



Servizi Ewropej f'Malta

# ANNUAL REPORT 2021



Servizi Ewropej f'Malta



# CONTENTS

<b>FOREWORD</b> .....	2
<b>Our Mission</b> .....	3
<b>Our Mandate</b> .....	3
<b>Our Team</b> .....	4
A New Chapter for the Agency.....	5
SEM hosts Europe Direct Valletta for a second term .....	6
The Figures .....	7
<b>INFORM</b> .....	8
New Website.....	10
Communicating the European Union through the Media.....	10
‘Europe stands together against COVID-19’ .....	11
Communicating the EU’s values and opportunities to students.....	12
‘#nohmlixidarba’ - A new book about the values of the European Union .....	12
‘#nohmlixidarba’ storybook donated to Malta Libraries.....	13
Informing on EU Funding Opportunities .....	14
EU Funding Opportunities for Local Councils .....	14
EU Funding Opportunities for Schools .....	15
EU Funding for the Culture and Creative Industry .....	15
Networking on EU Funds.....	16
Promoting EU Careers.....	17
<b>ENGAGE</b> .....	18
Engaging citizens and organisations in the debate on the Future of Europe .....	20
Raising Awareness.....	20
Official Launch in Malta .....	21
SkolaSajf 2021 - The Future of Europe with and for Children .....	22
Thematic debates - ‘The Europe I would like to see’ .....	23
Going Local - ‘The Europe I would like to live in’ .....	25
Policy Outreach .....	27
The new Strategic Framework for Education and Training 2030 .....	28
Review of the Action Plan on Trade and Sustainable Development.....	32
Review of the Energy Taxation Directive.....	33
Promoting Improved Social Dialogue in Malta .....	34
Network of Networks Meetings.....	35
<b>SUPPORT</b> .....	36
Supporting organisations to apply for EU funding.....	38
Capacity Building for organisations in EU funding.....	38
Supporting organisations to successfully implement EU funded projects .....	39
EU funds for our communities .....	39
<b>PEOPLE AND CULTURE</b> .....	45
<b>TESTIMONIALS</b> .....	47
<b>FINANCIAL STATEMENTS</b> .....	48



## FOREWORD

2021 will always be a special year for the Agency not only because we continued to provide a service of excellence to our clients but mostly because of the launch of Servizzi Ewropej f'Malta. This Agency will continue to build on the legacy that we built over the years under the brand MEUSAC but with added services and improved processes that address the needs of our stakeholders better.

Our values have always been built on the strong conviction that we should always strive to do things better. After months of discussions and feedback received from our stakeholders, we felt the need to revamp our services and also our image to one that reflects more the mission and functions of the Agency; which is why we felt that the name Servizzi Ewropej f'Malta would precisely do that.

Although over the years Maltese citizens are still in favour of Malta's membership in the European Union, one of the biggest challenges is to explain what the European Union is, how it works and how it affects us in our daily lives. We understand that citizens need to be more involved in decisions and informed about what the European Union means in practice. We also believe in the one-to-one approach and that all our services need to be tailor made to the needs of our clients. It is useless to talk about the European Union, funding programmes, its strategies and policies, if citizens do not understand how it can directly affect their lives. This is what we stand for and this is what we strived to achieve in 2021 through all the initiatives and events organised.

I am proud that we remain the leading organisation in Malta to offer free support to organisations to apply for EU funding. 2021 also marked the first

time we started offering project implementation support service. Whilst we will continue to learn and grow, our promise is that we will continue to provide all the support necessary not only during the application phase but also throughout the implementation of EU funded projects.

To strive to be better in whatever you do is no easy feat. It requires commitment, professionalism and a true belief in the cause. Once more, the team did not disappoint. They showed a great commitment in all the tasks undertaken and in providing a high quality service that caters for the needs of stakeholders. They have once again shown great resilience and adaptability to change and without this strong team effort, none that was achieved in 2021 would have been possible.

I look forward to 2022 to consolidate what we started in 2021 so that Servizzi Ewropej f'Malta can continue to be the leading agency in Malta that engages citizens in EU related matters. This is what we are, this is our mission and this is what we will continue to do in the coming months and years.

**Mandy Falzon**  
Chief Executive Officer

# OUR MISSION

To be of service to citizens by keeping them updated on the EU's strategies, policies, initiatives and obligations and engaging them to benefit from the rights and opportunities deriving from EU membership, including EU funding.

## OUR MANDATE

The Agency's functions are defined by the legal notice which states that the Agency shall be responsible to:

- (a) inform and keep updated public and private organisations and citizens through various fora on the EU's long-term strategies, policies, initiatives, obligations, rights and opportunities.
- (b) provide information and assistance on EU funding programmes, in particular by advising and assisting local government and private non-profit organisations to draw up and submit competitive project applications.
- (c) provide guidance to local government and private non-profit organisations on the implementation of EU funded projects.
- (d) participate in MCESD meetings and provide in-depth updates on the long-term strategies and legislative proposals of the European Union to social partners.
- (e) issue regular policy briefs and updates on EU legislative proposals and how EU legislation applies to citizens and organisations.
- (f) create a network to facilitate communication with EU national contact points and information providers.

# OUR TEAM

The Agency is organised in three teams.

The **Communications and Outreach team** is responsible for all matters related to external communications including coordination of events, information sessions, campaigns, press conferences and communication with media outlets. It is also responsible for all outreach activities on specific EU policies and initiatives and in liaising with Authorities, Ministries and stakeholders.



The **EU Funding team** is responsible for providing one-to-one assistance to organisations to apply for EU funding and to provide support to implement EU funded projects. The team is also responsible for delivering information and training sessions on EU funding.



The **Corporate Affairs team** is responsible for providing day-to-day administrative support and human resources. The team is responsible for financial management and in upholding the team culture of the Agency.





## A New Chapter for the Agency

The Agency was set up in terms of Legal Notice 445 of 2020 under the Public Administration Act.

Taking on the functions previously vested by MEUSAC, the new revamped Agency was officially launched on March 25, 2021 by the Minister within the Office of the Prime Minister, Carmelo Abela, Principal Permanent Secretary, Mario Cutajar and SEM CEO, Mandy Falzon.

The choice of the new name reflects better the mission and functions of the Agency, that is to make the European Union more accessible to citizens in Malta and Gozo, serving as the main point of contact for citizens and organisations on EU related matters.

The Agency is built on three pillars to:

### **INFORM**

about the latest developments in the EU's strategies, policies, legislation, initiatives and funding opportunities.

### **ENGAGE**

organisations and interested stakeholders in the EU's decision-making process by facilitating their feedback on EU policies and legislative proposals.

### **SUPPORT**

organisations in tapping into EU funding opportunities by informing them of such opportunities, helping those who are interested in applying for available funds and guiding successful applicants in implementing their projects.

## SEM hosts Europe Direct Valletta for a second term

At the end of April 2021, the first term of Europe Direct Valletta came to an end after three and a half years of its operations. The agency had applied successfully to run the information centre for the period January 2018 – April 2021.



### EUROPE DIRECT Valletta

Europe Direct information centres form part of a network of 424 other centres in the European Union. The centres are supported by the European Commission to disseminate information and assist European citizens in EU related matters. This is mainly carried out by engaging with citizens on EU related matters at local and regional levels.

In line with SEM's mission to connect citizens to the EU, Europe Direct Valletta gives information, advice, assistance, and answers to questions about the EU in general, the rights of EU citizens, the EU's priorities, legislation, policies, programmes, and funding opportunities. This is carried out through debates, conferences, seminars, media campaigns and other initiatives.

In its first three years of operations, Europe Direct Valletta has year on year exceeded the expectations that are annually set out in the action plan that is presented to the European Commission for endorsement.

This is why, building on the experience gained in the first three and a half years, SEM applied successfully to run the centre for another term from May 2021 to December 2025.

Europe Direct Valletta joins the other two centres in Malta – Europe Direct CORE and Europe Direct Gozo – and the other 421 centres across the European Union.

The Europe Direct network, run by SEM officials on a day-to-day basis, gives a wider European dimension to the Agency. In the first years of operations, Europe Direct Valletta managed to build connections with several other Europe Direct centres in Europe and partnered in several cross-border initiatives. The centre also gives the opportunity to SEM officials to take part in training offered by the European Commission and to represent Malta in annual general meetings. Europe Direct Valletta also provides feedback to the European Commission on the local situation on a number of issues and on communication initiatives that are embarked on in Malta from time to time. As an example, the Europe Direct Valletta manager participates in meetings of a testing panel composed of a representative from each of the European Union Member States to provide feedback during the development of European Commission publications addressed to the public. This initiative makes these publications more relevant to the intended audiences.

The main achievements of SEM through Europe Direct Valletta in 2021 were the consolidation of a national network of EU information providers and EU related national contact points with the holding of regular meetings and joint initiatives to streamline EU related services in Malta, the organisation of events and discussions for the Conference on the Future of Europe and the promotion of the Multilingual Digital Platform of the Conference, Europe Day celebrations, the activities at SkolaSajf and the publication for students '#nohlomlixidarba', which are all explained in this report.

## The Figures



---

# INFORM

SEM constantly informs citizens on EU's strategies, policies, legislation and initiatives including EU funding through various initiatives and media.

SEM

Communicating the European Union, its principles, how it works and what it does for the benefit of its citizens and for the progress of its Member States on all fronts, is the driving force that permeates all initiatives and actions carried out by SEM and Europe Direct Valletta throughout the year.

At SEM we believe that providing the public and organisations with veritable, reliable and factual information on the EU's long-term strategies, policies, initiatives, obligations, rights and opportunities, is key for maximising Malta's membership in the European Union.

Throughout the year, several communication actions, events and initiatives are developed on a number of strategic criteria to make all our initiatives more effective in being relevant, address specific target audiences, in a manner that is not just appealing by adapting to the latest trends in communication platforms, but also to address the needs, concerns and aspirations of European citizens living in Malta and Gozo.

Our action plan for communicating the European Union is based on clearly defined strategic objectives in line with the European Union's strategic priorities and agenda for the coming year, spelled out in the EU's Strategic Agenda, the European Commission's Work Programme, the European Parliament's priorities and the Programme and Priorities of the active rotating EU Council Presidencies for the two terms of the year.

SEM officials follow daily what is happening at the EU and local levels and seek the best ways to transmit the relevant information to different target audiences. Major happenings and initiatives for the European Union are also explained to the public in more ways than one so that their significance and implications are understood by target audiences. This applies not only to general information on the European Union but also to its proposals for new or revised legislation, the application and implications of its directives and regulations on specific sectors of the economy and population.

Undoubtedly, EU funds are a major benefit of the European Union for the daily lives of citizens and on the operations of profit and non-profit organisations, government entities, local councils, and schools, among others. SEM is committed on a daily basis to provide the right information on current EU funding opportunities, open funding calls, how and in what ways EU funds improve the quality of life, as well as about the way to go to benefit from such funds.

