy is expected to register a growth rate of 4.0 per cent during both 2010 and 2011, up from a contraction of 0.9% registered in 2009.
- Emerging and developing economies in Asia are leading the recovery in world economic growth, while the US economy is recovering faster than Europe and Japan
- While the global economic recovery is gaining in strength, and financial market conditions have improved notably from the crisis levels, the risks to financial stability have not yet dissipated
- The financial and economic crisis has led to the deterioration in fiscal positions in both the EU and Euro Area. In particular, the effects of automatic stabilizers and the fiscal stimulus measures adopted in accordance with the European Economic Recovery Plan (EERP) have borne down on deficit levels. Additionally, debt levels also increased as a result of support to the banking sector.

The International Economic Scenario

Developments in International Oil and Commodity Prices

- Following the rapid decline in oil prices experienced in the second half of 2008, the price of crude oil increased during the first quarter of 2009, accelerated in the subsequent quarter and, despite fluctuations, remained on a general uptrend throughout the rest of the year.
- Sustained by the improving global economic and financial sentiment, commodity prices picked up during 2009, with the International Monetary Fund's (IMF) Non-Fuel Primary Commodity Index registering an increase of 23.8% during January-December 2009.
- Food prices have experienced a more moderate recovery in 2009, reflecting the fact that the decline in the second half of 2008 was less sharp than for other commodities.

The International Economic Scenario

Developments in International Financial Markets

- Governments and monetary authorities have undertaken extraordinary measures to help stabilize financial markets, restore confidence and efficiency, and stimulate economic growth.
- While the global economic recovery is gaining in strength, a recovery in financial asset prices, declining spreads, as well as re-emerging profitability in financial institutions are signalling a stabilization of the financial sector.
- Nevertheless, while many financial institutions have used this period for reinforcing their capital positions, evidence still points towards a heavy reliance on government support measures and the income from favourably sloped yield curves.

Overview of the Maltese Economy

- The performance of the Maltese economy during 2009 was heavily conditioned by the international and financial crisis in particular, the sharp drop in global trade and by the economic downturn in Malta's main trading partners.
- Real GDP contracted by 1.5% during 2009. On the other, the Maltese economy showed signs of improvement in the last quarter of 2009 with a real GDP growth of 1.3%. This recovery was confirmed in the first quarter of 2010 with a growth of 3.4%.
- The manufacturing tourism sectors were particularly hard hit by the international crisis, and a contraction was registered by the construction industry and the wholesale and retail trade sector during 2009. However, this negative performance was not broad based as a number of emerging service activities managed to record growth despite the adverse international economic developments.

Overview of the Maltese Economy

Aggregate Demand Conditions

- Following an average growth in real GDP of around 3.8% during the 2005-2007 period, as the international economic environment started to deteriorate in 2008, the domestic GDP slowed down to 1.7% in 2008. Real GDP contracted by 1.5% in 2009.
- Following the accentuated positive growth rates registered particularly in 2008, growth in private final consumption slowed down to a modest 1.3% growth. For the first quarter of 2010, growth in private consumption remained positive, but subdued at a rate of 0.9%.
- During 2009, tourist departures decreased by 8.4% over the previous comparable period. This performance is similar to that registered by other Mediterranean destinations, such as Cyprus, Spain and Portugal which registered declines in their tourist arrivals of between 8 and 11%.

Overview of the Maltese Economy

Aggregate Demand Conditions

- During 2009, almost all the tourist source markets reported negative results. Arrivals from the UK and Germany decreased by around 8.6% and 18.6%, respectively. Besides the negative impact of the economic crisis, the latter may be also attributable to a decline in airline capacity to the German market. On the other hand, tourists from Italy recorded an increase of 10.0%.
- In 2009, cruise passenger arrivals declined by around 22 per cent. Declines in arrivals were mainly recorded from the Spanish, British and Italian markets, while a significant increase was recorded from Germany and France. In the first months of 2010 a significant improvement was registered with the number of cruise passengers increasing from 69,735 to 100,746 during the January-April 2010 over the corresponding period of 2009.