Apart from the daily updating of the Agency's website and social media channels, SEM officials regularly write articles, participate in radio and TV programmes, implement comprehensive media campaigns on particular initiatives and priorities of the European Union, publish informative advertorials on local magazines for the public in general and for children and students in particular. Events, be they online or where possible physical, also serve to communicate the European Union to the Agency's target audiences.

Regular information is also disseminated to widen the awareness on the Agency's services so that anyone who may wish to avail of these services knows what to do and how to contact us.

## New Website

Following the launch of SEM, a new website was also developed – sem.gov.mt – to make the services of the Agency accessible online and to make it easier for citizens and organisations to use our services and to serve as a source of information on EU matters.

The new website provides updates on the latest EU initiatives and EU funding calls as well as articles, news and events. The website allows also for the possibility to search for EU funding opportunities based on the interests of the organisation, request a meeting, register for regular updates on EU policies and offers a broad range of information on all the activities of the Agency.

The website also provides a platform for citizens to be involved in the EU’s decision-making process as well as personalised assistance to EU funding opportunities and support in the implementation of EU funded projects.

An explainer video was also produced and disseminated to bring out the main features of our website and to explain how such features are used.

## Communicating the European Union through the Media



Throughout the year, SEM and Europe Direct Valletta invest time and resources to provide truthful and factual information the European Union’s priorities and initiatives and how these impact the daily lives of citizens and stakeholders.

In 2021, SEM officials participated in 43 radio and TV programmes, produced 18 social media campaigns and 731 social media posts, and wrote 93 articles for publication on print and online media.

## 'Europe stands together against COVID-19'



To mark Europe Day on May 9, SEM and Europe Direct Valletta set up graphical installations in Tritons' Square, Valletta, between May 7 and May 9.

The installations highlighted the work of the European Union institutions and Member States to fight the pandemic in unity and solidarity in areas like emergency response and public health, the economy, mobility, research and treatment.

A social media campaign and bus stop adverts complimented the installations to further disseminate the intended messages for Europe Day 2021.

During a Press Conference, Minister within the Office of the Prime Minister, Carmelo Abela, SEM CEO, Mandy Falzon, the Head of the European Commission Representation in Malta, Elena Grech and the Head of the European Parliament Liaison Office in Malta, Mario Sammut delivered speeches on various aspects related to Europe Day.

The Conference on the Future of Europe, launched officially at EU level on May 9, was also promoted.

The initiatives taken in 2021 to promote the Conference in Malta and Gozo and the outcome of the events organised within the initiative are explained in detail in the 'Engage' section of this report.

## Communicating the EU's values and opportunities to students



### **'#noħlomlixidarba' - A new book about the values of the European Union**

For the second consecutive year, SEM and Europe Direct Valletta developed and published a book in Maltese about the values of the European Union.

The book is aimed at 14 and 15-year-olds, based on ten fictional stories about the everyday life of a group of friends living in the same block of apartments.

The author, Clare Azzopardi, enables readers to easily identify themselves with the characters of the stories, through their dreams and aspirations. The stories are enhanced with the character illustrations produced by Naomi Gatt.

Every story, which is related to a particular character, brings out values of the European Union, which the characters themselves believe in and are willing to work hard with their friends to fulfil them.

The main idea behind these stories is that through the European Union, youngsters can find the right support to achieve their goals, both for their own benefit and that of society. To help readers depict this message, following each story one can find a page illustrated with quotes and other relevant information on the work carried out by the European Union in that particular subject highlighted in the story.

The book was launched during a press conference on November 16, by SEM CEO, Mandy Falzon and the Minister within the Office of the Prime Minister, Carmelo Abela.

During the book launch, three students from Marija Regina Mosta Secondary School, together with the author, read extracts from the book. The book has been disseminated to students in Years 10 and 11 in schools across Malta and Gozo.

### **'#nohlomlixidarba' storybook donated to Malta Libraries**



During a presentation ceremony held on December 15 at the Central Public Library in Floriana, SEM CEO Mandy Falzon and the Minister within the Office of the Prime Minister, Carmelo Abela, donated copies of the recently published storybook, '#nohlomlixidarba', to the CEO of Malta Libraries, Cheryl Falzon.

The donation served to make the publication available for readers in all public libraries in Malta and Gozo.

SEM was praised by the CEO of Malta Libraries for the excellent publication that will be added to the extensive collection of books found in public libraries, especially in producing a readable dyslexia-friendly book, making it one of the few publications in Maltese on the local market for this age group.

## Informing on EU Funding Opportunities



SEM constantly updates stakeholders and potential beneficiaries of EU funds on open funding calls and EU funding programmes to encourage organisations and entities to apply for EU funds for their projects.

Besides the support given to organisations, as explained in another section of this report, the Agency makes use of the media and direct channels of communication with interested stakeholders. The revamped website of the Agency also facilitates easy access to lists of EU funding programmes of the current programming period and current funding opportunities available to different stakeholders.

From time to time, dedicated information sessions are organised to explain specific EU funding programmes in detail and how organisations can benefit from the funding programmes' strands.

### **EU Funding Opportunities for Local Councils**

An information session on the Citizens, Equality, Rights and Values programme (CERV), Erasmus+ and the European Solidarity Corps, was given to local councils on July 20.

The CERV programme aims to protect and promote European Union rights and values as enshrined in the EU Treaties and the Charter of Fundamental Rights, and contributes to sustain and further develop open, rights-based, democratic, equal and inclusive societies based on the rule of law.

The European Solidarity Corps programme helps young people take part in projects that benefit communities, either abroad or in their own country. These projects offer an inspiring and empowering experience, as well as the chance to bring change while developing skills and competences through volunteering and traineeships.

During the information session, various funding strands financed through each funding programme were explained. An overview of SEM services which can be availed of by local councils was also given.

Success stories from Tarxien and Ghajnsielem Local Councils were also presented. This event was organised with the support of the Local Councils' Association and the Department for Local Government.

### **EU Funding Opportunities for Schools**

Erasmus+ is the EU's funding programme to support education, training, youth and sport in Europe. With an estimated budget of €26.2 billion for 2021-2027, the programme offers multiple funding opportunities for students and for educators, with a strong focus on social inclusion, the green and digital transitions, and promoting young people's participation in democratic life.

Erasmus+ supports priorities and activities set out in the European Education Area, Digital Education Action Plan and the European Skills Agenda, the European Pillar of Social Rights, the implementation of the EU Youth Strategy 2019-2027 and also develops the European dimension in sport.

To explain the funding opportunities available to teaching and non-teaching staff under the Erasmus+ programme, an information session was held on November 4, focusing on specific reference to Key Axis 1 - Mobility for Pupils and Staff in School Education, and Key Axis 2 - Small-Scale and Cooperation Partnerships in the field of School Education.

The session ended with a special intervention from the eTwinning Coordinator, Dr Rose-Anne Camilleri, informing participants on how the eTwinning platform can be utilised during such projects.

### **EU Funding for the Culture and Creative Industry**

The Creative Europe programme invests in actions that reinforce cultural diversity and respond to the needs and challenges of the cultural and creative sectors. The funding programme is intended to safeguard, develop and promote European cultural and linguistic diversity and heritage, and increase the competitiveness and economic potential of the cultural and creative sectors, in particular the audiovisual sector.

The funding opportunities available in these sectors through the new Creative Europe programme which started operating last year, were explained by SEM officials during an information session on November 23.

An overview was provided on the Culture, Media and Cross-sectoral strands which form the basis of this programme. Further to this, specific information was provided on the small-scale cooperation projects call.

The Valletta Cultural Agency provided some information on the large-scale cooperation project which they are currently partners in. This was followed by a brief intervention by the Creative Europe Desk in Malta, which is the national contact point for this programme.

## Networking on EU Funds

On December 7, SEM held an EU Funds Networking Event, with the ultimate aim of spotlighting a number of funding opportunities that will be available in 2022 and allowing space for participants to network with the relevant entities that would be able to assist them in accessing these opportunities.

The event focused on a selection of funding programmes, namely Erasmus+, the European Solidarity Corps, the Citizens, Equality, Rights and Values Programme (CERV), the LIFE Programme, and the Interreg Euro-MED Programme.

During the plenary session, attendees received an overview of these programmes and the opportunities available under them. This was followed by a networking activity - the EU Funds Marketplace - during which the relevant Contact Points or Managing Authorities of these funding programmes were present so that participants had the opportunity to ask questions about their respective project ideas in an informal, one-to-one manner.

Moreover, six organisations who were previous beneficiaries of the programmes, were also present to talk to participants about their experience in applying for and implementing an EU funded project.





## Promoting EU Careers

In 2021, SEM in agreement with the Permanent Representation of Malta to the EU, took over the responsibility to promote EU careers and job opportunities with the EU's institutions and agencies in Malta.

Throughout the year, SEM held several meetings with officials from the Permanent Representation, EU careers ambassadors at the University of Malta and the Malta College of Arts, Science and Technology, with the European Personnel Selection Office and with other entities. The aim was to start implementing an action plan to encourage a higher uptake by Maltese nationals to pursue careers with the EU institutions, agencies and bodies.

SEM also started to assist in queries by persons interested in pursuing an EU career.

---

# ENGAGE

We aim to keep citizens and organisations involved in EU related discussions through policy outreach campaigns and events. In 2022, the Conference on the Future of Europe provided an excellent platform to citizens to have their say in shaping the future of Europe.

SEM

The importance of citizen engagement in the democratic life of the European Union has been recognised and strengthened in the Lisbon Treaty and through a number of initiatives and political declarations from the EU institutions, among which the European Citizens' Initiative and the New Strategic Agenda for the European Union for 2019-2024.

In recent years, the European Union has seen the emergence of initiatives from the part of citizens and social groups that showed that many of them are keener more than ever to make their voices heard and to contribute to the shaping of the society they live in.

The Conference on the Future of Europe has been a joint institutional effort to effectively address the call of civil society in particular to be given the space and the tools to practise their basic requirement for democratic participation in public life not only at national but also at the European level.

At SEM we believe that engaging citizens and organisations in the democratic life and decision-making processes of the European Union is a top priority. We are committed on a daily basis to assist citizens and organisations to reap the benefits of EU membership by ensuring they can enjoy their citizenship rights in practice, strengthen democratic participation and citizens' empowerment and foster inclusion of citizens in the EU.

In 2021, we have been committed to engage citizens in the green, digital and social transformation that is being pushed forward in response to the citizens' aspirations for a better Europe in the years to come. Such transformation is not possible and will not happen without civil society's involvement.

Through a more active citizens' engagement, the efforts and investments of the EU institutions and organisations will bring more and better results on the ground.

# Engaging citizens and organisations in the debate on the Future of Europe

Officially launched jointly by the European Parliament, the EU Council and the European Commission on Europe Day, May 9, the Conference on the Future of Europe is an EU wide initiative that offers a platform for EU citizens of all ages to voice their opinion about which kind of Europe they would like to see in the future.

The aims of the Conference, established by the EU institutions are to increase dialogue with European citizens as well as to strengthen European solidarity, and will be based on the principles of inclusivity and transparency.

For the rest of the year, SEM and Europe Direct Valletta have been at the forefront to promote participation in the Conference on the Future of Europe locally on two fronts: encouraging the participation of citizens and organisations in the Multilingual Digital Platform of the Conference and the organisation of discussions and debates at national and local levels for different age groups and interests. The outcome of these events was then individually uploaded in event reports on the Multilingual Digital Platform of the Conference.

## Raising Awareness

In terms of awareness-raising on the multilingual digital platform, various channels were addressed, namely:

- Regular and boosted social media posts on SEM's social media channels to promote the Conference in general and the individual topics of the platform.
- Participation in radio programmes on the national broadcaster to engage with audiences on the future of the EU in the context of the Conference.
- Promotional material on a diversified mix of broadcasting and print media, including radio adverts, TV programmes, advertorials on magazines distributed with nationwide newspapers and articles on both print and online platforms.

Engagement with civil society organisations has also been continuous through direct communication to encourage them to contribute to the Conference with their ideas, organise events and upload them on the digital platform.

Engagement was maintained with Maltese MEPs who form part of the European Parliament's Delegation to the Conference Plenary (EPP European Parliament Vice President, Roberta Metsola and S&D MEP Dr Josianne Cutajar) as well as Maltese members of the European Economic and Social Committee to ensure involvement and collaboration.

By the end of 2021, according to a survey published by the European Commission, Malta ranked first in terms of participants per capita engaged in the discussion on the Conference on the Future of Europe.

## Official Launch in Malta

The Conference on the Future of Europe was officially launched in Malta during a press conference held on May 18, in the presence of Minister for Foreign and European Affairs, Evarist Bartolo and Minister within the Office of the Prime Minister, Carmelo Abela.

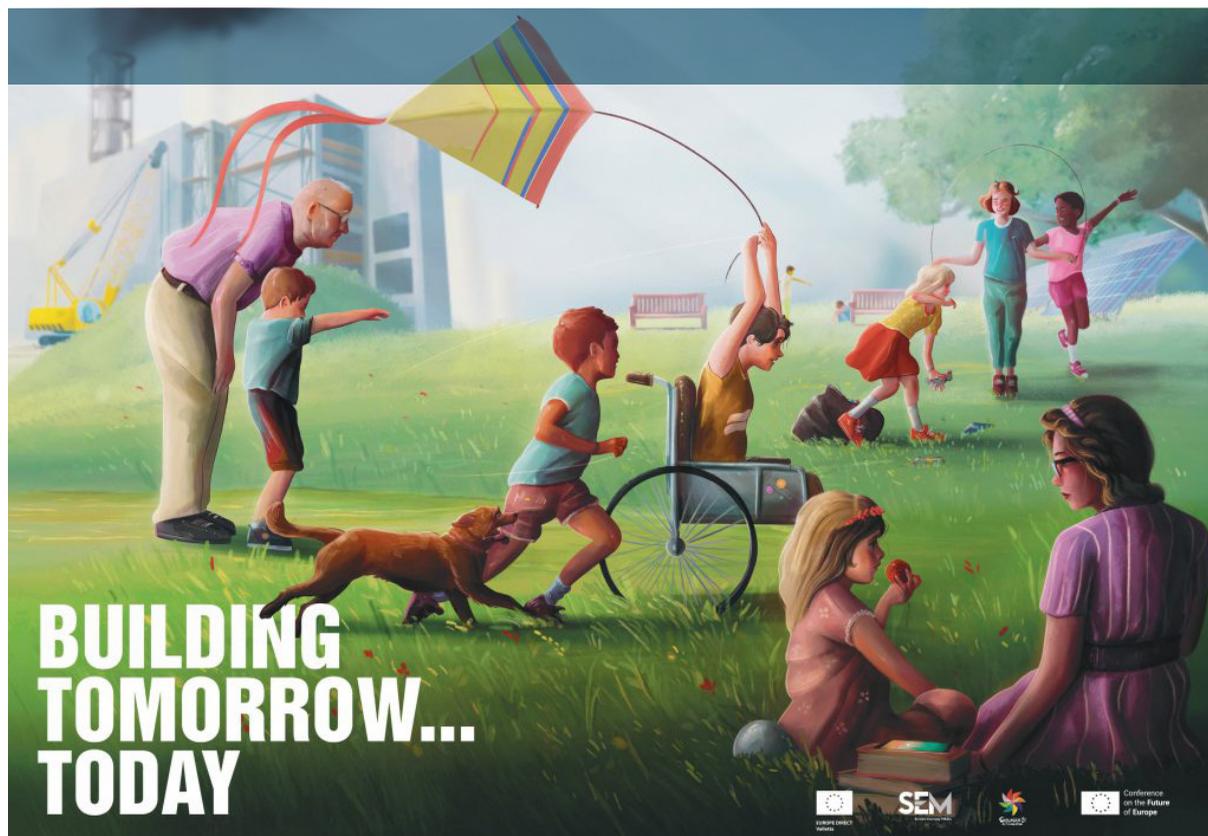
Minister Bartolo explained that the biggest challenge for the EU is to listen not just to those who participate in the Conference on the Future of Europe, but also to those who will not, due to their dissatisfaction and disillusion with the European Union.

Minister Abela spoke about a number of challenges facing the EU that need to be addressed, such as economic recovery after the pandemic, regular and irregular migration, security and terrorism, as well as poverty and social justice. He encouraged citizens to come forward and give their views, opinions and suggestions about the future of the European Union.

SEM CEO Mandy Falzon spoke about the national plan to implement the Conference in Malta and Gozo, which consists of debates and discussions on themes such as the environment, the post-COVID economy, education, migration and the role of Malta on Europe's periphery.



## SkolaSajf 2021 - The Future of Europe with and for Children



To involve the younger generations in the Conference on the Future of Europe, Europe Direct Valletta and SEM participated in the government run summer school - SkolaSajf. SEM officials delivered a total of 26 sessions to 9-14-year-olds, between July 15 and August 19, reaching some 260 children attending 26 centres in Malta and Gozo.

Through the use of interactive material, children were able to learn more about the European Union and engaged in a discussion that encouraged them to come up with ideas on how they would like to see their own future, to build together with children healthier, resilient, fairer, and equal societies for all.

The sessions encouraged children to understand that our actions have both negative and positive repercussions on our lives and the environment we live in.

The conclusions and recommendations that resulted from the SkolaSajf activities were compiled and presented to the Minister within the Office of the Prime Minister, Carmelo Abela and the Minister for Education, Justyne Caruana at an event organised on September 2.

Two children from Fgura SkolaSajf Centre read a declaration on behalf of all participating children. The main recommendations of the children bring out their aspirations to live in a society in which they feel safe and protected. They would like to be surrounded by a healthy environment with more open spaces and free

time to practice sport and to spend time together. Above all, children would like to live in a society in which respect by everyone and to everyone prevails.

Introducing the activity, SEM CEO Mandy Falzon said that the participation of the agency in SkolaSajf is one of its main channels of outreach to children during the year. Being one of the entities promoting the Conference on the Future of Europe at the national level, it was timely to offer the opportunity to children to give their views on how they would like their future to be as European citizens.

### Thematic debates - 'The Europe I would like to see'

As part of the implementation of the Conference on the Future of Europe in Malta, three public discussions on the themes of a Health Union, the Protection and Promotion of European Values and the Future of Work for a Fairer Society, were organised in September and October 2021. The discussions were held in hybrid format, with a panel of speakers discussing the respective topic from different angles with a journalist from the national broadcaster. Online participants joined the panel with their interventions on the topic being discussed.



### A European Union for Health

The discussion, held on September 15, saw the participation of a number of experts who work in different areas in the health sector.

The panel was composed of Gertrude Buttigieg (Malta Health Network), Dr Stefan Buttigieg (Digital Health Malta), Daniela Calleja-Bitar (Richmond Foundation), Dr Chris Barbara (Director of the Pathology Department, Mater Dei Hospital), Dr John Cachia (Commissioner for Mental Health), Samantha Pace-Gasan (Commissioner for the Rights of Persons with Disabilities) and, Michelle Galea (Entitlement Unit, Ministry for Health).

Given the wide representations of sectors in the field of health, a number of themes were put for discussion namely, health protection and prevention, the digitalisation of health systems, the treatment and cure of transborder diseases, modern equipment to address future crises like the pandemic, the strengthening of coordination between health authorities in Member States to address common health threats.

The following were the main interventions by the panel and participants:

- Health should be the underlying consideration for all policies and mental health should be mainstreamed in all EU policies.
- Health policies should always have the patient at the core of decision-making.
- Need for more investment in upskilling of health professionals and workers.
- Citizens need to have more access to digital health, not only to equipment, but also to knowledge about available services and software. Teaching them how to access and use such services is important.
- Patients need to know their rights, explained to them in a simple manner.
- The short-term and long-term effects of the pandemic on children and minors need to be given more attention and proper studies and actions need to be commissioned and taken.
- Introduction of the rights of access and choice of treatment in other countries especially in the fields of disability and rare diseases.
- NGOs should be given more resources to reach out to patients where they live as in their fields of specialisation, they are best placed to assist patients with specific health conditions.

## **Protecting and Promoting European Values**

The second discussion in the series was held in Gozo in September 30, involving a panel of speakers representing different sectors. The panel members were Dr Sean Zammit (Association for Gozitan Employees in Malta), Mario Borg (Gozo Regional Development Authority), Eric Grech (Gozo University Group), Daniel Borg (Gozo Business Chamber), MEP Josianne Cutajar (S&D), Dr Samuel Azzopardi (Member of the Committee of the Regions) and, Dr Elena Grech (Head of the European Commission Representation in Malta).

The discussion focused on the way forward for the European Union in consolidating the values of democracy, solidarity equality and social justice. The main interventions were the following:

- The EU should have only one value - tolerance. This applies not only to divergent opinions but encompasses all aspects of inclusiveness in all its forms. This also means the mainstreaming of the application of the concept of the common good in all that it does. Including all minorities.
- The rights of EU citizens are to be safeguarded in practice, not on paper, so that these truly result in concrete benefits for citizens.
- The economy should not be the aim in itself of EU policies, but the economy should facilitate the achievement of the wellbeing and quality of life of all.
- Regions and islands that are at the periphery of the EU are disadvantaged more than others. However, the benefits of EU membership may result in bringing out the potential of such regions when it comes to more and better opportunities of the green and digital transitions. To achieve this, the EU cannot apply a 'one-size-fits-all' approach but has to consider the peculiarities of different regions.
- EU citizens need to see the value of solidarity implemented in practice, such as in tackling migration.

## **The Future of Work for a Fairer Society**

The discussion focused on how the green and digital transitions have an impact and result in a fairer society. The discussion saw a panel of speakers representing the employment and social sectors: Liam Axisa (National Youth Council), Josef Bugeja (General Workers Union), Joseph Farrugia (Malta Employers' Association), Esmeralda Micallef Zarafa (Lino Spiteri Foundation), Alfred Grixti (Foundation for Social Welfare Services), Josef Vella (Union Haddiema Magħqudin - Voice of the Workers) and Diane Vella Muscat (Department for Industrial and Employment Relations).