Overview of the Maltese Economy

Aggregate Demand Conditions

- During 2009, the visible trade gap narrowed by €143.5 million mainly as a result of a reduction in imports of €577.6 million or 16.5% which outpaced a reduction in exports of €434.1 million or 20.8%. Preliminary figures for the first four months of 2010 show a further improvement in the trade balance in Malta. This reflects an increase of 34.5 per cent or €175.8 million in exports, whilst imports decreased slightly by 0.6 per cent or €6.3 million.
- Before the international economic crisis, the Maltese labour market registered a buoyant performance, as reflected in the relatively high rates of employment growth and a relatively low unemployment rate. However, as domestic economic activities, particularly the manufacturing and tourism related sectors, were increasingly affected by the negative international economic environment, the labour market was also affected by these developments albeit to a lesser extent than in a number of EU Member States.

Overview of the Maltese Economy

Aggregate Demand Conditions

- During 2009, the labour supply registered a decrease of 0.3%. Furthermore, during the same period, the full-time gainfully occupied declined by 1.2%. Unemployment rose by 1,307 to 7,680, i.e. from 4.2% to 5.1%. Part-time employment increased from 47,090 in December 2008 to 49,736 in December 2009, an increase of 5.6%. The increase in part-time employment is mainly attributable to market service employment.

Overview of the Maltese Economy

Prices

- Relatively high inflation rates were recorded during 2008 and the first half of 2009, with the annual inflation rate generally exceeding 5.0% during the second half of 2009. Subsequently, the inflation rate decreased and negative annual inflation rates were recorded during October-December 2009. In December 2009, the 12 month moving average inflation rate stood at 1.8%. An annual inflation rate of 0.8% was recorded in April 2010, with the 12-month moving average inflation rate standing at 0.9%.

Overview of the Maltese Economy

Prospects for 2010

- Following the heavy upheaval in the financial markets in 2008 and the resulting severely unfavourable macroeconomic conditions prevailing for most of 2008 and 2009, a gradual recovery is increasingly becoming more evident. The latest economic developments in the European economies and the US indicate that most advanced economies have moved back into positive territory with positive rates registered in the last quarter of 2009 and the first months of 2010. The European economy is expected to expand by 1.0% in 2010 and by a further 1.7% in 2011.
- Despite the favourable developments, major challenges are still present. The eventual withdrawal of temporary fiscal support measures coupled with the urgent need for further fiscal consolidation, following recent developments in sovereign markets, could dampen demand conditions.

Overview of the Maltese Economy

Prospects for 2010

- Consumption growth is expected to slightly decelerate during this year reflecting developments in real household disposable income. Nonetheless, private consumption is expected to expand in 2011 reflecting increased consumer confidence and increased disposable income, as the labour market improves.
- Following the sharp declines in investment during the previous two years, a strong rebound is expected for 2010 as firms are likely to respond to higher external demand. Public investment is also forecasted to contribute positively to economic growth.
- While GDP growth is foreseen to continue its recovery during 2010, the labour market will be affected with a lag and employment is expected to remain rather subdued during the year. Inflationary pressures are also expected to be rather modest in view of the spare capacity that currently characterise major economies.

Public Finances

- Fiscal consolidation strategy to ensure the achievement of the medium-term budgetary targets will be resumed in 2011. During the fiscal retrenchment process, Government reiterates its commitment to safeguard outlays related to education, health and the social welfare regime.
- All public sector expenditure programmes will be critically scrutinised with a view to increase efficiency and value for money. All Government departments and public sector entities will be required to assess their operations and to present an action plan on how they intend to improve their operational efficiency and reduce their recurrent expenditure.
- Government is considering placing further emphasis on increased value for money in public procurement procedures. Alternative procurement policies and strategies may be explored.

Public Finances

- Government is placing further emphasis on the distinct need for departments and other public entities to operate within their allocated budget.
- Government may consider a critical assessment of the current practice allowing the presentation of Supplementary Estimates to Parliament towards the end of each financial year.
- Government may consider strengthening further the financial management functions of Ministries, line departments and other public sector entities. Further to the provision of adequate resources and training, Government may also revisit the reporting relations between the Ministry of Finance and the Directors of Corporate Services of the various Ministries.

Competitiveness

- Government to enhance the country's productivity such that Malta produces more goods and services at a lower cost per unit, increase total output from our scarce resources and achieve faster economic growth.
- As businesses face lower costs, they are able to develop or protect a competitive advantage in markets where there is intense price and non-price competition from overseas supplies
- Convergence to the standard of living of the EU requires higher wages and prices in the medium-to-long-term, whereby increases in prices and wages can only be sustainable if backed by productivity gains.