The outcome of the discussion may be summed up as follows:

- Workers need the necessary training to be prepared for the green and digital transition. Innovation and quality are two important elements for this transition, whilst guaranteeing social protection and working conditions.
- Companies and businesses should work towards a mentality that puts upskilling and reskilling on the same level of the upgrading of infrastructure and operating systems.
- Future jobs must contain a high element of flexibility in all aspects, except in working conditions.
- Education systems must be geared towards skilling in technology, given that 65% of future jobs will envisage such skills.
- While remote working is applied both for the public and private sectors, the rights related to health and security must be safeguarded. The monitoring of workers must focus on the work itself rather than on the employees, on productivity and not on what the employee is actually doing remotely.
- The future of work in the EU must focus on the person. Technology is there only to serve the person and not itself. This would ensure that workers are not exploited.

### Going Local - 'The Europe I would like to live in'



A series of open discussions in different localities in Malta and Gozo was initiated in December 2021 to take the future of Europe for discussion in different localities in Malta and Gozo.

A number of representatives of youth organisations, others working in different areas of social inclusion and cultural organisations, participated in the first of such local debates, held in Żejtun with the participation of the Minister within the Office of the Prime Minister, Carmelo Abela and SEM CEO Mandy Falzon.

The following were the main interventions:

- The EU should always adopt a 'bottom-up' approach in its decision-making processes.
- Reduce the bureaucracy in the processes of accessing EU funds. Regional funds for projects in localities should be administered directly by local authorities rather than being centralised in national authorities.
- The EU should invest in youth centres built purposely for youths to learn new skills.
- Funding schemes of small monetary value should be available for small organisations to serve them to gain experience in applying for and managing bigger projects.
- The EU should allocate more funds for the social sectors, directly addressed to help individuals and families live a better quality of life.
- More importance should be given to vocational education and training by providing training in trades and crafts, for those who would otherwise leave the educational system without either academic qualifications or VET skills.
- Support to organisations involved in youth activism to implement youth exchanges as this would highly benefit the younger generations.
- Addressing the issue of underpaid jobs would ultimately address the problem of rising racism.

## **'Sowing Seeds' - European Researchers' Night**

SEM and Europe Direct Valletta have partnered with the European Commission Representation and the organisers of European Researchers' Night in Malta to promote the EU's work and initiatives to address climate change.

Four performances on the European Green Deal were held on September 24 and 25 at the City Theatre in Valletta, during which playwright, theatre professional and director of 'More or Less Theatre', Malcolm Galea delivered a live performance on the European Green Deal. The performance was followed by an interactive and engaging discussion with the audience by Head of Communications and Outreach at SEM, Joe Sciberras, on how to be agents of change through actions that contribute to a better and healthier future for our planet.

The following were the main contributions:

- Vehicles should run on hydrogen, not on batteries. The disposal of lithium-ion batteries still damages the environment, apart from serious issues related to the extraction of lithium.
- Plant more trees, grass and flowers.
- Create more open spaces, nature parks and nature reserves.
- Hold politicians personally liable for the damage they do to the environment, for example when building roads and tunnels, they must see that the environment incurs the least possible damage. They must also be held to account for the proper disposal and recycling of resultant materials.
- Introduce new and more stringent laws for big companies to reduce emissions and waste.
- Ban the production and use of plastic completely.
- Every city shall have its own powerhouse to increase energy efficiency.
- Initiate awareness campaigns to respect one another and the environment.
- Use AI more to replace human activity that pollutes.
- For every car that is manufactured, a bicycle or a scooter should be produced.
- Promote the use of bicycles by making cities more bicycle-friendly rather than car-friendly.
- Give more incentives to schools to implement actions for climate.

## **'Migration Face to Face' - Open Dialogue**

Migration is one of the most pressing issues the European Union has been facing over the years. The issue has therefore gained a lot of media attention, resulting in diverse perspectives and opinions among citizens.

To this end, on November 16, SEM teamed up with the European Parliament Liaison Office in Malta and the NGO 'VisMedNet' to organise an open discussion about legal and humanitarian aspects of migration.

The programme dealt with safe and legal routes as well as the media narrative of migration, with a special focus on narratives from Nigeria. Furthermore, there was an input from 'The Real Picture' - an Erasmus plus project that promotes social justice and aims at informing citizens about the reality and danger migrants face.

Participants had the opportunity to get different perspectives on the issue of migration, facilitate exchange and express their points of view and to come up with constructive ideas.

## Policy Outreach

With the launch of SEM, a new function of the Agency was introduced to keep citizens and organisations informed on EU policy proposals and initiatives and to engage them in discussions related to the European Union.

The new Policy Outreach function mainly consists of dedicated campaigns that vary in nature and type, depending on the subject matter, the audience they intend to reach and engage, and the expected outcome.

Apart from communicating policy proposals and adoption of new legislation to stakeholders, information sessions and discussions are held throughout the year with stakeholders, to encourage their feedback to the proper decision-making channels.

Some of the topics addressed in 2021 were the Proposal for a Regulation establishing a Cross-Border Adjustment Mechanism, the new Strategic Framework for Education and Training 2030, Malta's Low Carbon Development Strategy and a Green Paper Towards Cleaner Vehicles on our Roads, a Proposal for a Regulation on the Data Governance Act, a Proposal for a Regulation on the Digital Services Act, the Review of the Action Plan on Trade and Sustainable Development, and the proposed review of the Energy Taxation Directive.

Feedback on the proposals is encouraged, either directly to the European Commission in case of online consultations, or directly to Ministries on dossiers that are put for feedback by government entities locally. Such feedback feeds into the formulation of the government position to be taken at EU Council level.



## The new Strategic Framework for Education and Training 2030

The vital role of education and training in shaping the future of Europe, especially when it comes to supporting the green and digital transitions, calls for ongoing updating and targets, especially at a time when the COVID-19 pandemic has brought different challenges and opportunities for education and training systems and triggered a shift to distance and blended teaching and learning.

In this context, during June and July, SEM and the Ministry for Education organised a series of five online discussions with interested stakeholders on the new Strategic Framework for Education and Training 2030.

The topics of the sessions addressed aspects such as the quality of education, inclusion, equity, lifelong learning, mobility, competences and motivation of the education profession and, higher education.



## Improving Quality, Equity, Inclusion and Success for All

The first session, held on July 10, was addressed by the Minister for Education, Dr Justyne Caruana and the Minister within the Office of the Prime Minister, Carmelo Abela, followed by a panel discussion.

Minister Carmelo Abela emphasised that education and training are crucial for citizen development, and therefore they ought to have the opportunity to not only discuss but also to shape the future of education. He explained that SEM's role is crucial as an agency that involves citizens, organisations and other stakeholders in local and European-level decision making in sectors such as education.

Minister Justyne Caruana said that the Government's vision is to ensure education excellence. The Ministry for Education is working towards an equitable and modernised education system able to maximise the opportunities afforded by the digital economy and the green transition.

## Making Lifelong Learning and Mobility a Reality for All

Societal, technological, digital, environmental and economic challenges are increasingly affecting everyday life, including the distribution of jobs and the demand for skills and competences. The high number of career transitions that the average European citizen is expected to go through, coupled with the increase of the retirement age, make lifelong learning and lifelong career guidance, essential for a just transition, as education and skills levels continue to be a fundamental factor in the labour market.

In this context, on June 17, SEM and the Ministry for Education held the second online discussion with interested stakeholders on the new Strategic Framework for Education and Training 2030. This session focused on strategic priority 2 - Making Lifelong Learning and Mobility a Reality for All, with a panel of experts in the education and training fields.

The online session focused on adult learning, reskilling and upskilling, the quality of guidance systems, and to make lifelong learning for employees more easily accessible.

The panel of experts was composed of Sandra Ebejer (Director, Directorate for Learning and Assessment Programmes, Ministry for Education), Prof. Godfrey Baldacchino (Pro-Rector, International Development and Quality Assurance Rectorate, University of Malta), Aleks Farrugia (Director, Directorate for Research, Lifelong Learning and Employability, Ministry for Education).

Issues that were raised by participants during the discussion:

- Offering better quality lifelong learning for all learners, including through ensuring flexibility between different learning pathways in various forms and levels of education and training, as well as validation of non-formal and informal learning.
- To have a learner-centric high-quality education would also mean less focus on textbooks and confinements in classrooms and more outdoor learning in the early/primary years. Need to focus more on emotional intelligence and integrate STEM education in primary classes.
- Wider upskilling and reskilling training opportunities, including at higher qualification levels and throughout the working life. This would only be possible for employees through employer-employee agreements, giving also the possibility for training during working hours.
- Time has come to focus more on project-based learning rather than us teachers teaching isolated subjects.
- Online learning and flexible working hours allow for further opportunities to upskill and develop potential, giving special attention to issues which particularly affect women.
- More incentives need to be introduced including the full sponsorship of Master's and Doctoral degrees. This will surely make training inclusive irrespective of the financial limitations and other loan-commitments of the participants.
- Flexibility (both in the delivery of sessions as well as in the mode of assessment) is a must in today's context. Covid19 accelerated the speed of these, much required changes in the way teaching and learning is conducted.

## Enhancing Competences and Motivation in the Education Profession



The constantly changing world of education and training, with increasing demands, responsibilities and expectations on the profession and the professionals, have an effect not only on the competences required, but also on teachers' and trainers' wellbeing and the attractiveness of the teaching profession.

Therefore, development of key competences, their validation and the provision of competence-oriented education, training and learning should be supported by establishing good practices for better support of educational staff in their tasks and improving their education, for updating assessment and validation methods and tools, and for introducing new and innovative forms of teaching and learning.

These issues were addressed on June 24, during the third online discussion on the new Strategic Framework for Education and Training. It focused on the third strategic priority – Enhancing Competences and Motivation in the Education Profession and addressed the competences educators need, and what policies and practical provisions can support teachers and trainers throughout their careers.

Panel Members: Joanne Rita Grima (Chief Executive Officer, Institute for Education), Dr Colin Calleja (Dean, Faculty of Education, University of Malta), Emile Vassallo (Director General, Directorate for Educational Services, Ministry for Education).

Issues that were raised by participants during the discussion:

- Support innovation, inclusion, quality and achievement in education and training.
- Care for well-being of teachers, trainers and educational staff.
- Implementation of policies has to involve not only teachers, but parents, guardians and the whole community.
- Increase the attractiveness of the teaching profession.
- Facilitating networking, knowledge sharing and mobility among institutions.
- The services are there, but they should be pushed into schools and not the other way round.
- Experiences abroad for educators increase motivation and gives them the message that they are worth investing in.

## Reinforcing European Higher Education

The online session on July 1 focused on Higher Education and addressed the actions needed to encourage more work-based learning and enhanced cooperation between institutions and employers, while fully respecting the holistic approach of higher education and the autonomy of higher education institutions.

Panel Members: Dr Roseanne Cuschieri (Chief Executive Officer, Malta Further and Higher Education Authority), Dr Mario Cardona (Deputy Principal, Technology and Applied Sciences (VPET), Malta College of Arts, Science and Technology), Prof. Tanya Sammut Bonnici (Pro Rector, Strategic Planning & Enterprise, University of Malta).

Issues raised by participants during the discussion:

- Education should not be job-centred but person-centred. What motivates one to study should not be the prospect of having a good job, or financial gain, but about quality of life, learning for the sake of learning, and life enrichment.
- In the last decade, the notion of upskilling and reskilling has been addressed from an economic perspective (education for employability). Education is about individuals and jobs. So, the primary aim of lifelong learning should be that of making better persons, not better jobs.
- As a nation we need to invest more in STEAM education from as early as Primary schooling. We need to move away from textbook-based teaching and present more experiential learning. This will nurture a cohort of students who will address the needs of our country in the future.
- As a country we need to encourage more students to apply for Master's and Doctoral degrees. This will address Targets 5 and 6. One way of encouraging more studies to further their studies is through a full sponsorship.
- Need for more incentives for more people to attend courses and provide better quality teaching and learning.
- Need for training in soft skills for people who are already in their job such as integrity, dependability, effective communication, open-mindedness, and teamwork.

## Supporting the Green and Digital Transitions in and through Education and Training

The cross-cutting priorities on the EU's agenda for the next decade - the green and digital transitions - were discussed during the fifth and last session held on July 8.

The Council Resolution on European Cooperation in Education and Training towards the European Education Area and Beyond (2021-2030) establishes that both the transition to an environmentally sustainable, circular and climate-neutral economy as well as a more digital world, will have significant social, economic and employment impacts.

This is to ensure that all citizens obtain the necessary knowledge, competences, skills and attitudes to cope with these changes, for a socially just transformation of the EU.

Panel members: Grazio Grixti (Director, Directorate for Digital Literacy and Transversal Skills, Ministry for Education), Edwin Zammit (Deputy Director for Innovation, R&I office, Malta College of Arts, Science and Technology), Melchisedech Zarb (Head of Project Design, Foundation for Tomorrow's Schools).

Issues raised by participants:

- Education for Sustainable Development is very relevant for the green transition and to aid for a change in behaviour which is required to a positive environmental change and to find a balance between Environment, Economy and Society. This is important for all learners, both formal and informal.
- A lot of kids in the present generation will most likely have 'green jobs', and at the moment they are not being sufficiently trained to have the skills needed for sustainable development in schools.
- With regards to digital literacy, training should be extended to all stakeholders in schools (including subject coordinators etc..) as a lot of them still have a very narrow-minded definition of the use of technology in schools, especially post-Covid.
- An important consideration in all areas of the curriculum is processing and content. Processing has to be pointed out and taught for it teaches the learners how to think. Educational psychologist Benjamin Bloom's taxonomy of learning starts off from the lowest level of learning, that is to remember what you understand, apply, analyse, evaluate and finally create.
- It is important that when developing strategies, stakeholders (State, Independent and Church schools) are consulted not only individually but together, so that resources are maximised and the different players collaborate for better outcomes.

## **Review of the Action Plan on Trade and Sustainable Development**

The Action Plan on Trade and Sustainable Development (TSD) provides a roadmap for future work to improve the implementation and enforcement of the TSD chapters in EU free trade agreements. Organised under four headings: Working Together; Enabling Civil Society; Delivering; and Communicating and Transparency, the Action Plan aims to ensure that countries comply with their commitments through more assertive enforcement, facilitate the monitoring role of civil society and make EU resources available to support the implementation of sustainable development chapters in trade agreements.

Last year the European Commission embarked on a review of the TSD action plan to engage in a transparent and inclusive way with civil society, by gathering input on the implementation and enforcement of TSD provisions by a number of EU partners in their trade agreements.

SEM and the Department for Economic Policy within the Ministry for Finance and Employment held an online information session on September 29 to brief stakeholders on the European Commission's ongoing online consultation on the review of the TSD action plan.

Mr David Sammut, Director for International Economic Policy, gave an overview on the topic to a number of social partners and explained the elements of the subject matter on which they are encouraged to provide their feedback to the Commission's online consultation. Mr Sammut explained how sustainable development started being included in Free Trade Agreements with third countries in the last 12 years, to ensure a level playing field and standards in areas such as corporate social responsibility, human and social rights, environment and climate change.

## Review of the Energy Taxation Directive

On November 17, SEM and the Economic Policy Department within the Ministry for Finance and Employment organised an online information session on a proposed review of the Energy Taxation Directive.

The proposed review aims to align the taxation of energy products with EU energy and climate policies, to contribute to the EU2030 energy targets and climate neutrality by 2050 by promoting clean technologies and remove outdated exemptions and reduced rates that currently encourage the use of fossil fuels.

During the information session, officials from the Ministry for Finance and Employment explained the details and wide-ranging implications of the proposal for a wide range of sectors, in view of taking feedback from interested stakeholders.

The European Commission's objectives are to switch from volume to energy content-based taxation, by grouping energy products (used as motor or heating fuels), by eliminating incentives for fossil fuel use and by introducing a ranking of rates according to their environmental performance. According to this ranking, conventional fossil fuels, such as gas oil and petrol will be taxed at the highest rate. The next category of rates applies to fuels that are fossil based but are less harmful and still have some potential to contribute to decarbonisation in the short and medium term.

In some sectors, mainly in those that may currently benefit from total exemptions such as aviation, or heating fuels for non-vulnerable households, transition periods will apply to mitigate the economic and social costs of introducing taxation, however a high rate is still being proposed for kerosene used for aviation.

The proposal also considers the social dimension by introducing the possibility to exempt vulnerable households from taxation of heating fuels for a period of ten years and by introducing a transitional period of ten years for attaining the minimum rate of taxation.

The proposed directive is expected to contribute positively to the environment, by providing the right incentives to further invest in new technology and alternative, more sustainable fuels.

## Promoting Improved Social Dialogue in Malta



During 2021, SEM implemented a project entitled 'Promoting Improved Social Dialogue in Malta' (PRISM). This project was supported by Norway through the Norway Grants 2014-2021, in the frame of the Programme "Social Dialogue - Decent Work".

The main objective of the project was that of conducting a comparative research study on social dialogue in Norway and in Malta and come up with recommendations to strengthen social dialogue in Malta.

The project started being implemented through an online meeting with three Norwegian social partners for Maltese social partners and members of the European Economic and Social Committee to gain practical insight on the Norwegian model of tripartite dialogue. On the basis of this meeting as well as a research study, a report was published outlining current practices in social dialogue in both Malta and Norway to provide recommendations for the improvement of social dialogue in Malta.

The final report of the study was presented to the Minister within the Office of the Prime Minister, Carmelo Abela, responsible for social dialogue in the presence of social partners and government officials.

From the project report it transpired that social dialogue is a catalyst of change and is a most important platform to help in the process of transition not just of the world of work, but also of society in general. Undoubtedly, both Norwegian and Maltese models of social dialogue, although different, have the same vision - working together towards a shared future.

The study concluded that whichever model a country adopts, all players in social dialogue need to ensure that the model remains relevant in society in the future, as much as the present. Account needs to be taken of economic, social, technological, environmental and legislative developments.

Social dialogue in Malta will become more effective if it is more results-oriented and focuses on outcomes. The process of social dialogue needs to move from a model based on information sharing to one which is based on engagement.

## Network of Networks Meetings



Periodically, SEM and Europe Direct Valletta bring together EU related national contact points and information providers in Malta to discuss issues of common interest and to find ways of collaboration to reach out to citizens in terms of rights, obligations, benefits and opportunities as European citizens.

The first meeting for 2021 was held online on March 30. During the meeting, SEM CEO Mandy Falzon gave an overview on the mission and functions of SEM, officially launched the previous week, to inform, engage and support citizens and organisations to reap the benefits of EU membership. Following this presentation, a representative from the Ministry for the Economy and Investment, explained the benefits of the revamped 'Your Europe' portal of the European Commission, that serves as a useful tool for citizens and businesses to find information and ask questions about their rights and/or obligations.

A second online meeting, organised in collaboration with the European Commission Representation in Malta, was organised on July 13. Communication expert Tom Moylan, from the Office of the Director General in DG Communication of the European Commission, shared some tips and ideas on how to be strategic in the use of social media to communicate EU related matters to different audiences. Drawing on examples, practical exercises and personal experience, Mr Moylan addressed questions related to which audiences to target and how, and what material should be posted and where.

During a third meeting, held on September 27 at the SEM premises in Valletta, participants held an open discussion and shared experiences on how they provide information to persons and entities and how they attend to requests for assistance they receive on a day-to-day basis. Participants also discussed ways of further collaboration to provide better EU related services in Malta.

On December 4, SEM officials participated in the fourth meeting organised in Gozo by the European Commission Representation. The meeting served as a training session to local information providers and national contact points, delivered by Nathalie Kennely on emotional intelligence at the workplace.

---

# SUPPORT

SEM supports organisations in applying for open EU funding opportunities and in implementing EU funded projects.

SEM

At SEM we are committed to provide personalised and free of charge assistance in the practical aspects related to EU funding opportunities throughout the application and implementation phases.

This is done through the dissemination of EU funding information through a myriad of communication channels, the organisation of training and information sessions on project development and project writing, a customer help desk to provide specific technical assistance on EU funding, as well as one-to-one meetings to give practical advice related to project planning and design.

As a result of the revised functions of the Agency, SEM is now offering also support to civil society organisations, local and national governmental organisations in the implementation of EU funded projects. This service will complement the support provided to organisations during the application stage. This would ensure that organisations not only apply and benefit from EU funding but also receive the necessary assistance to implement their projects successfully.

2021 saw the launch of several EU funding programmes under the new Multiannual Financial Framework, with several programmes introducing new priorities and procedures to apply. The team monitored constantly the different funding platforms to ensure that it can inform potential applicants immediately of any new EU funding opportunities.

Throughout the year, SEM officials held 375 one-to-one meetings with potential beneficiaries to discuss project proposals and identify EU funding possibilities, attended to 358 requests for information, assisted organisations in the submission of 95 applications for funding, organised 8 training and information sessions, and supported 14 organisations in the implementation phase of their EU-funded projects.

## Supporting organisations to apply for EU funding

In 2021, 95 applications were submitted for funding under various EU funding programmes including LEADER, Erasmus+, the Internal Security Fund, the European Regional Development Fund, the Technical Support Instrument and the European City Facility.

Several entities acquired funding for projects on the preservation and restoration of cultural heritage across the Maltese Islands. This includes projects by band clubs, local councils and cultural organisations for the preservation of cultural assets, acquisition of equipment in use in cultural activities and restoration of cultural sites such as the Ghallis Tower in Naxxar.

A number of projects in the fields of both school education and higher education managed to successfully receive funding through SEM assistance. Within this field, projects promoted the capacity-building of teaching staff, entailed the exploration of innovative tools such as drama for use in the classroom or focused on the embellishment of school environments, for example through greening initiatives.

The agency also assisted organisations to tap into funding for projects promoting the social inclusion of persons at risk of marginalisation including the elderly and third country nationals.