Competitiveness

- In addition to ensuring wage and labour market flexibility, productivity increases should be sought to justify high wage shares in low growth sectors. The enhancement of the country's standard of living would also benefit from a continuation of the shift from public sector employment to private sector employment by increasing the country's production capacity.
- Participation in education should be encouraged in order to close the technical gaps and to restructure the economy towards higher value added activities.
- Participation of females and older workers in the labour market should be encouraged. Tax credits for women returning to work, pension for workers whose age is in excess of the retirement age and child care centres are steps in the right direction.

Competitiveness

- Continued investment in infrastructure, particularly in energy generation capabilities and the transport sector.
- Higher private investment by Maltese entrepreneurs in proactive and exporting sectors of the economy is a critical determinant for the future performance of the economy. Investment aimed at triggering export led-growth can be facilitated if the necessary legislative framework to protect intellectual property rights is in place

Employment

- The Maltese Government, in collaboration with the Public Employment Service and Social partners need to invest in programmes and measures that attract people to work, improve their skills, and train them towards reaching the quality standards required in a competitive and dynamic market.
- The 12-week Work Trial Scheme will contribute towards the enhancement of the basic skills and qualifications of jobseekers. The Work Trial Scheme will also support the introduction of a job rotation system.
- An employment and training mentoring scheme for young people who are in or leaving institutional care is to be set up.

Employment

- Government should further incentivise the private sector to introduce family-friendly measures to further entice women to the labour market. Government to see that child-care centres and day care centres for the elderly are affordable and to the highest standards.
- Undeclared work is still prevalent in Malta. The Community Work Scheme to be extended to all persons who have been registering for more than six months and not only for those who have been unemployed for over 5 years. Moreover, Government should regulate abuse and should exclude any person who refuses employment from the unemployment register.
- An analysis of employment licences to be conducted in order to get a picture of the type of skills or labour shortages while developing traineeships and training schemes.

Employment

- Reforms including flexicurity with extensive training and education facilities, and also reforms including the promotion of job mobility.
- Increasing Investment in Human Capital through Education and Training by educational attainment and continuous training. Further investments need to be made between Educational institutions, local councils and employers. Public and Private organisations need to offer their workforce more training opportunities through scholarships and adult training programmes and other educational openings.

Social Policy

- Flexicurity needs to be reinforced in the local context.
- Former budgetary measures are to be reviewed and strengthened in accordance with changing dynamics. Social Security system shall ensure that its provisions encourage increased labour force participation and does not discriminate on a gender basis.
- Pension reform: The Pensions Working Group is expected to present its recommendations to the Minister of Education, Employment and the Family by the end of 2010.
- Service Pensions: It is being proposed that the measure to waive off part of the 'service pension' from the calculation of the social security pension be continued.

Social Policy

- **Single Means Testing Mechanism:** It is proposed that the exercise regarding the single means testing mechanism be taken a step further with the preparation of the establishment of a Single Means Testing Unit. Its function would be to check the claims made by people seeking means tested benefits.
- **Reform of the Non-contributory Disability Pension System:** System to be reviewed since current entitlement criteria places too much emphasis on the medical condition itself rather than the functional impairments of the disabled person.
- **Strengthening Social Security Entitlements to Single Parents:** With respect to welfare assistance payable to single mothers, government's focus should be by encouraging single parents to combine work with family life. Proposal: Malta's social security entitlements for single parents be reviewed and carefully analysed. An intra-ministerial working group should be set-up.

Social Policy

- Pro-rata Contribution for Certain Categories of the Self-employed: It is being proposed that this pro-rata contribution system to be extended to cover certain categories of self-employed persons such as students and pensioners.
- Encourage the Care of the Elderly People by their families
- Active Inclusion – This calls for adequate schemes which help the young to participate actively in society by acquiring the competences and skills needed. Unemployed people should be assisted to re-integrate themselves into the labour market through temporary and subsidised work with the aim that following the termination of such a scheme, the individual finds a regular job.

Social Policy

- Promotion of social participation and social inclusion should go further than the labour market. – it is proposed that more is to be done to foster the participation of children, by creating programmes for those children who need care by giving them access to social and cultural activities.

Health Sector

- In 2011, the main thrust will focus on consolidating financial and management accounting systems, while Health HR function is to be critically appraised.
- More focus upon Health promotion and disease prevention in Schools.
- Obesity Strategy, more funds to be allocated to combat obesity.
- National Cancer Strategy to be launched in the coming months with screening programmes, anti-tobacco health promotion, investment in new diagnostic and treatment initiatives, introduction of a PET scanner service, replacement of linear accelerator machines....
- Sexual Health Policy. Policy will be supported with an action plan which outlines the actions required in each area.