## Capacity Building for organisations in EU funding

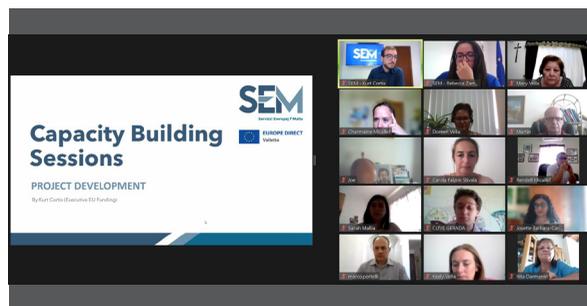
As part of our mission to support the organisations to acquire the necessary skills to apply for EU funding, capacity building sessions and interactive webinars were held throughout the year on project development and writing.

The pandemic did not put a stop to these efforts and the work continued tirelessly to support NGOs, schools, local councils and government entities to learn how to develop and submit a strong project proposal for EU funding.

The sessions delved into project design, understanding a call for proposals, how to prepare for the submission of a proposal, finding and selecting a project partner, the project development process and practical tips for successful project proposals.

These were followed by four interactive webinars in which participants were given hands-on examples to put into practice the matters covered during the training sessions.

As a follow-up to the sessions, SEM also gave the opportunity to participants to continue honing their knowledge on project development by participating in small-group sessions where they worked together as a group to develop a mock project.



## Supporting organisations to successfully implement EU funded projects

The introduction of this new service was another leap forward in the range and quality of assistance provided to organisations by the Agency. The introduction of this service was primarily brought about by the need highlighted by organisations during studies carried out and also one-to-one meetings, which at times struggled for reasons related to time and capacity to implement their projects.

Between March and December, the Agency was already assisting 14 organisations with their projects. This assistance ranged from advice on signing of grant agreements, procurement processes, processing of payments, facilitating meetings and drafting of formal replies to managing authorities.

A number of documents were also prepared to serve as guidance notes for all beneficiaries and will be published and updated constantly to provide the necessary assistance to organisations during their project implementation.

## EU Funds in our community

EU funds are an important vehicle by which EU priorities and policies are funded. Other than complimenting national budgets, they provide an important financial resource to organisations at the national, regional and local level to implement projects in our communities.

Throughout 2021, several events were organised to promote the work of the Agency when supporting organisations to apply for EU funding. The various projects promoted served as a practical example of how EU funds are used with the Maltese community.

Since its inception in 1991, the EU initiative LEADER became widely recognised as being a successful and innovative pilot instrument to mobilise local actors in a bottom-up, territorial and integrated approach to pursue local development in rural areas.

The Europe for Citizens programme was also an important funding vehicle for local and regional councils to encourage citizens to participate and engage in democracy at the EU level. Town twinning is one of the main funding strands of this programme and aims to bring together citizens from twinned towns to debate issues on the European political agenda.

## Town twinning led by the Marsascala Local Council



The Marsascala Local Council, with the assistance of SEM, implemented successfully a town-twinning project which brought together participants from Malta, Italy, Germany, Poland and The Netherlands.

The participating municipalities all form part of what is called douzelage - a town twinning association comprising one town from each of the EU's Member States.

The town twinning project consisted of discussions about the future of Europe and Euroscepticism - a phenomenon which has been on the rise in the last decade and which put to question the values of the EU and the European project itself.

The project was aimed to raise awareness at the local level by engaging in debates on Euroscepticism and the future of Europe, identifying the role that local communities can have in the European project in the future, and finding common solutions for the integration of foreign communities into the local one.

Throughout the four-day twinning project, the participants entered into a number of debates, discussions, workshops and presentations on four topics, namely European Identity, lack of clarity and bureaucracy of the EU, immigration and refugee crisis and the integration of cultures in local communities.

## Restoration works - St Joseph Band Club, Hal Ghaxaq

SEM assisted the St Joseph Band Club in Hal Ghaxaq to carry out restoration works on the Club's prominent dome. The current premises of the St Joseph Band Club, built between 1985 and 1990, features a prominent dome, which is a unique feature not typically found in local band clubs. Along the years, the dome suffered structural damage, due to its exposure to natural elements and the lack of proper ventilation. As a result of this, the decorations and the paintings that adorn it internally, have also been damaged.

The project consisted in substantial works to restore the dome.

## Theatre restoration - Maria Mater Gratiae Band Club, Haż-Żabbar



SEM has also provided the necessary professional assistance to the club to acquire funding to carry out restoration works at the Blue Arena open air theatre within the premises of the Club.

Through this project, the façade of the Blue Arena open air theatre is being restored to its original glory, as over the years it has deteriorated, mainly due to weather conditions. Apart from the restoration works, the band club will be able to purchase and install a shutter system to protect the theatre from natural elements and thus ensure that the inner part of the stage is preserved as much as possible. The stage of the Blue Arena will also be equipped with the necessary lighting that is used during the activities and events that are organised on the theatre.

The Blue Arena open air theatre was originally built in 1948 and was used for various activities ever since. The EU funded project will make it possible for the Band Club to use the theatre to its full potential.

## Renovations - Boċċi Club, Hal Għaxaq

With the assistance of SEM, the Hal Għaxaq Boċċi Club has embarked on two projects to improve the facilities of the Club for its members and attract new ones.

EU funds were used by the Hal Għaxaq Boċċi Club to purchase a pergola which will enable them to host events all throughout the year rather than being constrained by weather conditions. This investment will enable the club to diversify its annual calendar of events, further promoting this traditional Maltese sport and assisting them in organising innovative activities which can attract youths to this sport. If traditional sports such as lawn bowls (boċċi) are not kept alive by clubs such as this one, they run the risk of being lost.



For another ongoing project, the Club is investing in equipment that will strengthen the organisation and continue providing a better experience to its members. The Club will be using EU funds to upgrade and renovate the Committee office and invest in office-related equipment for the management of the organisation.

## Reach-Out Centre - Hal Tarxien

Through the assistance of SEM, Tarxien Local Council successfully applied for the first call of the Small Grant Scheme, and over the past year has been working to bring to fruition the Tarxien Reach Out Centre.

The Local Council conceptualised a community centre following a strong wish amongst Tarxien residents for more social opportunities, and to address the varied needs of different groups within the locality.

The project involved the infrastructural upgrades required to create a comfortable and modern venue and furnish it with the necessary equipment to make the Centre a multi-purpose location to be used for different events. Thus, the Centre will now be used to house a number of support activities, as well as the community's public library.

Through the project, the Local Council will be able to host a number of primary and secondary-level courses as well as an artisanal course, and physical exercise sessions. Besides these structured courses and sessions, the Council will also hold a variety of other more informal educational, social, and well-being activities and get-togethers for the community.

## GDPR - Awareness-raising and training



SEM assisted the Office of the Information and Data Protection Commissioner (IDPC) in applying for EU funds to promote citizen's rights in relation to the General Data Protection Regulation (GDPR).

The main objective of the project is to increase awareness amongst the Maltese general public and business stakeholders on GDPR obligations and general regulations (in particular micro, small and medium-sized enterprises). The IDPC is the national Data Protection Authority in Malta tasked with supervising the application of the data protection law, providing expert advice and managing complaints of violations.

In the formulation of the proposal for this project, a needs-based approach was undertaken to ascertain that the proposed activities reflect directly and explicitly the identified shortcomings of the specific and varying target groups.

## Improving Digital Skills

SEM assisted the Directorate for Digital Literacy and Transversal Skills within the Ministry for Education in applying for EU funds under the Erasmus+ programme. The project provides the opportunity for collaboration, observation and exchange of good practices between four organisations in Europe, to be better able to integrate innovative technologies across all levels of the public educational system.

The main goal of the project is to give the opportunity to more educators to embrace innovation in their classroom pedagogy and for the students to have more opportunities to use technology in a meaningful learning environment.

## Erasmus+ Projects - Frame Football Malta



Two projects, 'Diverse' and 'Determined', were implemented by Frame Football Malta, involving some 78 young persons. The projects were implemented through the assistance of SEM for the NGO to acquire around €60,000 from the Erasmus+ programme.

## **Project 1: Diverse**

This project was held in Italy and involved the participation of 34 young persons, out of which 17 were persons with a physical disability. The objectives of the project were to promote sport as a social learning process; promote inclusion; and provide information on employment. Although the social background of these participants varies, they were all interested in football and participants had the opportunity to meet people from another country in Europe who are also interested in football and learned to appreciate the European cultural differences.

## **Project 2: Determined**

The second project was held in Malta with the participation of 44 youths, out of which 10 were people with a disability. The theme of this project was inclusion through sports. Team sports such as football enable the sharing of ideas and experiences to achieve goals. The project helped participants with disabilities to build self-confidence by offering them the opportunity to play frame football.

## **Raising Awareness against Bullying - bBrave**

The voluntary organisation bBrave launched an EU Funded project: Bullying and Ostracism at the Workplace.

Funded by the European Social Fund (ESF), this project seeks to undertake a national study to determine the scale and nature of the issue in Malta. Also, the project will undertake a national promotional campaign to raise awareness of the issue, reducing the stigma and encouraging people to seek help.

SEM assisted bBrave to apply for this EU Funded project and is currently assisting the voluntary organisation to implement it.

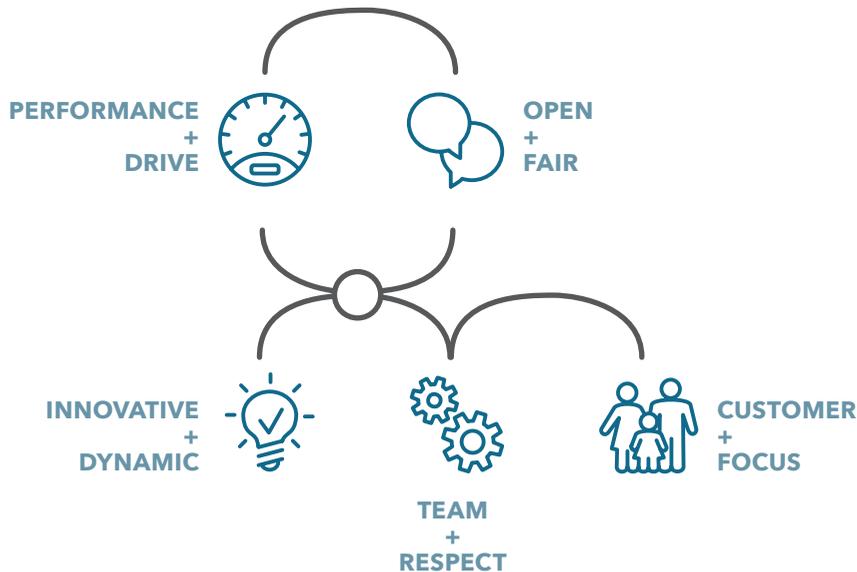
# PEOPLE AND CULTURE

At SEM our people and our culture ensure that we constantly strive to do things better.

SEM

SEM is proud to have a team of professional and dedicated personnel, determined to provide efficient and personalised services to non-governmental organisations, government entities, local councils and citizens.