Health Sector

- National Dementia Strategy is also being drafted and will be launched in 2011.
- Waiting Lists and Waiting time – Government will continue, in 2011, with its efforts to build on existing successes in tackling this issue.
- Government is also exploring further cooperation with the private sector in treating pre-emergency patients who are not seriously ill and more PPPs will be entered into for services to the elderly.
- Reform in Primary Health Care: Government maintains its strong intention to develop this sector into a fully functioning and robust service. This will entail substantial investment in infrastructure, training, IT etc – Coming budgets will ensure this development.

Health Sector

- Community Services will continue to be strengthened. A pilot community-based project will be launching later this year and if successful this will be extended to other areas. While the services provided through Commcare will be also consolidated in line with the real needs of the community.
- Government has embarked on the construction of the Oncology Cancer Centre in Mater Dei Grounds.
- There is a robust Human Resource development plan including a substantial investment of over 7 million euro for training in Malta and abroad. The centre is to cost over 50 million euro and is to be part-financed by the EU.
- Government intends to construct a new rehabilitation centre comprising all disciplines.

Health Sector

- Malta requires a new blood and Tissue/Cells Bank. A site near Mount Carmel hospital has been earmarked. Once permits are in hand, the required tenders will be issued for its construction.
- Primary Health Care: to refurbish existing centres or the construction of completely new centres. Government is exploring the possibility of replacing the Gzira Health Centre and will carry out a refurbishment of the Mosta and Rabat Health Centre. Also scope of developing a new site in Paola.
- E-Health – Government is planning to extend the current IT modalities to all family doctors who wish to participate in this network.
- National Health Information System should also be effected over the next few years.

Health Sector

- Regulation of medicine entitlement - A thorough review of the Government formulary for medicines and will also be exploring innovative methods for procurement, storage and distribution of medicines especially after the continued roll-out of the Pharmacy of-Choice Scheme. This will be linked to a pricing policy.
- Government intends to create the legal and administrative framework that provides clarity for all current and prospective residents with regard to their healthcare coverage and entitlement benefits.

Creative Industries

- The Creative Economy Working Group is currently designing a bold strategy based on the four strategic paths:
 - Shaping talent into professions
 - Assisting creative businesses find route to market
 - Promoting Malta as a hub of creative activity
 - Championing the sector through cohesive governance structure.
- Investment in education resources and training programmes and more focused efforts in bringing the educational sector to respond more effectively to the needs of the creative economy.
- Government needs to ensure that while progress is being made in the educational field in general, the requirements for the formation of a creative workforce are matched by renewed efforts to provide excellence and quality in creative educational provision from pre-school to university.

Creative Industries

- The strategy will address the development of creative clusters as zones for creative entrepreneurs. Creative clusters will be identified and developed strategically to reflect the potential strength of these sectors but also to address the urgent need for incubation for young entrepreneurs.
- The Creative Economy Strategy will address the professional needs of the creative workers through an appropriate legal framework that offers recognition status and accreditation to professionals in the cultural and creative sectors, thus where necessary, improve social and security measures and taxation.
- Government first level of support – Financial and fiscal incentives aimed at enabling creative producers to internationalise their products and services through their own contacts and capabilities shall be strengthened to enable direct access to international markets that is robustly supported by networking technologies.

Creative Industries

- Furthermore, Government support through international relations, enterprise incentives and cultural diplomacy shall be streamlined through the appropriate governance structures in order to maximise on the existing international networks and support mechanisms.
- Government is to devise a national strategy for a creative economy which looks at the creative ecosystem with an economic perspective but which also reflects the individual needs and unique cultural specificities of each sector.
- As the links between the various sectors of the cultural and creative industries become evidently more interconnected and in the wake of the creative economy as a pillar of Vision 2015, we require an immediate response mechanism for governance structures which act as our champion for all the cultural and creative industries.

Green Economy

- Over the next five years government policy will focus on
 - The continued development of the energy and renewable energy sectors
 - The reform of the transport sector
 - The promotion and requirement of more energy efficient buildings
 - Increased participation of the private sector in the area of waste management
 - Improved management and conservation of water resources
 - Provision of training and qualifications for the skills that are and will be required by the creation of new green jobs
 - Support exclusively for tourism development that can prove to be sustainable and environmentally friendly
 - Continued support for small scale sustainable agriculture.