SEM promotes an inclusive work environment, harnessing a flexible and friendly approach towards employees who enjoy equal opportunities to progress. At SEM, we acknowledge our employees' efforts, loyalty and dedication and foster communication and collaboration, where all employees feel part of the organisation.



### Continuous Professional Development

Throughout the year, all employees are encouraged to participate in various training opportunities to continue to nurture their skills.

In 2021, employees participated in training related to procurement, financial planning, evaluation techniques, equal treatment and opportunities at the workplace and use of online tools and resources.

All employees were also provided with tailor-made training to continue to develop team dynamics and ensure that all employees are given the necessary tools and support to excel in their job. Amongst others, specific training was organised on developing soft skills and adaptation to change. This was done through several learning approaches and participative exercises.

In view of the pandemic the team worked remotely for almost three months in 2021. Despite the challenging circumstances, regular staff meetings and team building activities were held to support positive team dynamics and interaction amongst employees.

# TESTIMONIALS



SEM has been crucial in the implementation of our EU funded projects. Great and professional support from beginning to end of the process. The team is really informed, and they go the extra mile to provide the best possible results. I highly recommend them unreservedly and one can rest assured to receive a service of good quality.

**KENDRICK BONDIN**

Section Secretary  
General Workers Union



SEM.GOV.MT



SEM's support during the implementation of our EU funded project is indispensable to us. The support received from SEM at this stage of our project has motivated us to work hard to get the best results for the full benefit of the project's beneficiaries.

**MARTHESE MUGLIETTE**

President  
Malta Association of Supported Employment



SEM.GOV.MT



SEM have immersed themselves fully in our project, sharing our level of enthusiasm - their experience is proving to be a true asset for the successful implementation of our project.

**AARON ZAMMIT APAP**

Secretary General  
bBrave



SEM.GOV.MT



SEM's services have been incredibly useful, if not essential to our work for our EU-funded projects. As an NGO, we have limited resources available and rely on such support services to assist us in our projects. Without their support, knowledge and assistance, it would not be possible to implement our proposals.

**CHARLOTTE PORTELLI**

Project Manager  
Victim Support Malta



SEM.GOV.MT

---

# AGENCY REPORT AND FINANCIAL STATEMENTS

For the year ended December 31, 2021

SEM

# CONTENTS

Agency's Report.....	50
Independent Auditors' Report.....	52
Statement of Comprehensive Income.....	54
Statement of Financial Position.....	55
Statement of Changes in Equity.....	56
Statement of Cash Flows.....	57
Notes to the Financial Statements.....	58

# Agency's Report

For the Year ended 31 December, 2021

The Chief Executive Officer (CEO) presents the annual report together with the audited financial statements of Servizzi Ewropej f'Malta (formerly known as Malta-EU Steering & Action Committee) for the year ended 31 December, 2021.

## General Information

Servizzi Ewropej f'Malta, formerly known as Malta-EU Steering & Action Committee (hereafter the "Agency") was established in 2021 by virtue of the Public Administration Act (Cap.595) by Legal Notice 445 of 2020 hereafter (the "Act") as an agency, which shall carry out functions related to consultation on European Union (EU) policy and legislation, EU- related information and assistance on EU funding programmes.

## Principal Activities

The Agency's principal activities are to inform citizens on the latest developments in the EU's strategies, policies, legislation and initiatives, including related rights, obligations, benefits and opportunities, including EU-funding opportunities. Engage citizens in the EU's decision-making process by facilitating feedback on EU policies and legislative proposals and involving them in EU initiatives and actions. Support organisations in tapping into EU-funding opportunities by informing them on funding opportunities, helping those who are interested in applying for available funds and guiding successful applicants in implementing their projects.

## Change of Name

On 25 March 2021, the Agency changed its name from Malta-EU Steering Action Committee to Servizzi Ewropej f'Malta.

## Results

The Agency registered a surplus of €161,315 for the year ended 31 December 2021 (2020: €71,375) as shown in the Statement of Comprehensive Income on page 54.

## Disclosure of Information to the Auditors

The CEO is aware, there is no relevant audit information of which the Agency's auditors are unaware. All steps have been taken to ensure that the Agency's auditors are aware of any relevant information.

## Events after the end of the reporting period

No significant events have occurred after the end of the reporting period which require mention in this report.

## Future Developments

The Agency is not envisaging any changes in operating activities for the forthcoming year.

## Bankers

Bank of Valletta p.l.c.  
Cannon Road  
Santa Venera SVR 9030  
Malta

Central Bank of Malta  
Castille Place  
Valletta VLT 1060  
Malta

## Statement of Responsibilities of the Agency

The Public Administration Act (Cap.595) article 31(a) of the Laws of Malta requires the CEO to prepare financial statements for each financial year ended which give a true and fair view of the state of the affairs of the Agency and of the profit or loss of the Agency for that period. In preparing these, the CEO is required to:

- adopt the going concern basis unless it is inappropriate to presume that the Agency will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The CEO is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agency and to enable them to ensure that the financial statement comply with the Public Administration Act, enacted in Malta. The CEO is also responsible for safeguarding the assets of the Agency and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Auditors

PKF Malta Limited, Registered Auditors, have expressed their willingness to continue in office.

Approved by the Chief Executive Officer and signed on 22 February, 2022:



**Ms Mandy Falzon**  
**CEO**

Registered Address:

Head Office  
280, Republic Street  
Valletta  
VLT 1112  
Malta

# Independent Auditor's Report

To the CEO of **Servizzi Ewropej f' Malta** (formerly known as **Malta EU Steering & Action Committee**)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Servizzi Ewropej f' Malta** (formerly known as **Malta-EU Steering Action Committee**) set out on pages 54 to 70 which comprise the statement of financial position as at 31 December, 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Agency as at 31 December, 2021, and of its financial performance and cashflows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Public Administration Act, Cap. 595 of the Laws of Malta.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The CEO is responsible for the other information. The other information comprises the CEO's Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed, in our opinion:

- the information given in the CEO's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the CEO's report has been prepared in accordance with the Public Administration Act (Cap. 595) of the Laws of Malta.

In addition, in light of the knowledge and understanding of the Agency and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the CEO's report and other information. We have nothing to report in this regard.

### Responsibilities of the CEO

The CEO is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Public Administration Act, Cap.595 of the Laws of Malta, and for such internal control as the CEO determine

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the CEO is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the CEO either intend to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The principal in charge of the audit resulting in the independent auditor's report is Mr George Mangion for and on behalf of:

PKF Malta Limited  
Registered Auditors  
15, Level 3, Mannarino Road  
Birkirkara BKR 9080, Malta  
22 February, 2022

# Statement of Comprehensive Income

For the Year ended 31 December, 2021

		2021	2020
	Note	€	€
Subvention and contributions	3.	955,184	998,384
Other income	4.	20,492	15,557
Administrative and other expenses		(811,245)	(939,111)
Finance costs		(3,116)	(3,455)
<b>Profit for the year</b>		161,315	71,375

The notes on pages 58 to 70 form an integral part of these financial statements.

# Statement of Financial Position

As at 31 December, 2021

	Note	2021 €	2020 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7.	62,456	72,476
<b>Current assets</b>			
Trade and other receivables	9.	43,131	33,719
Cash and cash equivalents	10.	458,875	340,019
<b>Total current assets</b>		502,006	373,738
<b>TOTAL ASSETS</b>		564,462	446,214
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Retained earnings		457,013	295,698
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease Liability	8.	42,154	48,835
<b>Current liabilities</b>			
Lease liability		6,681	6,324
Trade and other payables	11.	58,614	95,357
<b>Total current liabilities</b>		65,295	101,681
<b>TOTAL EQUITY AND LIABILITIES</b>		564,462	446,214

The notes on pages 58 to 70 form an integral part of these financial statements.

These financial statements on pages 48 to 70 were approved by the Chief Executive Officer and authorised for issue on 22 February, 2022 by:



**Ms Mandy Falzon**  
Chief Executive Officer

## Statement of Changes in Equity

For the Year Ended 31 December, 2021

	<b>Accumulated Fund</b>
	<b>€</b>
<b>Balance as at 31 December, 2019</b>	224,323
Surplus for the year	71,375
<b>Balance as at 31 December, 2020</b>	295,698
Surplus for the year	161,315
<b>Balance as at 31 December, 2021</b>	457,013

The notes on pages 58 to 70 form an integral part of these financial statements.

## Statement of Cash Flows

For the Year Ended 31 December, 2021

Note	2021 €	2020 €
<b>Cash from operating activities:</b>		
Profit from operations	161,315	71,375
Interest expense to reconcile to profit (loss) from operations	3,116	3,455
Depreciation	16,621	15,822
Gain on disposal of assets	-	325
<b>Profit from operations</b>	<b>181,052</b>	<b>90,977</b>
Movement in other receivables	(9,412)	8,947
Movement in trade and other payables	(36,743)	51,629
<b>Net cash flows from operating activities</b>	<b>134,897</b>	<b>151,553</b>
<b>Cash flows from investing activities:</b>		
Payments to acquire property, plant and equipment	(6,601)	(5,385)
<b>Net cash flows used in investing activities</b>	<b>(6,601)</b>	<b>(5,385)</b>
<b>Cash flows from financing activities:</b>		
Repayment of finance lease liabilities	(9,440)	(9,440)
<b>Net cash flows used in financing activities</b>	<b>(9,440)</b>	<b>(9,440)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>118,856</b>	<b>136,728</b>
Cash and cash equivalents at beginning of year	340,019	203,291
<b>Cash and cash equivalents at end of year</b>	<b>458,875</b>	<b>340,019</b>

10.

The notes on pages 58 to 70 form an integral part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 December, 2021

## 1. General Information

Servizzi Ewropej f'Malta (the "Agency") was established in 2021 under the Public Administration Act (Cap. 595) in terms of Legal Notice 445 of 2020. The Office of the Agency is situated at 280, Republic Street, Valletta, VLT 1112, Malta. The ultimate controlling party of the Agency is the Government of Malta.

These financial statements cover the period from 1 January 2021 to 31 December 2021.

### a. Basis of preparation

#### i. Change of name

During the year, the name of the agency was changed from Malta-EU Steering Action Committee to Servizzi Ewropej f'Malta.

#### ii. Statement of compliance

The financial statements of the Agency have been prepared and presented in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the European Union and comply with the requirements of the Public Administration Act (Cap. 595) of the Laws of Malta.

#### iii. Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### iv. Functional and presentation currency

The financial statements are presented in euro (€), which is the Agency's functional currency.

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

#### v. Changes in Accounting Policies and Disclosures

##### **Standards, interpretations and amendments to published standards as endorsed by the EU effective in the current year**

In the current year, the Agency has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in the EU for an accounting period that begins on or after 1 January 2021. The adoption of new and amended standards did not have a material impact on the Agency's financial statements.