Green Economy

- Bodies, committees that deal with the environment and green sector are to date, fragmented. Hence, a Green Economic Policy unit will be set up that will have within its remit the monitoring of market developments in renewables.
- Government will be leading the way by example in the area of clean energy generation through the continuation of the installation of alternative energy infrastructure such as photovoltaic and wind energy infrastructure and also in conserving energy in government buildings and in government-owned outside infrastructure.
- Public-Private Partnerships need to be established in the diverse area of the green economy in order to launch pilot and fill-blown projects and to share ideas and agendas through such partnerships.

Green Economy

- A showcase for innovative technologies is being proposed in collaboration with the private sector and the Institute for Energy Technology of the University of Malta. Its purpose would be to raise awareness about the existence of such technologies, to generate data in relation to the technologies deployed that could then be made publicly available for the private sector, and to provide Government with data that can then be used to incentivise the uptake of specific technologies.
- Government to continue seeking opportunities at EU level and to give opportunities to the private sector and will maintain a level of commitment and will maintain its prolific efforts to continue making the most of initiatives.
- Government must now start to shift its effort from public education campaigns to information dissemination campaigns.

Green Economy

- Polluter Pays Principle (carbon tax) - In order to disincentivise the use of pollutants and to further incentivise energy-saving and clean energy-generating measures government is moving in the direction of shifting effective taxation to fuels and commercial electricity.
- Government is committed to improve air quality. Since private vehicles are the primary causes of poor air quality, efforts are being made to clamp down on those vehicles guilty of excessive pollution levels. Government wants to encourage the use of cleaner private transport vehicles, as it has not been prolific enough. Government is assessing the reasons why such a poor take up and will seek to address them in the forthcoming budget.
- Government is proposing a better traffic distribution programme with the intention of distributing, and thus curbing traffic more evenly throughout the day.

Green Economy

- Government will consult and study ways and means of improving the traffic situation by means of regulating opening and closing times of schools as well as offices in order to slash emissions due to excessive traffic are to be slashed.

Green Economy

Building Regulations

- Government is proposing that as of 1st January 2011, all new residential and industrial developments will have to satisfy a set of minimum energy-efficiency and resource utilisation efficiency criteria, which will include the mandatory inclusion of water reservoirs, better insulation regulations and regulations for usage of rooftops.
- Government will intervene and look at options such as to help people match cash outflows with cash savings since substantial cash outflow is required to install green technologies.
- Government is proposing the mandating of a centralised gas deposit and the installation of safe gas-supplying pipes in all major developments. In parallel, government has now launched the necessary legislation for all petrol stations to be in a position to develop the required infrastructure to provide gas for the powering of private vehicles by end 2011.

Gozo

- Gozo's unique heritage, culture and arts pose barriers and enablers that are distinct from the ones experienced in Malta. Therefore, a different economic strategy, specifically formulated for Gozo is called for.
- In parallel with infrastructural initiatives, financing will be diverted to run a set-up that instils regional creativity and brings Gozo's potential to the knowledge of foreign investors.

Gozo

- Three priority areas in which collective efforts need to be focused are identified:
 - agro-cultural sector
 - domestic and foreign tourism
 - the knowledge-based economy
- Setting-up an institute of Agriculture in order to train farmers to produce good quality agriculture produce and to act as an innovation centre for research
- Promotion of Goziton crafts and hand-made products will be incorporated in the art and culture of producing traditional foods.
- Fiscal incentives such as tax-credits to encourage ongoing private investment compatible with the eco-vision to feature in the Regional Policy.

Gozo

- Ensuring high quality standards both in terms of accommodation facilities and level of service offered to local and foreign tourists.
- The offering of exclusive farmhouses as accommodation can be developed further by creating incentives for the people of Gozo to offer part of their residence, which will be required to meet standards issued by the Gozo Tourism Association, to visitors on a B& B basis.
- Efforts should be made to make Gozo a centre for quality recreation and for cultural activities targeted towards Maltese tourists.
- Government is proposing the provision of the necessary assistance to encourage young people with entrepreneurial ability and ICT skills to set up their own business in ICT-based services to reduce the number of jobs which depend on seasonal factors.

Education

- Objective for the development of education in Malta shall be aimed at having an educational sector of excellence – this entails making lifelong learning a concrete reality through coherent and comprehensive strategies which includes
 - Improving the quality of efficiency of education and training
 - Quality lifelong learning
 - Quality education systems
 - Improving mobility in education and training
 - Increasing investment in knowledge and skills
- Quality Education Systems
- Enhance the student experience in higher education, collecting and disseminating data on participation in higher education, further analyse the skills needs in the labour market and how higher education can help to bridge the gap between higher education qualifications and skills needs in Malta, and carry out research on quality assurance.

Education

- Introduce a law on further and higher education, in order to differentiate this sector from lower levels of education, and to realise the full potential of upper secondary education, tertiary education, lifelong learning programmes and all areas of education that are non-compulsory.
- Improving Mobility in Education and Training:
 - Government should be committed to engage into an agreement whereby participating individuals and companies, entities or institutions are given incentives and helped to gain experience and develop their skills through interaction and experimentation.
 - Since STEPS scheme will not offer any more scholarships as from 2011, Government needs to invest more funds in the Malta Government Scholarship Scheme and to invest in scholarships intended for Post Doctoral which are specifically in research.

Education

- Increasing investment in Knowledge and Skills.
- Efforts need to be enhanced to promote adult learning and improve guidance to students opting to move out of the educational institutions. A closer cooperation should be established between key partners in the educational sector, business and social partners so that individuals are motivated to further their studies.

Sustainable Localities

- The adoption of a strategy for Local Sustainable Development should cover areas that include energy, the environment, transport, culture, the economy, social inclusion, urban conservation and regeneration and waste management.
- Government intends to offer incentives to Local Councils to adopt and contribute towards national strategies, employ efficient energy use, waste management and the creation of educational programmes to promote the participation of the community and schools in environmental, social and cultural issues.
- The reform process and the Policy for Local Government are geared towards increasing the accountability of localities, providing a framework for local councils to work together, to deal with their locality-related issues etc

Sustainable Localities

- LES to be strengthened, guided by Government's vision for nurturing better citizenship through education. The proposed improvements rests on the principle of delegation to the Local councils of the enforcement responsibilities for the range of offences covered.
- Central Government is inviting Local councils in Malta and Gozo to address the needs of the community in a sustainable manner through various schemes.
- Government wants to ensure that the success being currently achieved through the implementation of a number of initiatives at locality level, keeps pace with present and future challenges.

Sustainable Localities

- Some planned initiatives are:
 - A scheme to encourage the undertaking of cultural activities within localities;
 - A scheme to promote and encourage the development of increased participation in sport in localities;
 - A scheme for the Local Councils to ensure that their offices and other public spaces are accessible to all;
 - Co-financing Fund to encourage and financially assist Local Councils in applying for more EU-funded projects;
 - The co-financing of pilot projects, namely Madliena, Mqabba, and Kirkop, to undertake roadworks to be completed by the end of the current year;
 - Public-Private Partnership scheme to encourage Local Councils to undertake residential roadworks with private partners;
 - Special projects in small localities aimed at assisting them to overcome their financial limitations due to size by undertaking a number of initiatives within their localities;

Sustainable Localities

- Some planned initiatives are:
 - Financial allocation to assist particular localities with special needs, such as those that offer services that are over and above their daily service provisions;
 - The Local Council Green Challenge Award for those Local Councils which undertake initiatives for the upgrading of the local environment;
 - The Local Council Enterprise Support Award Scheme for those Local Councils which undertake initiatives to assist and incentivise, business in their localities;
 - Playing Fields Risk Assessment so as to ensure a safer environment for residents;
 - Local Sustainable Development Strategy – financial grant support for a number of pilot projects to draw up sustainable development strategies at a local level; Local Councils are being the opportunity to come up with plans that address energy efficiency, climate change and waste management;

Sustainable Localities

- Some planned initiatives are:
 - A scheme to assist Local Councils in providing further financial support to their regional and local public libraries;
 - A scheme to assist Local Councils in providing lifelong-learning courses within their communities;
 - Co-financing fund to encourage and financially support NGO's in applying for EU-funded projects;
 - A scheme for a greener environment within our localities, with the planting of a number of trees in residential areas;
 - Financial assistance for the restoration of small historic buildings and monuments;
 - A Structural Funds Scheme to assist with the restoration, embellishment and promotion of authentic village cores within residential areas
 - A scheme to assist Local Councils with financial commitments which need to be entered into with regard to the implementation of embellishment projects in preparation of national activities.