- Amendments to IFRS 9, IAS 39, IFRS7 IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase2 (effective for annual reporting periods beginning on or after 1 January 2021)

- Amendment to IFRS 16 COVID-19 Related Rent Concessions (effective for annual reporting periods beginning on or after 01 April 2021)

### **Standards, interpretations and amendments to published standards as endorsed by the EU that are not yet effective**

At the date of the authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by Agency's accounting policies upon their effective date. The Authority is still assessing the effect of these changes on the financial statements, however certain new standards and interpretations are not expected to have a material impact on the Agency's financial statements:

- Amendments to IFRS 3 Reference to the Conceptual Framework (effective for annual reporting periods beginning on or after 1 January 2022)
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual reporting periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Onerous Contracts Cost of Fulfilling a Contract (effective for annual reporting periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (effective for annual reporting periods beginning on or after 1 January 2022)

### **Standards, interpretations and amendments to published standards that are not yet endorsed by the EU**

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (effective for annual reporting periods beginning on or after 1 January 2023)
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023)
- IFRS 17 - Insurance Contracts (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after 1 January 2023)

#### **vi. Going concern**

The financial statements have been prepared on the going concern basis which assumes that the Government of Malta will continue to provide the necessary funding to the Agency to enable it to continue with its activities.

## 2. Significant Accounting Policies

### a. Property, plant and equipment

#### i. Value method

The Agency's property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

#### ii. Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the item and restoring the site to which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment are carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses.

#### iii. Depreciation

Depreciation is charged to the income and expenditure account on a straight-line method over the estimated useful lives of items of property, plant and equipment, and major components are accounted for separately.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The rates of depreciation used are the following:

Furniture and fixtures	10 years
Motor vehicles	5 years
Computer and Electronic Equipment	4 years
Air Conditioners	6 years

No depreciation is provided on assets that are not yet brought into use.

#### *Derecognition of property, plant and equipment*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gains or losses arising on the disposal or retirement of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or administrative and other expenses.

## **b. Right of Use Asset**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Agency expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Agency has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## **c. Impairment of non-financial assets**

The Agency assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Agency makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of comprehensive income (income statement) in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income (income statement). After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

## **d. Financial instruments**

### **i. Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Agency becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

## ii. Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI)

In the period presented, the Agency does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

## iii. Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Agency's cash and cash equivalents and receivables fall into this category of financial instrument.

Even if an instrument meets the two requirements to be measured at amortised cost, IFRS 9 contains an option to designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Where assets are measured at fair value, gains and losses are recognised entirely in profit or loss (fair value through profit or loss, FVTPL). The Agency's investments fall into this category of financial instruments.

## iv. Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements includes loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Authority first identifying a credit loss event. Instead, the Authority considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')

Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date

12-month expected credit losses are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### **v. Classification and measurement of financial liabilities**

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Agency's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Authority's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Authority designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of income and expenditure are included within finance costs.

#### **e. Other receivables**

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due to the original terms of the receivables.

#### **f. Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits.

#### **g. Lease Liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Agency's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

#### **h. Trade and other payables**

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for good and services received, whether or not billed to the Agency.

#### **i. Provisions and contingent liabilities**

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that the Agency will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with sufficient reliability.

#### **j. Subvention and contributions**

Revenue from the subvention voted to the Agency from the consolidated fund is accrued for in accordance with the Agency's approved budget for the year.

#### **k. Government Grants**

Government grants are assistance by government, inter-governmental agencies and similar bodies whether local, national or international, in the form of cash or transfers of assets to the Agency in return for past or future compliance with certain conditions relating to operating activities of the Agency. Government grants are recognised when there is reasonable assurance that the Agency will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

#### **l. Borrowing costs**

Borrowing costs consists of interest and other costs that the Agency incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use of sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. In view of the borrowings of the Agency all interests costs were expensed in the period.

**m. Financial risk management objectives and policies**

At the year end, the Agency's main financial assets on the statement of financial position comprise other receivables and cash. At the year end, there were no off balance sheet financial assets.

At the year end, the Agency's main financial liabilities on the statement of financial position consisted of trade and other payables.

The main risks arising from the Agency's financial statements are interest rate risk, credit risk and liquidity risk. The CEO review and agree policies for managing each of these risks as summarised below:

**i. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**ii. Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instruments leading to a financial loss.

Financial assets which potentially subject the Agency to concentrations of credit risk consist principally of certain other receivables and cash at bank.

The credit risk relating to the Agency's cash at bank is considered to be low since these are placed with quality financial institutions.

**iii. Liquidity risk**

The Agency actively manages its risk of a shortage of funds by closely monitoring the maturity of its financial assets and liabilities and projected cash flows from operations.

**iv. Capital management**

The Agency's objectives when managing capital are to safeguard its ability to continue as a going concern and to ensure that expenditures of the Agency are monitored in line with the financial contributions from the Government and other resources.

The capital structure of the Agency relates mainly with the accumulated fund in the statement of financial position.

### 3. Subvention and contributions

	2021	2020
	€	€
Government recurrent Subvention	900,000	900,000
Government capital subvention	-	50,000
EU Contribution	30,103	16,391
ESF Contributions	-	16,383
Salary Refunds	20,081	15,610
Norwegian Grant	5,000	-
	<u>955,184</u>	<u>998,384</u>

### 4. Other Income

	2021	2020
	€	€
Income from Cost Sharing Agreement	-	4,245
Income from Cost Sharing Agreement	20,492	11,312
<b>Total</b>	<u>20,492</u>	<u>15,557</u>

### 5. Surplus for the year

Surplus for the year is stated after charging the following:

	2021	2020
	€	€
Audit fee	2,360	2,301
Depreciation and amortisation	16,621	15,822
Personal Emoluments	522,716	636,643
	<u>541,697</u>	<u>654,766</u>

During the year under review the average number of persons employed by the Agency was as follows:

	2021	2020
	No.	No.
Full-time:	-	-
Employed by the Agency	15	17
Part-time	-	-
Employed by the Agency	1	1
<b>Total</b>	<u>16</u>	<u>18</u>

## 6. Taxation

The Minister for Finance and Employment has authorised that the Servizzi Ewropej f' Malta (SEM) shall be exempt from payment of income tax in terms of the Article 12(2) of the Income Tax Act (Chapter 123) of the Laws of Malta.

## 7. Property, plant and equipment

	Right of Use Asset - Property	Furniture and fixtures	Motor vehicles	Computer and Electronic Equipment	Air Conditioners	Total
	€	€	€	€	€	€
<b>Cost</b>						
At 01 January 2021	66,809	3,248	17,000	17,725	1,461	106,243
Additions	-	3,776	-	2,285	540	6,601
<b>Balance at 31 December, 2021</b>	<b>66,809</b>	<b>7,024</b>	<b>17,000</b>	<b>20,010</b>	<b>2,001</b>	<b>112,844</b>
<b>Depreciation and impairment losses</b>						
At 01 January 2021	(14,846)	(489)	(10,200)	(7,925)	(307)	(33,767)
Depreciation charge for the year	(7,423)	(702)	(3,400)	(4,763)	(333)	(16,621)
<b>Balance at 31 December, 2021</b>	<b>(22,269)</b>	<b>(1,191)</b>	<b>(13,600)</b>	<b>(12,688)</b>	<b>(640)</b>	<b>(50,388)</b>
<b>Carrying amount</b>						
<b>At 01 January, 2021</b>	<b>51,963</b>	<b>2,759</b>	<b>6,800</b>	<b>9,800</b>	<b>1,154</b>	<b>72,476</b>
<b>At 31 December, 2021</b>	<b>44,540</b>	<b>5,833</b>	<b>3,400</b>	<b>7,322</b>	<b>1,361</b>	<b>62,456</b>

## 8. Lease Liability

	2021	2020
	€	€
<b>Maturity Analysis</b>		
Less than one year	6,681	6,324
One to five years	42,154	39,452
More than five years	-	9,382
<b>Total undiscounted lease liabilities at 31 December</b>	<b>48,835</b>	<b>55,158</b>
<b>Split as follows:</b>		
<b>Current</b>	<b>6,681</b>	<b>6,324</b>
<b>Non-Current</b>	<b>42,154</b>	<b>48,835</b>
<b>Total</b>	<b>48,835</b>	<b>55,159</b>

## 9. Other receivables

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Accrued Income	29,552	14,328
Prepayments	13,579	13,202
Joint Communication Plan	-	6,189
<b>Total</b>	<b>43,131</b>	<b>33,719</b>

## 10. Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following:

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Bank balances	458,867	336,511
Bank Guarantee	-	3,500
Cash on hand	8	8
<b>Total cash and cash equivalents in the statement of cash flows</b>	<b>458,875</b>	<b>340,019</b>

## 11. Trade and other payables

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Trade payables	7,951	53,754
Accruals	9,596	9,137
Deferred Income	41,067	32,466
<b>Total</b>	<b>58,614</b>	<b>95,357</b>

## 12. Related Party Disclosures

### Identity of Related Parties

The ultimate controlling party of the Agency is the Government of Malta.

**Schedule 1****Administrative and Financial Expenditure**

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
<b>Personal Emoluments</b>		
Salaries and Social Security Contributions	522,716	636,643
<b>Utilities</b>		
Telephones, Internet & Mobiles	4,776	6,684
Water and Electricity	7,635	7,013
	<u>12,411</u>	<u>13,697</u>
Materials and supplies	3,244	1,409
Repairs and Upkeep	43,633	136,214
<b>Office Services</b>		
Printing	1,998	2,911
Online Subscriptions	509	811
Newspapers, Stationery and IT Consumables	1,270	663
	<u>3,777</u>	<u>4,385</u>
<b>Transport</b>		
Vehicle Maintenance	1,037	936
Fuel	1,613	1,933
Others	814	862
	<u>3,464</u>	<u>3,731</u>
<b>Travel</b>		
Overseas Tickets	1,014	-
Overseas Subsistence and Accommodation	1,362	-
	<u>2,376</u>	<u>-</u>
Team Expenditure	80,919	45,246
<b>Contractual Services</b>		
Insurance	3,947	5,141
Lift	925	4,050
Other	15,774	-
Cleaning	1,824	11,842
Hosting & IT	29,412	-
	<u>51,882</u>	<u>21,033</u>



	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
<b>Professional Services</b>		
Accountancy	10,031	11,910
Auditors remuneration	2,360	2,301
IT Development expenses	-	413
Other fees	5,203	2,360
	<hr/> 17,594	<hr/> 16,984
Training	11,927	10,820
Incidental Expenses paid from Petty Cash	191	192
European Direct Information Centre Expenses	30,103	15,963
<b>European Social Fund</b>		
Direct Expenditure	-	16,344
Indirect Expenditure	-	40
	<hr/> -	<hr/> 16,384
Bank charges	425	200
Other Expenditure	116	388
EEA Norway Grant	9,846	-
Depreciation and amortisation	16,621	15,822
<b>Total Administrative and Financial Expenditure</b>	<hr/> <hr/> 811,245	<hr/> <hr/> 939,111







## **SEM HEAD OFFICE**

280, Republic Street,  
Valletta VLT 1112

+356 2200 3300

## **SEM GOZO OFFICE**

Triq il-Madonna Tar-Rummiena,  
Xewkija XWK 9082

+356 2155 2868

**[info.sem@gov.mt](mailto:info.sem@gov.mt)**